



**Condensed interim standalone
financial statements
Mostostal Warszawa S.A.**

for the period 01.01.2021 - 31.03.2021

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STANDALONE PROFIT AND LOSS ACCOUNT
for the 3-month period from 01.01.2021 to 31.03.2021

L.P.	PROFIT AND LOSS ACCOUNT	First quarter period from 01.01.2021 to 31.03.2021	First quarter period from 01.01.2020 to 31.03.2020
	Continuing operations		
I	Sales revenues	148,786	248,859
	Revenues from construction contracts	148,580	248,088
	Revenue from sale of services	206	771
	Revenue from sale of goods and materials	0	0
II	Own costs of sales	136,312	227,856
III	Gross profit / (loss) from sales	12,474	21,003
IV	General administrative expenses	12,683	13,610
V	Other operating income	307	2,446
VI	Other operating expenses	446	326
VII	Profit / (loss) from operating activities	-348	9,513
VIII	Financial income	2,533	7,323
IX	Financial costs	2,154	15,925
X	Gross profit / (loss)	31	911
XI	Income tax	7	385
XII	Net profit / (loss) from continuing operations	24	526
XIII	Discontinued operations	0	0
XIV	Net profit / (loss) from discontinued operations		,
XV	Net profit / (loss)	24	526
			,
	Net profit / (loss)	24	526
	Weighted average number of ordinary shares	20,000,000	20,000,000
	Net profit / (loss) per ordinary share (in PLN)	0.00	0.03
	Diluted net profit (loss) per ordinary share	0.00	0.03

STANDALONE STATEMENT OF COMPREHENSIVE INCOME
for the 3-month period from 01.01.2021 to 31.03.2021

	STATEMENT OF COMPREHENSIVE INCOME	First quarter period from 01.01.2021 to 31.03.2021	First quarter period from 01.01.2020 to 31.03.2020
	Net profit / (loss) for the period	24	526
	Other comprehensive income	0	0
	Income tax relating to components of other comprehensive income	0	0
	Total other comprehensive income after tax	0	0
	Total comprehensive income	24	526

STANDALONE STATEMENT OF FINANCIAL POSITION
as at 31.03.2021

L.P.	ASSETS	as at 31.03.2020	as at 31.12.2020	as at 31.03.2020
I	Fixed assets (long-term)	104,457	103,932	96,861
I.1	Intangible assets	566	649	887
I.2	Rights of use	29,370	30,537	27,355
I.3	Tangible fixed assets	9,179	9,115	5,442
I.4	Long-term trade and other receivables	3,833	3,854	661
I.5	Investment properties	0	0	5,073
I.6	Long-term financial assets	30,424	30,424	30,742
I.7	Deferred tax assets	25,745	24,004	24,977
I.8	Long-term accruals and deferred income	5,340	5,349	1,724
II	Current assets (short-term)	576,605	717,337	777,429
II.1	Stocks	20,315	11,226	8,111
II.2	Trade and other receivables	244,756	275,094	305,264
II.3	Advances on works	5,896	11,929	7,919
II.4	Short-term financial assets	0	0	1,027
II.5	Cash and cash equivalents	76,404	157,688	144,610
II.6	Assets resulting from construction contracts	224,935	257,070	308,076
II.7	Other accruals and deferred income	4,299	4,330	2,422
	TOTAL ASSETS	681,062	821,269	874,290

L.P.	EQUITY AND LIABILITIES	as at 31.03.2021	as at 31.12.2020	as at 31.03.2020
I	Equity	18,729	18,705	14,939
I.1	Core capital	44,801	44,801	44,801
I.2	Share premium	108,406	108,406	108,406
I.3	Reserve capital from reclassification of loans	201,815	201,815	201,815
I.4	Retained earnings / Uncovered losses	-336,293	-336,317	-340,083
II	Long-term liabilities	223,363	97,965	242,669
II.1	Interest-bearing bank loans and borrowings	132,315	0	133,483
II.2	Long-term lease liabilities	15,160	16,451	16,177
II.3	Long-term trade liabilities	39,534	41,660	31,069
II.4	Long-term liabilities due to execution of construction contracts	27,193	30,114	52,798
II.5	Long-term provisions	9,161	9,740	9,142
III	Current liabilities	438,970	704,599	616,682
III.1	Current portion of interest-bearing bank loans and borrowings	0	201,800	95,042
III.2	Short-term leasing liabilities	8,428	8,522	7,433
III.3	Trade payables	147,484	182,752	210,554
III.4	Income tax	135	0	0
III.5	Other liabilities	18,181	29,407	14,601
III.6	Short-term provisions	10,736	12,027	8,651
III.7	Short-term liabilities due to execution of construction contracts	88,024	92,396	128,511
III.8	Employee benefit obligations	3,622	5,709	3,881
III.9	Other accruals	162,360	171,986	148,009
IV	Total liabilities	662,333	802,564	859,351
	TOTAL EQUITY AND LIABILITIES	681,062	821,269	874,290

STANDALONE CASH FLOW STATEMENT
for the 3-month period from 01.01.2021 to 31.03.2021

L.P.	CASH FLOW STATEMENT	First quarter period from 01.01.2021 to 31.03.2021	First quarter period from 01.01.2020 to 31.03.2020
	Cash flows from operating activities		
I	Gross profit / (loss)	31	911
II	Total adjustments	-7,938	-55,448
II.1	Depreciation	2,987	2,567
II.2	Exchange rate differences	-1,100	15,213
II.3	Interest received and paid	1,904	2,270
II.4	Profit/loss on investing activities	-98	0
II.5	Increase / decrease in receivables	36,392	-35,467
II.6	Increase/decrease in inventories	-9,089	-1,348
II.7	Increase / decrease in liabilities, except for loans and borrowings	-48,620	-5,192
II.8	Change in assets and liabilities arising from construction contracts and accruals	13,169	-29,664
II.9	Change in provisions	-1,870	-3,809
II.10	Income tax paid	-1,613	0
II.11	Other	0	-18
	Net cash from operating activities	-7,907	-54,537
II	Cash flows from investing activities		
II.1	Sales of property, plant and equipment and intangible assets	225	30
II.2	Acquisition of tangible and intangible fixed assets	-2,076	-438
II.3	Acquisition of financial assets	0	-1,300
	Net cash from investing activities	-1,708	-1,708
III	Cash flows from financing activities		
1	Repayment of finance lease liabilities	-1,237	-1,256
2	Repayment of loans / credits	-64,714	-30,348
3	Interest paid	-5,575	-1,951
	Net cash from financing activities	-71,526	-33,555
IV	Net change in cash and cash equivalents	-81,284	-89,800
	Net exchange rate differences	0	0
V	Cash and cash equivalents at the beginning of the period	157,688	234,410
VI	Cash at the end of the period, of which	76,404	144,610

STANDALONE STATEMENT OF CHANGES IN EQUITY
for the 3-month period from 01.01.2021 to 31.03.2021

	Core capital	Surplus from the sale of shares above their nominal value	Reserve capital from reclassification of loans	Retained earnings / uncovered losses	Total equity
First quarter of 2020 period from 01.01.2021 to 31.03.2021					
Status on 1 January 2021	44,801	108,406	201,815	-336,317	18,705
Profit / (loss) for the period	0	0	0	24	24
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	24	24
Distribution of retained earnings	0	0	0	0	0
Dividends paid	0	0	0	0	0
As at 31 March 2021	44,801	108,406	201,815	-336,293	18,729

2020 period from 01.01.2020 to 31.12.2020					
Status on 1 January 2020	44,801	108,406	201,815	-340,609	14,413
Profit / (Loss) for the period	0	0	0	4,292	4,292
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	4,292	4,292
Allocation of loss brought forward	0	0	0	0	0
Reclassification of loans to capital	0	0	0	0	0
As at 31 December 2020	44,801	108,406	201,815	-336,317	18,705

First quarter of 2020 period from 01.01.2020 to 31.03.2020					
Status on 1 January 2020	44,801	108,406	201,815	-340,609	14,413
Profit / (loss) for the period	0	0	0	526	526
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	526	526
Distribution of retained earnings	0	0	0	0	0
Dividends paid	0	0	0	0	0
As at 31 March 2020	44,801	108,406	201,815	-340,083	14,939

**Additional information and explanations to the condensed interim standalone financial statements
for the period 01.01.2021 - 31.03.2021**

1. General information

The condensed interim standalone financial statements cover for the separate income statement the period of 3 months 2021 and include comparable data for the period of 3 months 2020 for the separate cash flow statement the period of 3 months of 2021 and includes comparable data for the period of 3 months of 2020 and for the separate statement of financial position as at 31 March 2021, it includes comparable data as at 31 December 2020 and 31 March 2021.

Mostostal Warszawa S.A. (hereinafter also referred to as "the Company", "Mostostal", "the Issuer") is a joint stock company incorporated under the laws of Poland, registered with the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register under number KRS: 0000008820. The Company's registered office is located in Warsaw, at 12a Konstruktorska Street. The main area of activity is construction work associated with the erection of residential and non-residential buildings, covered by PKD (Polish Classification of Activities) division 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 21.05.2021.

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 actions taken by the Company aimed at:

- basing its activities on an effective organisational structure guaranteeing the stabilisation of financial results and an increase in margins enabling further development,
- to carry out investments with the highest quality, to ensure safety on construction sites and to support related initiatives,
- strengthening the role of Mostostal Warszawa S. A. as the central management centre of the capital group and to strengthen cooperation within the Group with regard to 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 to develop and improve engineering thought; and
- nurturing the heritage of Polish engineering thought and developing technical knowledge through close cooperation with scientific institutions and raising the level of education of future engineers by sharing with them the knowledge and experience gained in over 70 years of activity.

The composition of the Board as at 21.05.2021 was as follows:

Miguel Angel Heras Llorente -	President of the Management Board
Jorge Calabuig Ferre -	Vice-President of the Management Board
Alvaro Javier de Rojas Rodriguez -	Member of the Management Board
Jacek Szymanek	- Member of the Management Board

The composition of the Supervisory Board as at 21.05.2021 was as follows:

Antonio Muñoz Garrido -	Member of the Supervisory Board
José David Márquez Arcos -	Member 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 standalone financial statements for the first quarter of 2021 were approved for publication by the Company's Board of Directors on 21.05.2021.

3 Basis for preparing the condensed financial statements and accounting policies

3.1 Basis for the report

The condensed interim standalone financial statements have been prepared on the assumption that the Company will continue in business for the foreseeable future.

The condensed interim standalone financial statements have been prepared under the historical cost convention.

In Q1 2021 the Company generated a profit on sales in the amount of PLN 12,474 thousand and recorded a net profit of PLN 24 thousand. The Company's equity as at 31.03.2021 amounted to PLN 18,729 thousand. The Company recorded negative cash flows from operating activities in the amount of PLN 7,907 thousand.

In Q1 2021 the Company repaid a loan with interest in the total amount of PLN 71,014 thousand and signed annexes to two loan agreements with a total amount of PLN 127,350 thousand, which postpone their repayment date to May 2022.

Management does not anticipate a direct material adverse effect of the COVID-19 outbreak on the Company's business, financial condition and results of operations in the medium to long term. However, it cannot be ruled out that the prolonged period of restrictions on business activities, the extension and prolongation of the severe coronavirus containment measures for the Polish economy will have a negative impact on the Company's financial position and operating results in the medium and long term. Management is monitoring the situation on an ongoing basis and will respond appropriately to mitigate the impact of these events, should they occur.

Based on the analysis of projected cash flows, Mostostal's Management Board estimates 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 portfolio as at 31.03.2021 was PLN 2,605,458 thousand. At the same time, the Company participates in a number of tender proceedings, which may translate into winning new orders in the near future.

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

3.2 Statement of compliance

These condensed interim standalone financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted 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 2020 and the related notes. The condensed interim standalone 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 2020.

The accounting policies applied in preparing these condensed separate financial statements are consistent with those applied in preparing the Company's annual standalone financial statements for the year ended 31 December 2020.

Amendments to standards applied for the first time in 2021

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

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - the IBOR reform - Phase 2,
- Amendments to IFRS 4 "Insurance contracts" - deferral of IFRS 9.

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

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

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

- IFRS 14 "Regulatory accruals" - in accordance with the decision of the European Commission, the process of approval of the standard in the preliminary version will not be initiated before the standard in the final version is issued (effective for annual periods beginning on or after 1 January 2016),
- IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2023),
- 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 deferred indefinitely by the IASB,
- Amendments to IAS 1 "Presentation of financial statements" - Classification of liabilities as current or non-current and classification of liabilities as current or non-current - deferral of effective date (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IFRS 3 'Business Combinations', IAS 16 'Property, plant and equipment' and IAS 37 'Provisions, contingent liabilities and contingent assets' (effective for annual periods beginning on or after 1 January 2022),
- Amendments to various standards "Improvements to IFRSs (2018-2020 cycle)", effective for annual periods beginning on or after 1 January 2022),
- Amendments to IAS 1 Presentation of Financial Statements and Code of Practice IFRS 2: Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors" (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IFRS 16 Leases: Lease Payment Relief Associated with Covid-19 after 30 June 2021 (effective for annual periods beginning on or after 1 April 2021).

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

3.4 Rules adopted for conversion of selected financial data into EURO

The following rules have been adopted for the calculation of the selected financial figures for Q1 2021 in EUR:

- items of the standalone income statement and cash flow statement for the first quarter of 2021 were converted at the exchange rate of 4.5721 PLN/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 2021.
- individual asset and liability items of the standalone statement of financial position were translated at the average NBP rate of 4.6603 PLN/EUR of 31.03.2021.

3.5 Currency of the financial statements

The condensed interim standalone financial statements for Q1 2021 have been presented in Polish zloty (PLN) and all values have been rounded off to the nearest thousand, unless otherwise indicated.

4 Long-term construction contracts

Revenue from construction contracts is adjusted by 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 created for losses on contracts disclosed in pt. 10 of these condensed interim standalone financial statements.

Revenue from construction contracts in progress at the balance sheet date

Specification	31.03.2021	31.12.2020	31.03.2020
Cumulative estimated revenue from uncompleted construction contracts	3,855,222	3,689,027	3,539,221
Cumulative invoiced sales on uncompleted construction contracts	3,776,573	3,612,819	3,414,750
Assets and accruals for construction contracts in progress (per balance)	78,649	76,208	124,471
Advances received for construction contracts in progress	85,730	101,858	159,380
Current and non-current assets and liabilities for construction contracts in progress (per balance)	-7,081	-25,650	-34,909
Reconciliation to items from the separate statement of financial position:			
Assets and accruals for construction contracts in progress (per balance)	78,649	76,208	124,471
Assets due to execution of construction contracts on completed contracts	116,799	160,210	161,676
Advances received for construction contracts in progress	85,730	101,858	159,380
Current and non-current assets and liabilities under construction contracts (per balance)	109,718	134,560	126,767
of which:			
Assets resulting from construction contracts	224,935	257,070	308,076
Long-term liabilities due to execution of construction contracts	27,193	30,114	52,798
Short-term liabilities due to execution of construction contracts	88,024	92,396	128,511

During the execution of construction contracts, unforeseen circumstances may arise that cause losses or deterioration of margins, damages, increased unanticipated expenses, etc. These circumstances included, in particular:

- increase of the material scope of works in relation to the design assumptions (tender assumptions) provided to the Company by the ordering parties,
- an unforeseeable, extraordinary increase in the prices of: construction materials (including fuel, oil and other materials), transport, equipment rental and construction services,
- the need for longer implementation of contracts, and therefore incurring higher costs, due to, among other things: the Company's inaccessibility to the construction site as a result of adverse weather conditions, defects in the design documentation provided by the ordering party.

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

Claims are initially subject to negotiation with the contracting authority. If the parties fail to reach an agreement during negotiations, the claims are referred to court proceedings. Claims submitted to customers represent additional remuneration that may be received in the event of a favourable outcome of the legal proceedings for the Company. Purchasers may also make claims against the Company, most commonly in the event of delays in contract performance and where defects and faults are identified. Claims against the Company represent the potential amount of reduction in remuneration to be returned to the ordering party 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-instance, 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 legal proceedings.

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

- a) the change in the transaction price resulting from a 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) part 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 the uncertainty about the contract modification consideration ceases.

The table below shows the nominal value of the variable remuneration to which the Company will be entitled in the event of a favourable outcome of the legal proceedings, the nominal value of the liabilities for the performance of the contracts that will be returned to the ordering parties in the event of an unfavourable outcome of the legal proceedings pending against the Company and the value of the assets and liabilities for the performance of the construction contracts related to the claims recognised in the statement of financial position. Claims have been grouped according to the following categories:

- Claims subject to legal proceedings:

- Resulting from closed contracts, which include claims for payment of the remuneration due deducted from the contractual penalties charged by the ordering party and claims for 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-litigation stage

31 March 2021	Assets/liabilities arising from construction contracts recognised in the statement of financial position	Nominal amount of variable remuneration due to the Company	Nominal value of remuneration to be returned to contracting authorities
Claims subject to legal proceedings:	259,399	981,877	702,071
Contracts completed and accepted by the contracting authority <i>Assets resulting from construction contracts</i>	141,404	825,505	463,160
Contracts terminated before completion of work <i>Assets resulting from construction contracts</i>	117,995	156,372	238,911
Disputes at the pre-litigation stage <i>Assets resulting from construction contracts</i>	7,445	8,600	11,934

31 December 2020	Assets/liabilities arising from construction contracts recognised in the statement of financial position	Nominal amount of variable remuneration due to the Company	Nominal value of remuneration to be returned to contracting authorities
Claims subject to legal proceedings:	302,194	1,053,316	702,071
Contracts completed and accepted by the contracting authority <i>Assets resulting from construction contracts</i>	141,248	825,505	463,160
Contracts terminated before completion of work <i>Assets resulting from construction contracts</i>	160,946	227,811	238,911
Disputes at the pre-litigation stage <i>Assets resulting from construction contracts</i>	7,445	8,600	11,934

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	31.03.2021	31.12.2020	31.03.2020
Long-term liabilities due to execution of construction contracts			
Advances on works	27,193	30,114	52,798
Total	27,193	30,114	52,798
Short-term liabilities due to execution of construction contracts			
Accruals for construction contracts	29,487	20,652	21,929
Advances on works	58,537	71,744	106,582
Total	88,024	92,396	128,511

Assets on account of the execution of construction contracts as at 31.03.2021 amounted to PLN 224,935 thousand and in comparison with the state at the end of the previous year they decreased by PLN 32,135 thousand. Accruals for the execution of construction contracts amounted to PLN 29,487 thousand and increased by PLN 8,835 thousand compared to the balance as at the end of 2020.

5 Significant changes in estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, the actual amounts of which may differ from estimates. The estimates and related assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which provide a basis for professional judgement. In significant issues, the Management Board may rely on opinions of independent experts when making judgements, estimates or assumptions. The estimates and related assumptions are reviewed on an ongoing basis. 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 a measurement of expenditure, measured by the share of costs incurred from the date of contract to the date of revenue determination in the total cost of service provision. Total revenues from long-term construction contracts denominated in foreign currencies are 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 process of updating (revision) based on current information at least once every quarter. In case of events occurring between official budget revisions, which significantly affect the contract result, the value of total contract revenues or costs may be updated earlier.

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

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

Deferred tax assets increased by PLN 1,741 thousand in the reporting period and amounted to PLN 25,745 thousand as at 31 March 2021 (31 December 2020: PLN 24,004 thousand). The Company recognises a deferred tax asset based on the assumption that taxable profit will be achieved in the future allowing for its utilisation. Deterioration of future tax results could result in all or part of the deferred tax asset not being realised.

The Management Board carried out an analysis of the possibility of realising deferred tax assets as at the balance sheet date on the basis of financial projections for subsequent years. This analysis indicates the realisation of deferred tax assets in the amount of PLN 25,745 thousand.

6. Seasonality or cyclicity of the Company's activities

The Company's business may be affected by weather conditions and may be less active during winter periods than at other times of the year. In Q1 2021, adverse weather conditions affected the Company's operations, resulting in lower sales revenue compared to the same period last year.

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

In the first quarter of 2021 The Company repaid the loan with interest in the total amount of PLN 71,014 thousand, which had a significant impact on the reduction of assets and liabilities

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

No inventory write-downs were created or reversed in Q1 2021.

9. Information on impairment losses on financial assets, property, plant and equipment, intangible assets or other assets and reversals of such losses

In Q1 2021, allowances for receivables in the amount of PLN 24 thousand were reversed.

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

31 March 2021	Reserves for jubilee awards, retirement gratuities	Provision for anticipated losses on contracts	Provision for warranty repairs	Reserve for court cases	Total
As of 01.01.2021	2,230	3,792	10,996	4,749	21,767
Created during the financial year	0	0	0	0	0
Used	0	-815	-1,013	0	-1,828
Resolved	0	0	0	-42	-42
As of 31.03.2021	2,230	2,977	9,983	4,707	19,897
Long-term 31.03.2021	1,862	2,961	4,338	0	9,161
Short-term as at 31.03.2021	368	16	5,645	4,707	10,736

11. Information on significant transactions of purchase and sale of tangible fixed assets

The Company did not enter into any material transactions related to property, plant and equipment in Q1 2021.

12. Information on a significant liability due to the purchase of property, plant and equipment

As there were no material purchases of property, plant and equipment in Q1 2021, no material liabilities arose in respect thereof.

13. Information on significant litigation settlements

On 21.01.2021 Municipality of Wrocław paid to the Company the amount of PLN 43,501 thousand on the basis of the Arbitration Court ruling of 23.12.2020. Due to the recognition of the asset on this account in previous years, the implementation of the judgment did not affect the result of the Company in Q1 2021.

14. Corrections of prior period errors

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

15. Issues, redemption and repayment of debt and equity securities

There were no share issues in Q1 2021. There were no repayments of debt and equity securities.

16 Dividends paid (declared) by the Issuer

The Company did not pay dividends in Q1 2021.

17. Changes in the Company's basic management principles

There were no significant changes in the Company's management principles during the reporting period.

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

On May 5, 2021 Mostostal Warszawa S.A. signed a contract with Vantage Development for the construction of a multi-family residential building with services and underground garage at 64 Tuwima Street in Łódź. The net value of the contract will amount to PLN 48,341 thousand. The completion date for the investment is 77 weeks.

19 Contingent liabilities

I.p.	Specification	31.03.2021	31.12.2020
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	21,714	23,155
	Total	57,279	58,720

The nominal value (corresponding to the value of the object of litigation in court proceedings) of contingent liabilities arising from court cases brought against the Company as at 31.03.2021 amounted to PLN 57,279 thousand and decreased by PLN 1,441 thousand compared to the end of last year.

20. Information on contracted and terminated loans and credit agreements

The balance of loan liabilities as at 31.03.2021 amounted to PLN 132,315 thousand (the balance of loan liabilities as at 31.12.2020 amounted to PLN 201,800 thousand). The decrease in the balance of loans is due to their partial repayment.

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 loans as at 31.12.2020 amounted to PLN 0 thousand).

Bank	Type of credit	Amount of credit in thousand PLN	Amount used as at 31.03.2020. in thousand PLN	Maturity date	Interest rate
Societe Generale S.A. Branch in Poland	In current account	10,000	0	29.06.2021	Wibor 1M + bank margin

No loan agreement was terminated in Q1 2021.

21 Information on transactions with related parties

Transactions entered into with related parties in Q1 2021 were typical and routine transactions and were entered into on an arm's length basis.

Trade receivables from related parties amounted to (in thousand PLN):

Company name	31.03.2021	31.12.2020
Mostostal Power Development Sp. z o.o.	38	23
Acciona Construcción S.A.	209	489
Mostostal Kielce S.A.	0	18
Mostostal Płock S.A.	3,522	5,286
Acciona Facility Services Poland Sp. z o.o.	39	51
Acciona Nieruchomości Wilanów Sp. z o.o.	5,674	1,611
AMK Kraków S.A.	5	8
Acciona Construcción S.A. Branch in Poland	4	4
Total	9,491	7,490

Trade payables to related parties (in thousand PLN):

Company name	31.03.2021	31.12.2020
Mostostal Power Development Sp. z o.o.	10,362	12,689
Acciona Construcción S.A.	24,772	25,065
Acciona Construcción S.A. Branch in Poland	6,139	3,360
Acciona Nieruchomości Wilanów Sp. z o.o.	0	13
Mostostal Kielce S.A.	0	747
Mostostal Płock S.A.	6,981	10,491
Total	48,254	52,365

Advances for construction works made to related parties:

Company name	31.03.2021	31.12.2020
Mostostal Płock S.A.	1,443	5,087
Total	1,443	5,087

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

Company name	3 months ended 30.03.2021	3 months ended 30.03.2020
Acciona Nieruchomości Wilanów Sp. z o.o.	10,439	13,894
Mostostal Power Development Sp. z o.o.	59	158
Mostostal Kielce S.A.	0	14
Acciona Facility Services Poland Sp. z o.o.	30	49
Mostostal Płock S.A.	117	0
Acciona Construcción S.A. Branch in Poland	9	6
Acciona Construcción S.A.	0	76
AMK Kraków S.A.	7	20
Total	10,661	14,217

Purchases of products, goods and materials due to mutual transactions amounted to (in thousand PLN):

Company name	3 months ended 30.03.2021	3 months ended 30.03.2020
Mostostal Power Development Sp. z o.o.	683	1,333
Acciona Construcción S.A.	0	3,773
Mostostal Kielce S.A.	449	429
Acciona Nieruchomości Wilanów Sp. z o.o.	109	159
Total	1,241	5,694

Interest on loans received

Company name	3 months ended 31.03.2020	3 months ended 31.03.2020
Acciona Construcción S.A.	1,761	2,132

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

As at 31.03.2021 The Company received from the guarantee limits of Acciona Construcción S.A. bank or insurance guarantees in the total amount of PLN 577,007 thousand (PLN 668,609 thousand as at 31.12.2020).

As at 31.03.2021 The Company had loan liabilities to Acciona Construcción S.A., Madrid, in the amount of PLN 132,315 thousand (as at 31.12.2020 the value of the loans was PLN 201,800 thousand).

On 23.12.2013 Mostostal Warszawa S.A. and Acciona Construcción S.A. concluded annexes to 3 loan agreements for the 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 loan repayment term was extended indefinitely and Mostostal Warszawa would decide on their repayment. In accordance with IAS 32 Mostostal Warszawa has presented these loans in equity.

No collateral has been established for liabilities with related parties.

22. Reporting by market segment

The Company is organised and managed by segments, according to the type of products offered. The following tables set out for each of the Company's reportable segments the income statement data for the three months ended 31 March 2021.

Continuing operations include the following segments:

1. the "Industry and Energy" segment, which includes activities related to the construction of industrial and energy facilities;
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 utilities.

Separate income statement for each reportable segment:

Period ended 31 March 2021	Continuing operations				
	Industry and energy	Infrastructure	General construction	Unallocated revenues, costs	Total
Sales revenues					
Sales to external customers	7,890	60,423	80,298	175	148,786
Inter-segment sales	0	0	0	0	0
Total segment revenues	7,890	60,423	80,298	175	148,786
Segment profit (loss) (including operating income and expenses)	1,192	3,149	7,137	857	12,335
Unallocated expenses (administrative expenses and cost of sales)	-	-	-	12,683	12,683
Profit / (loss) from continuing operations	1,192	3,149	7,137	-11,826	-348
Financial income	461	1,105	145	822	2,533
Financial costs	514	74	14	1,552	2,154
Gross profit (loss)	1,139	4,180	7,268	-12,556	31
Income tax	-	-	-	7	7
Net profit (loss) from continuing operations	1,139	4,180	7,268	-12,563	24
Discontinued operations	0	0	0	0	0
Net profit (loss)	1,139	4,180	7,268	-12,563	24

Period ended 31 March 2020	Continuing operations				
	Industry and energy	Infrastructure	General construction	Unallocated revenues, costs	Total
Sales revenues					
Sales to external customers	58,167	30,301	160,133	258	248,859
Inter-segment sales	0	0	0	0	0
Total segment revenues	58,167	30,301	160,133	258	248,859
Segment profit (loss) (including operating income and expenses)	10,440	3,019	13,112	-3,448	23,123
Unallocated expenses (administrative expenses and cost of sales)	-	-	-	13,610	13,610
Profit / (loss) from continuing operations	10,440	3,019	13,112	-17,058	9,513
Financial income	0	585	0	6,738	7,323
Financial costs	1,947	17	57	13,904	15,925
Gross profit (loss)	8,493	3,587	13,055	-24,224	911
Income tax	-	-	-	385	385
Net profit (loss) from continuing operations	8,493	3,587	13,055	-24,609	526
Discontinued operations	0	0	0	0	0
Net profit (loss)	8,493	3,587	13,055	-24,609	526

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

In Q1 2021, the Company operated exclusively in the domestic market.

In the reporting period the largest customers for the Company's services were the General Directorate for National Roads and Motorways with a 30 % share in sales, the West Pomeranian Voivodship with a 15 % share in sales and PERN S.A. with a 13 % share in sales. Other customers did not exceed the ten percent threshold of Mostostal Warszawa S.A.'s share in sales.

23. The impact of the COVID-19 outbreak on the Company's financial results and operations

In the reporting period, the Company did not benefit from assistance under the "Anti-crisis shield" state programme announced by the Polish government.

Up to the date of signing of these condensed interim financial statements, the Company has not experienced any disturbing signs relating to going concern. The Company was making sales and its business activities were continuous.

In order to ensure the continuity of the Company's business operations and liquidity, management has implemented measures that include, in particular:

- the introduction of remote working for a significant group of office workers;
- the workers employed on the sites have been trained to observe very strict safety standards, including the need to keep a distance from their immediate surroundings;
- retrofitting of additional personal protective equipment (portable washers, disinfectant fluids, thermometers, etc.);
- temperature measurements are made;
- signs are hung up about the precautions to be taken on construction sites;
- messages are sent to subcontractors and workers regarding recommendations for precautions to be taken;

The Board of Directors of the Company assesses that there was no risk of significant impairment of assets in relation to COVID-19.

The Management Board estimates that the effects of further restrictions aimed at limiting the spread of the coronavirus will have an increasing impact on the condition of the Polish economy. The Management Board monitors the situation on an ongoing basis and takes measures to mitigate the impact of the epidemic on the Company's operations and results.

24. Joint actions

Financial data of Mostostal Warszawa S.A. as at 31.03.2021 include values attributable to the Company on account of its 50% share in Mostostal Acciona S19 Tunel s.c., which was appointed to perform the contract "Design and construction of S19 expressway on the section from Rzeszów Południe junction (without junction) to Babica junction (with junction) of approx. 10.3 km". Mostostal Acciona S19 Tunel s.c. is an entity under common control (unanimity of all shareholders in matters relating to operations is required), which according to IFRS 11 is treated as a joint operation (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 liabilities 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) length of approx. 10.3 km".

Other information to the condensed interim financial statements
for the period from 01.01.2021 to 31.03.2021

1. Selected financial data

SELECTED FINANCIAL DATA	PLN thousand		EUR thousand	
	1 quarter cumulative 2021 period from 2021-01-01 to 2021-03-31	1 quarter cumulative 2020 period from 2020-01-01 to 2020-03-31	1 quarter cumulative 2021 period from 2021-01-01 to 2021-03-31	1 quarter cumulative 2020 period from 2020-01-01 to 2020-03-31
Sales revenues	148 786	248 859	32 542	56 606
Gross profit (loss) from sales	12 474	21 003	2 728	4 777
Profit (loss) from operating activities	-348	9 513	-76	2 164
Gross profit (loss)	31	911	7	207
Net profit (loss) from continuing operations	24	526	5	120
Net profit (loss)	24	526	5	120
Net cash from operating activities	-7 907	-54 537	-1 729	-12 405
Net cash from investing activities	-1 851	-1 708	-405	-389
Net cash from financing activities	-71 526	-33 555	-15 644	-7 633
Cash and cash equivalents at the end of the period	76 404	144 610	16 395	31 766
Net profit / (loss)	24	526	5	120
Weighted average number of ordinary shares	20 000 000	20 000 000	20 000 000	20 000 000
Net profit / (loss) per ordinary share in PLN	0,00	0,03	0,00	0,01

	PLN thousand		EUR thousand	
	as at 31.03.2021	as at 31.12.2020	as at 31.03.2021	as at 31.12.2020
Total assets	681 062	821 269	146 141	180 407
Long-term liabilities	223 363	97 965	47 929	21 520
Current liabilities	438 970	704 599	94 194	154 779
Total liabilities	662 333	802 564	142 122	176 299
Total equity	18 729	18 705	4 019	4 109
Core capital	44 801	44 801	9 613	9 841
Number of shares pcs.	20 000 000	20 000 000	20 000 000	20 000 000

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

Sales revenue in Q1 2021 amounted to PLN 148,580 thousand and was 40% lower than in the corresponding period of 2020, which was due to difficult weather conditions in Q1 2021. Gross profit on sales amounted to PLN 12,474 thousand (in the corresponding period of 2020 gross profit on sales amounted to PLN 21,003 thousand). In Q1 2021, the Company recorded a net profit of PLN 24 thousand (in Q1 2020, the net profit was PLN 526 thousand).

The value of short-term trade and other receivables as at 31.03.2021 amounted to PLN 244,756tys and decreased by PLN 30,338tys compared to 31.12.2020.

The value of assets from the execution of construction contracts as at 31.03.2021 amounted to PLN 224,935tys and was lower compared to 31.12.2020 by PLN 32,135tys.

The value of cash as at 31.03.2020 amounted to PLN 76,404 thousand and decreased by PLN 81,284 thousand compared to the balance as at 31.12.2020. In Q1 2021. The Company used an overdraft facility and loans, the balance of which as at 31.03.2021 amounted to PLN 132,315 thousand and compared to 31.12.2020 decreased by PLN 69,485 thousand. The decrease in cash and loan balances was mainly related to the repayment of the loan in the amount of PLN 71,014 thousand.

Non-current liabilities in Q1 2020 increased by PLN 125,398 thousand compared to 31.12.2020 mainly due to the signing of annexes to two loan agreements, as a result of which their repayment date was extended to 1 May 2022.

During the reporting period, i.e. from 01.01.2021 to 31.03.2021, the following events significant for Mostostal Warszawa S.A. took place:

On 21.01.2021 Wrocław Municipality paid the Company the amount of PLN 43,501 thousand on the basis of the Arbitration Court's judgment of 23.12.2020.

On 25 February 2021 the Company received a set of relevant documents for the Loan Agreements with Acciona Construcción S.A.:

- Annex XVII to the loan agreement of 27 May 2013 with Acciona Construcción S.A. Pursuant to the Annex, the repayment date of the loan in the amount of EUR 13.49 million (comprising principal and capitalised interest, equivalent to PLN 60.92 million at the average NBP exchange rate of EUR 1 = PLN 4.5143 on 25 February 2021) plus interest has been extended to 1 May 2022. The loan may also be repaid in a shorter period.

- Annex VIII to the loan agreement of 5 December 2012 with Acciona Construcción S.A. Under the Annex, the repayment date of the loan in the amount of EUR 14.71 million (comprising principal and capitalised interest, equivalent to PLN 66.43 million) plus interest has been extended to 1 May 2022. The loan may also be repaid in a shorter period.

On 25.02.2021 the Company repaid to Acciona Construcción S.A. a loan plus interest in the total amount of PLN 71,014 thousand (EUR 15,720 thousand).

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

In the first quarter of 2021, the results and the value of sales were affected by difficult weather conditions, which reduced the scope of work performed on infrastructure contracts.

4. Description of the group's organisation

The Mostostal Warszawa S.A. Group consists of the following subsidiaries:

Name of the entity	Percentage of share capital held as at 31.03.2021	Consolidation
Mostostal Kielce S.A.	100,00	yes
AMK Kraków S.A.	100,00	yes
MPB Mielec S.A. in liquidation	97,14	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 shares of Mostostal Warszawa S.A. as of 31.03.2021.

5. Performance forecasts

The Company has not published financial result forecasts for 2021.

6. The Company's major shareholders

List of shareholders holding at least 5% of votes at the General Meeting of Shareholders of Mostostal Warszawa S.A., as at 21.05.2021:

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. Shares of Mostostal Warszawa S.A. held by Members of the Management Board and Supervisory Board

In the period from 20.04.2021, i.e. the date of publication of the report for 2020, to 21.05.2021, 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, competent authority for arbitration proceedings or a public administration body

The Company participates in proceedings concerning receivables with a total dispute value of PLN 1,117,368 thousand and in proceedings concerning liabilities with a total value of PLN 856,660 thousand.

8.1 Proceedings with the highest value of litigation (Mostostal Warszawa S.A. as a defendant)

a) Lublin Oncology Centre (Plaintiff)

Date of filing the claim: 10.09.2015

Value of the dispute: PLN 27,072 thousand

The Plaintiff is suing for payment of contractual penalties due to the Plaintiff's withdrawal from the agreement, a claim for reduction of remuneration, a claim for additional and security work performed by the investor. In the opinion of Mostostal Warszawa S.A., the contractual penalties charged are unjustified, the Company also disputes the remaining claims in their entirety. On September 11, 2012 the Company received a statement from Centrum Onkologii Ziemi Lubelskiej im. Św. Jana z Dukla on withdrawal from the agreement for the execution of a task for the design and execution of construction works for the extension and modernisation of Centrum Onkologii Ziemi Lubelskiej ("the Agreement") and a request to pay the contractual penalty. The Agreement in question was concluded on 3 January 2011 between Centrum Onkologii Ziemi Lubelskiej ("the Ordering Party") and the Consortium composed of: Mostostal Warszawa S.A. - Leader, Acciona Construcción S.A. - Partner, Richter Med. Sp. z o.o. - Partner ("Contractor"). As the reasons for termination of the Agreement, the Ordering Party cited non-performance of the works in accordance with the material and financial schedule and conditions of the Agreement resulting in delays in implementation of the Agreement and making it unlikely that the Contractor will be able to complete the subject of the Agreement by the agreed deadline. At the same time, the Company instituted 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 improperly calculated and deducted contractual penalties. An expert opinion was prepared in the case. A supplementary opinion is currently being drafted. Until then, the hearing was adjourned without a date.

(b) Gamma Inwestycje S.A. (Plaintiff)

Date of filing the claim: 29.03.2013

Value of the dispute: PLN 15,784 thousand

The claimant, which is the legal successor of Zielona Italia Sp. z o.o. ("the Ordering Party") is claiming a contractual penalty from Mostostal Warszawa S.A. for withdrawing from the agreement. The Company disputes the legitimacy of the penalty in its entirety because it was the first to withdraw from the Agreement, which involved the construction of a complex of multi-family residential buildings with services and underground garages called "Zielona Italia". ("Agreement"). The basis for the Company's withdrawal from the Agreement was the Purchaser's failure to accept the completed works, despite repeated notifications thereof by Mostostal Warszawa S.A. For withdrawal from the Contract due to the fault of the Ordering Party, Mostostal Warszawa S.A. charged a contractual penalty of PLN 15,784 thousand (not included in revenues). In response, Zielona Italia Sp. z o.o. charged the Company with contractual penalties in the amount of PLN 15,784 thousand. Due to the Management Board's position that the penalty is groundless, this amount was not included in the contract valuation. The dispute concerning the lack of grounds for charging the Company with the contractual penalty is at the stage of being resolved by the Court. Currently, the case has been referred to mediation and the parties are negotiating the terms of settlement.

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

Date of filing the claim: 24.07.2017

Value of the dispute: PLN 114,386 thousand.

The Claimant is pursuing monetary claims against the Company 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 guaranteed parameters and requires modernisation. The amount of the lawsuit includes three groups of claims, viz: (1) contractual penalties in the amount of PLN 15,170 thousand representing a part of the total amount of contractual penalties, of which PLN 7,378 thousand was paid to the Plaintiff from the bank guarantee and the remaining part is claimed in the present proceedings, (2) the demand for reduction of the contract price in the amount of PLN 90,286 thousand and (3) capitalised interest in the amount of PLN 959 thousand. Having analysed the lawsuit, the Company is of the opinion that both Energa's claim in respect of contractual penalties for failure to achieve the guaranteed technical parameters of the Unit and the claim for reduction of the contractual price are unfounded. In particular the Company indicates that in its opinion the Plaintiff operated the Unit contrary to the terms of the Contract and the operating/operation manuals, i.e. it burned fuel with parameters contrary to the provisions of the Contract and also failed to carry out the so-called guaranteed parameters measurements in a manner compliant with the provisions of the Contract. Mostostal Warszawa S.A. disputes these claims in their entirety and considers them unfounded. A reply to the statement of claim together with a counterclaim in respect of the amount of PLN 7,378 thousand was submitted by Mostostal Warszawa S.A. on 15.12.2017. We are awaiting the preparation of an opinion by a court expert.

d) University of Białystok (Plaintiff)

Date of filing the claim: 03.02.2015

Value of the dispute: PLN 66,718 thousand

The subject matter of the statement of claim is the Claimant's claim for payment of contractual penalties for various reasons in connection with the performance of the agreement of 25 January 2011 regarding "Construction of the Institute of Biology and the Faculty of Mathematics and Computer Science together with the University Computing Centre" and the agreement of 25 January 2011 regarding "Construction of the Faculty of Physics and the Institute of Chemistry", performed within the Infrastructure and Environment Operational Programme. Mostostal Warszawa S.A. disputes these claims in their entirety and considers them unfounded. In the court proceedings Mostostal Warszawa S.A. demonstrates a number of obstacles which objectively had a significant influence on the realisation of construction works, including the completion date, justifying the lack of grounds for charging contractual penalties. Mostostal Warszawa S.A. brought a counterclaim against the Claimant for the amount of PLN 83,435 thousand on account of outstanding remuneration with interest, indirect costs resulting from the extension of the deadline for completing the contracts and other additional works. The proceedings were covered by settlement talks. At the concerted request of the parties, the proceedings were suspended on 24.04.2019. As no settlement was reached in the settlement talks, the proceedings were taken up by order of the Court dated 10.10.2019. An expert opinion was commissioned in the case. Due to the conclusion of a mediation agreement by the Parties, the proceedings were again suspended at the concerted request of the Parties. The Parties are participating in the mediation.

(e) City Development Agency S.A. (Plaintiff)

Date of filing the claim: 22.07.2016

Value of the dispute: PLN 20,822 thousand

The Plaintiff is demanding from the Company the payment of contractual penalties for delays in the performance of construction works of the Entertainment and Sports Hall Czyżyny 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 Claimant and takes the position that there were no grounds for charging contractual penalties. As of 14.04.2014. The Contractor had completed the Subject of the Agreement in 99% and the Investor could start the acceptance. Due to defects in the project documentation, for which the Investor was responsible, the deadline for completion of acceptance activities went beyond the contractual deadline, but not through the fault of the Contractor. During the period of the alleged delay, the Investor could fully use the facility, the facility already had the final occupancy permit on 12.05.2014, and on 30.05.2014 the first commercial event was already held, so still at the time when the Investor was charging contractual penalties to the Contractor. The Company has also filed a counterclaim against the Claimant for claims for additional works and the remaining payable remuneration related to the construction of the Entertainment and Sports Hall Czyżyny in Kraków in the amount of PLN 16,439 thousand.

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

Date of filing the claim: 26.05.2014

Value of the dispute: PLN 22,876 thousand

The Plaintiff is demanding from Mostostal Warszawa S.A. payment of remuneration for subcontractor works performed within the investment project Construction of a 20 MWe Biomass-fired Power Unit at Energa Kogeneracja Sp. z o.o. The claim for payment is based on the allegation that Mostostal withdrew from the agreement with the Plaintiff in a situation when the Plaintiff was ready to perform it, i.e. there were obstacles to the performance of the aforementioned agreement, but on Mostostal's side). The Company disputes the validity of the Plaintiff's allegations in their entirety. In its reply to the statement of claim Mostostal Warszawa S.A. argued that the withdrawal from the agreement was due to the fault of the Complainant, whereas the provisions of the contract binding the parties in the event of this situation eliminate the payment of the entire claim to the Complainant, except for the costs incurred by the Complainant up to the date of withdrawal. Moreover, Mostostal Warszawa S.A., pursuant to an agreement concluded, among others, with the Plaintiff, paid all costs incurred by the Plaintiff up to the date of withdrawal. An expert opinion and two supplementary expert opinions were drawn up in the case. The conclusions of all three opinions are unfavourable to the Respondent, and therefore Mostostal Warszawa S.A. has raised extensive objections to them. On 02.07.2020. Court dismissed Mostostal Warszawa S.A.'s motion to appoint a new expert and closed the hearing. In a judgment dated 31.07.2020, the court dismissed the claim in its entirety. Biomatec filed an appeal, but it has not yet been delivered to the attorney of Mostostal Warszawa S.A.

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

Date of filing the lawsuit: 16.11.2016 and 20.03.2017

Total value of disputes: PLN 14,667 thousand

The Plaintiff is claiming from Mostostal Warszawa S.A. remuneration for works within the framework of the investment project "Canalisation of the area of the Landscape Park Puszcza Zielonka and surroundings" Contract IX - Wastewater treatment plant basin in Szlachcina - Task 6 - Murowana Goślina Commune, issued in connection with Task No 23 and Task No 24. Mostostal Warszawa S.A. requested that the claim be dismissed on the grounds that the claims asserted by the Claimant were entirely set off against receivables of Mostostal Warszawa S.A. from the Claimant in respect of invoices issued for substitute works performed and contractual penalties imposed. Evidence proceedings are being conducted in both cases. On 6.09.2019. The Court issued an order to take evidence from an opinion of a research institute. SIDiR submitted its opinion on 17.08.2020. The opinion is unfavourable for Mostostal Warszawa. On 31.10.2020. The Company filed objections to the opinion. The next hearing in the case was set for 2.07.2021.

(h) Rafako S.A. (Claimant)

Date of filing the claim: 31.03.2017

Value of the dispute: PLN 16,157 thousand

Rafako S.A. is claiming payment from the Company for the construction work performed by the Plaintiff under a subcontractor agreement within the scope of the investment project entitled Construction of a Waste Thermal Treatment Facility for the Szczecin Metropolitan Area in Szczecin. The Company disputes the amount of the claim, pointing out that the Claimant did not present any evidence to prove the amount of the claim, in particular in the form of a joint inventory (no mutually signed protocol confirming the completion of works), or the quality of the completed works. An expert opinion was drawn up in the case, confirming the legitimacy of Rafako's claims. Mostostal has raised objections to the opinion. We are awaiting a supplementary opinion.

i) Waagner - Biro Austria Stage Systems GmbH (Plaintiff)

Date of filing the claim: 09.10.2014 r

Value of the dispute: PLN 10,810 thousand

The Complainant is claiming payment from the Company for deliveries and works performed by the Complainant as part 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 contests the legitimacy of the claim, since the Claimant, to the best of the Company's knowledge, sold a significant part of the deliveries and works for which it claims payment to a new contractor of the National Forum of Music. An expert opinion has been prepared, acknowledging the legitimacy of the claim in the amount of PLN 4.4 million. Mostostal is contesting the opinion in this respect and has requested a supplementary opinion. The proceedings have been suspended until the common court considers a possible appeal to set aside the arbitration award.

(j) University of Białystok (Plaintiff)

Date of filing the lawsuit: 05.02.2018

Value of the dispute: PLN 204,967 thousand

On 16 January 2018, the University of Białystok filed a lawsuit against Mostostal Warszawa S.A. for the payment of PLN 204,967 thousand with statutory interest for delay from 12 January 2018 to the date of payment, on account of contractual penalties for the delay in removing by Mostostal Warszawa S.A. 449 defects resulting from the performance of contracts concerning the construction of the Institute of Biology, the Faculty of Mathematics and Informatics, the University Computing Centre, as well as the Faculty of Physics and the Institute of Chemistry within the Campus of the University of Białystok. Having analysed the contents of the statement of claim, Mostostal Warszawa S.A. contests in its entirety the legitimacy of the claims raised by the Plaintiff. A response to the statement of claim was filed by the Company on 26 May 2018. As the proceedings were covered by negotiation talks, the parties requested a suspension of the proceedings, which was granted on 14.11.2018. Due to the failure to reach a settlement as part of the ongoing talks, the proceedings were taken up by order of the Court dated 11.09.2019. Evidentiary proceedings are being conducted in the case. Due to the conclusion of a mediation agreement by the Parties, the proceedings were again suspended at the concerted request of the Parties. The Parties are participating in the mediation.

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

Date of filing the claim: 24.01.2019

Value of the subject matter of the dispute: PLN 211,839 thousand

As part of the MW action, the Respondent filed a counterclaim for the amount of PLN 211,839 thousand. The statement of claim was served on MW on 24 January 2019. The counterclaim is currently under review. The claim of the AET has been contested by us in its entirety, as it is based on the erroneous assumption that it was the AET and not Mostostal that effectively withdrew from the contract. A response to the claim was filed on 25.02.2019. Evidence is pending in the case and an expert has been selected.

(l) Gamma Inwestycje S.A. (legal successor of Zielona Italia Sp. z o.o.) (Claimant)

Date of filing the claim: 28.12.2018

The value of the object in dispute: PLN 40,483 thousand

On 28 December 2019, Gamma Inwestycje filed a lawsuit against MW for the payment of approximately PLN 40.5 million, which consists of: a) approximately PLN 9.1 million for the costs incurred by Gamma Inwestycje for the removal of defects and faults of buildings C and D performed by MW, b) approximately PLN 8 million for the additional charge of the bank guarantee of payment provided by MW, c) approx. PLN 12.8 million as reimbursement of wages paid by Gamma Inwestycje to MW's subcontractors, and d) approximately PLN 10.5 million as compensation for the damage Gamma Inwestycje suffered by having to withdraw from the agreement with MW and entrust the uncompleted work to another entity, i.e. Eiffage Budownictwo Mitex S.A, at a price by PLN 10.5 million higher than MW's remuneration. MW filed a response to the lawsuit on 11.12.2019. The case has now been referred to mediation and the parties are negotiating the terms of the settlement.

8.2 Proceedings with the highest value of litigation (Mostostal Warszawa S.A. as plaintiff)

(a) the State Treasury, General Director for National Roads and Motorways (the Respondent)

Date of action 03.06.2012

Value of the dispute: PLN 36,961 thousand

Action brought by Mostostal Warszawa S.A. and other consortium members against the Defendant in respect of the agreement for the "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 agreement by PLN 36,961 thousand, including PLN 18,850 thousand in favour of Mostostal Warszawa S.A., due to an extraordinary increase in the prices of liquid fuels and asphalts, and payment of the aforementioned amount. The proceedings were originally conducted before the Regional Court in Warsaw, which dismissed the claim in its entirety. As a result of the claimants' appeal, in the judgment of 16.03.2017. The Court of Appeal in Warsaw repealed the judgment of the Regional Court and referred the case back to it for re-examination. The proceedings are pending again before the court of first instance. An expert opinion has been drawn up in the case. Part of the amount claimed in court is presented in assets due to the execution of construction contracts. An expert opinion was drawn up in the case. A new opinion of an institute was admitted in the case to determine the fuel intensity of the works.

b) State Treasury - General Director for National Roads and Motorways (the 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 sustained, reimbursement of improperly calculated contractual penalties and payment of outstanding remuneration by the Respondent in connection with the performance of the Contract for the Construction of a Bridge Over the Oder River with Access Viaducts along 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 was prepared in the case. Part of the amount claimed in court is presented in assets resulting from the performance of construction contracts.

(c) Gamma Inwestycje S.A. (legal successor of Zielona Italia Sp. z o.o.) (Defendant)

Date of action 29.03.2013

Value of the dispute PLN 15,785 thousand

The Company's proceedings to establish the non-existence of the Respondent's right to demand payment under a bank performance bond for the construction of the "Zielona Italia" residential estate in Warsaw transformed into a case for payment - return of the equivalent of the amount paid by the bank under the bank guarantee as undue payment. The Company withdrew from the agreement for reasons attributable to the Respondent, so there were no prerequisites for the Ordering Party to satisfy its claims under the performance bond. The proceedings in the case were validly discontinued by the Court. The Company created a revaluation write-down for this receivable.

(d) State Treasury Ministry of National Defence (Respondent)

Date of action 23.06.2010

Value of litigation PLN 19,093 thousand

Claims of consortium Mostostal Warszawa S.A. - Unitek Ltd for additional remuneration and reimbursement of costs incurred in connection with the performance of an agreement concerning the execution of the projects of Investment Package CP 2A0022, under which the consortium acted as a substitute investor. During the performance of the contract, for reasons beyond the control of the claimants, there were changes in the scope and shape of the investment, which resulted in additional costs, the reimbursement of which is claimed by the claimants. 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 in the remaining scope. 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 regards the amount of PLN 6,085 thousand. As a consequence of the judgment, the judgment 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. Supreme Court accepted the complaint for examination. In a judgment dated 30.03.2021. SN revoked the judgment of the Court of Appeal in its entirety and remitted the case to the Court of Appeal for examination.

(e) the State Treasury, General Director for National Roads and Motorways (Respondent)

Date of action 30.05.2012

Value of litigation PLN 212,105 thousand

Together with the consortium member, the Company filed a statement of claim with the District Court in Warsaw against the Respondent for modification of the legal relationship by amending the content of agreement no. 2811/3/2010 of 26 February 2010 on the performance of works consisting in the construction of the A-4 Tarnów-Rzeszów motorway along the section from the Rzeszów Central interchange to the Rzeszów Wschód interchange, km approx. 574+300 to approx. 581+250, by increasing the remuneration by the gross amount of PLN 77,345 thousand. On 23 August 2012. On 23 August 2012, the Company extended its claim by requesting that, in addition to the previous demand for shaping the agreement, it should (i) establish, pursuant to Art. 189 of the Code of Civil Procedure, that the Respondent is not entitled to the right of payment for the construction of the first railway line in Rzeszów, (i) establish, pursuant to art. 189 of Kodeks Postępowania Cywilnego (the Code of Civil Procedure), that the Respondent is not entitled to claim from the Company a contractual penalty for exceeding the Completion Time of the works in relation to the performance of the

A4 motorway section covered by the Agreement, and (2) order GDDKiA to pay to the Company, in favour of the Company, the amount of PLN 11,368 thousand with statutory interest for unjustified deduction of the contractual penalty for exceeding the Completion Time of the works from the remuneration due for the performance of the construction works. On 15.04.2013, a repeated extension of the claim was filed, in which the value of: (i) the amount by which the claimants request the Court to increase the remuneration - to PLN 195,723 thousand gross, and (ii) the claimed payment of the due remuneration deducted as contractual penalty - to PLN 13,243 thousand. The value of the object of dispute currently amounts to PLN 207,530,000. By judgment of 4.08.2016. The Regional Court in Warsaw awarded from the Respondent jointly in favour of the Company and Acciona the amount of PLN 11,298 thousand with statutory interest for delay, and dismissed the remainder of the claim. On 20.12.2016, the Claimants filed an appeal in which the aforementioned judgment was challenged in the part dismissing the claim and charging the Claimants with the costs of the proceedings. The defendant also filed an appeal against the aforementioned judgment, challenging it in the part allowing the claim and charging the defendant with the costs of proceedings. Currently an appeal proceeding is pending, in the course of which an expert was appointed with regard to MW's claim for payment of due remuneration deducted as contractual penalty by the Respondent. Part of the amounts claimed in court is presented by the Company in the item of trade and other receivables in the group of overdue receivables for which revaluation allowances were not created and in assets due to the performance of construction contracts. An expert opinion was prepared in the case regarding the reasons for exceeding the time for completion. As a result of the partial verdict of the Court of Appeal of 30.04.2021, the amount of PLN 13,243 thousand together with interest in the amount of PLN 9,802 thousand was awarded to the Company. The judgement is legally binding.

(f) State Treasury, General Director for National Roads and Motorways (Respondent)

Date of action 02.07.2013

Value of the dispute PLN 25,537 thousand

The Company and the consortium member filed a lawsuit with the Regional Court in Warsaw against the Defendant for modification of the legal relationship by amending Contract No. 210/RK/110/2009/2010 of 1.09.2010 for execution of works consisting in extension of road S-7 to the parameters of a dual carriageway within the section of Kielce bypass, Kielce (DK 73 Wiśniówka junction) - Chęciny (Chęciny junction) by way of increasing the remuneration by the gross amount of PLN 25,537 thousand due to extraordinary increase in the prices of liquid fuels, asphalts and steel. Part of the amount claimed in court is presented in assets due to the performance of construction contracts. A court expert opinion was prepared in the case. The District Court, in its verdict of 22.12.2020, increased the remuneration of Mostostal and Acciona by PLN 13,580 thousand. The Company filed an appeal on 18.03.2021. We expect an appeal hearing to be scheduled.

(g) the 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 the Company and other consortium members against the Respondent are pending before the Regional Court in Warsaw. The case concerns compensation for damage suffered by the plaintiffs as a result of improper description of the Ordering Party's Requirements regarding ten Engineering Works and the bridge over the Rawka River, which the contractor was obliged to perform under the agreement "Design and construction of the A-2 motorway Stryków-Konotopa, section from km 394 + 500 to km 411 + 465.8". The plaintiffs requested that the amount of PLN 103,644 thousand be adjudged against the defendant in favour of the plaintiffs, of which the Company is entitled to PLN 81,824 thousand. A part of the amount claimed in court is presented in assets due to execution of construction contracts. An expert opinion was prepared in the case.

(h) Gamma Inwestycje S.A. (formerly Zielona Italia Sp. z o.o.) (Defendant)

Date of action 09.05.2013

Value of the dispute: PLN 52,344 thousand

The company is seeking payment of amounts resulting from the settlement of the investment and for additional works performed. Of key importance for the case is the examination of the declaration on withdrawal from the agreement by Zielona Italia sp. z o.o. (on 6 March 2013). If the Court accepts the statement on withdrawal from the contract by Mostostal Warszawa S.A. due to the fault of Zielona Italia sp. z o.o., the legitimacy of the Company's claims will be ensured. The case is currently pending before the Regional Court in Warsaw. The Company has made an impairment write-down on the assets related to this case. Currently, the case has been referred to mediation. By decision of July 8, 2020. The Court discontinued the proceedings. As a result of an appeal against the said decision, the Court, by its decision of 18.09.2020, revoked its earlier decision to discontinue the proceedings. In connection with the mediation, the parties are currently negotiating the terms of the settlement.

(i) Municipality of Wrocław (Respondent)

Date of action 13.11.2012

Value of the dispute: PLN 71,439 thousand

Action brought by the consortium of Mostostal Warszawa S.A., ACCIONA CONSTRUCCIÓN S.A., WPBP No. 2 "Wrobis" S.A., Marek Izmajłowicz PH-U IWA (Plaintiff) for the payment of PLN 71,439 thousand (after alteration). Originally, the claim concerned the establishment of non-existence of the Wrocław Municipality's right to demand payment from the bank guarantee - investment performance bond. The demand for payment was modified and the case is pending for payment on account of final settlement of the investment in connection with withdrawal from contract no. 7/2009/NFM of 22 December 2009 for the construction of the National Forum of Music in Wrocław ("Contract"). . In

its preliminary award, the Court of Arbitration determined that the Executing Consortium (Mostostal Warszawa S.A. - Leader, Acciona Construcción S.A., Marek Izmańłowicz - IWA, WPBP Wroble S.A.) effectively withdrew from the Contract on 5 October 2012. However, the case is still being considered by the same Arbitration Court in accordance with Mostostal's position. Part of the amount claimed in court is presented in assets due to execution of construction contracts. An expert opinion and a supplementary opinion were drawn up in the case. In its judgment of 23.12.2020, the arbitration court awarded the amount of PLN 29,036 thousand from the Municipality of Wrocław to Mostostal, together with interest from 20.01.2013. On 21.01.2021. On 21.01.2021 the Municipality of Wrocław paid the amount of PLN 43,501 thousand to the Company. On 5.03.2021. Municipality of Wrocław filed a complaint for revoking the arbitration court's verdict with regard to the amount of PLN 15,941 thousand.

(j) Lublin Oncology Centre (Defendant)

Date of action 03.10.2014

Value of the dispute: PLN 32,461 thousand

In a case brought against the Respondent, Mostostal Warszawa S.A., together with 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 undisputedly performed works, (ii) interest for delays in payments during contract performance, (iii) reimbursement of improperly calculated and deducted contractual penalties, (iv) other claims in which the plaintiffs seek payment for materials purchased and left for incorporation, costs of maintaining warranties and lost profits. In the present lawsuit, the Respondent filed a counterclaim in which it demands that the Claimant pay a total of PLN 27,072 thousand on account of: (i) contractual penalty for withdrawal from the agreement, (ii) reimbursement of costs and (iii) payments to subcontractors. At present, the case is at the evidentiary stage. 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 due to the performance of construction contracts. An expert opinion has been prepared in this case. A supplementary opinion is currently being prepared.

(k) University of Białystok (Defendant)

Date of action 29.04.2015

Dispute value: PLN 83,435 thousand

Mostostal Warszawa S.A., as a counterclaimant, is claiming payment for basic, additional and replacement works, payment of outstanding remuneration with interest, indirect costs resulting from extending the work schedule and other additional works in connection with the agreement of 25.01.2011 regarding "Construction of the Institute of Biology and the Faculty of Mathematics and Computer Science together with the University Computing Centre" and the agreement of 25.01.2011 regarding "Construction of the Faculty of Physics and the Institute of Chemistry", executed within the Infrastructure and Environment Operational Programme. 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 write-downs were created. The proceedings were covered by settlement talks. At the concerted request of the parties, the proceedings were suspended on 24.04.2019. Due to the failure to conclude a settlement as part of the ongoing talks, the proceedings were taken up by an order of the Court dated 10.10.2019. Evidence proceedings are being conducted in the case. An expert opinion has been commissioned. Due to the conclusion of a mediation agreement by the Parties, the proceedings were again suspended at the concerted request of the Parties. The parties are participating in the mediation.

(l) Agencja Rozwoju Miasta 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 Defendant for payment of the amount due for additional works connected with the construction of the "Czyżyny" Sports and Entertainment Arena in Cracow. Part of the amount claimed in court is presented by the Company in the item of trade receivables and other receivables in the group of overdue receivables for which no revaluation write-downs were created and in assets resulting from the performance of construction contracts. As no agreement was reached in mediation, the case will continue before the court.

(m) Gamma Inwestycje S.A. (formerly Zielona Italia Sp. z o.o.) (Defendant)

Date of action 07.06.2013

Value of litigation 9,963 thousand PLN

Mostostal Warszawa S.A. demanded that it cease infringing the copyrights to the detailed design of the "Zielona Italia" multi-section housing estate and that the defendant be ordered to pay the plaintiff an amount representing three times the market value of the detailed design. The proceedings in the case were discontinued by the Court. Mostostal appealed against the decision to discontinue the proceedings, and by order of 19.03.2021. Court of Appeal revoked the decision of the District Court to discontinue the proceedings. In connection with the ongoing mediation, the parties are negotiating the terms of the settlement.

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

Date of action 10.02.2017

Value of litigation 33,770 thousand PLN

A dispute for payment by way 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 an investment

project entitled Construction of a Thermal Waste Neutralisation Facility for the Szczecin Metropolitan Area in Szczecin. On 29 March 2018. The Regional Court in Szczecin awarded Mostostal Warszawa S.A. the amount of PLN 33,770 thousand with interest. On 30 May 2018. The Respondent filed an appeal against the judgment. The Court of Appeal in its judgment of 4.12.2018 dismissed the Respondent's appeal in its entirety. MW initiated enforcement proceedings against the Respondent. 5.02.2019 r. The Respondent filed a cassation appeal with a request to stay the execution of the judgments. The Court of Appeal granted the Respondent's request to stay the execution 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. On 25.10.2019. The Supreme Court allowed the cassation appeal to be heard. We are currently awaiting the appointment of a cassation hearing before the SN. 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.

o) State Treasury - General Director for National Roads and Motorways (Respondent)

Date of action 17.05.2017

Value of the dispute PLN 29,063 thousand

Mostostal Warszawa S.A. and its consortium are demanding payment for additional costs arising from the performance of Contract No. 122/2010 of 31.08.2010 concluded with the Respondent for the execution of works consisting in "Extension of National Road No. 8 to the parameters of an expressway within the section from the border of the Mazowieckie/Łódzkie Voivodeship to Radziejowice". The proceedings are pending before the Regional Court in Warsaw. At present, the expert is being selected. Part of the amount claimed in court is presented in assets resulting from construction contracts.

(p) State Treasury - General Director for National Roads and Motorways (Respondent)

Date of action 03.07.2017

Value of the dispute PLN 20,614 thousand

The Company and the consortium member filed a claim with the Regional Court in Warsaw against the Defendant for compensation in favour of the Plaintiff jointly and severally of the amount of PLN 20,614 thousand with statutory interest for delay from the day of filing the claim until the day of payment. The object of the dispute is the reimbursement from the Defendant to the Plaintiff of the costs of carrying out works on the extension of the S-7 road to 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 road 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 in assets due to the performance of construction contracts. An expert opinion was commissioned in the case.

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

Date of filing the claim: 20.01.2018 r

Value of the 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 for construction works performed as part of the investment: 20 MWe Power Block in Elbląg. The value of the object of dispute covers the principal amount of PLN 19,948,000 and capitalized interest as of the day preceding the statement of claim - PLN 6,326,000. The Respondent paid the Claimant only a part of the amount due on account of the performed works. The main receivables result from invoices that were reduced by deductions due to, according to Mostostal Warszawa S.A., unjustified contractual penalties. 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. Mostostal Warszawa S.A. also applied for a payment order in the writ of payment procedure. On 2 February 2018. The Regional Court in Gdańsk, 9th Commercial Department issued a payment order in the writ of payment procedure. On 23 February 2018. The Respondent filed an objection to the order for payment. On 10 April 2018. Mostostal Warszawa S.A. filed a reply to the objection to the order for payment. Evidence proceedings are in progress. A court expert has been selected to prepare an opinion in the case.

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

Date of action 15.01.2018

Value of the dispute PLN 90,141 thousand

Mostostal Warszawa S.A. brought 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 said statement of claim Mostostal Warszawa S.A. seeks from the Respondent payment 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 within the interim payment certificates issued every month. The response to the Respondent's statement of claim was received by the Company on 24 May 2018. On 24.01.2019. MW received a counterclaim for the amount of PLN 211,839 thousand in the opinion of the Company without any grounds. The resolution of the case will be subject to the assessment of the court expert. Evidentiary proceedings are ongoing in the case and an expert has been selected. Part of the amount claimed in court is presented by the Company in the item trade and other receivables in the group of overdue receivables for which no revaluation allowances have been created.

(s) State Treasury, General Director for National Roads and Motorways (Respondent)

Date of filing the claim: 24.01.2018

Value of litigation PLN 98,585 thousand

Mostostal Warszawa S.A. filed a lawsuit with the Consortium to the Regional Court in Warsaw against the Respondent for the payment of PLN 98,585 thousand with statutory interest from 31 December 2014 to 31 December 2015 and with statutory interest for delay from 1 January 2016 to the date of payment. By means of the Statement of Claim, Mostostal Warszawa S.A. is pursuing claims against the Respondent arising in the course of 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 in assets from the execution of construction contracts. On 28.05.2020. The Court hearing the case decided to dismiss the Respondent's motion to dismiss the claim. The Respondent appealed against the said decision. Evidence proceedings are pending.

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

Date of filing the lawsuit: 15.12.2017

Value of the dispute PLN 7,753 thousand

The subject matter of the action brought by Mostostal against Energa Kogeneracja Sp. z o.o. (Energa) is a claim for payment (return) of contractual penalties that were calculated 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) claims that the contract was performed improperly, there were design and workmanship errors as a result of which the unit does not reach guaranteed parameters, and Energa was entitled to contractual penalties for this. According to Mostostal, the reason for the malfunction of the Unit and the failure to achieve the guaranteed parameters is mainly due to the operation of the Unit 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 in the item of trade and other receivables in the group of overdue receivables for which no revaluation write-downs have been created.

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

Date of filing the lawsuit: 4.03.2019 r.

Dispute value: PLN 9,438 thousand

Lawsuit for payment for the amount paid by MPWiK - without factual and legal basis - from the contract performance guarantee. On 12.03.2019. The Court issued a payment order in the writ of payment procedure in favour of Mostostal. The respondent filed an objection to the payment order. In it, he indicated that he had executed a performance bond in connection with corrosion of technological pipelines. The causes of the corrosion were said to be, on the one hand, the use of the wrong type of steel and, on the other hand, execution errors in the welding process. On 09.08.2019. Mostostal filed a reply to the objection, in which it indicated that as at the date of the bank's request for payment of the amount of the guarantee, the respondent was not entitled to a specific, e.g. as to the amount, due claim that was part of improper performance or non-performance of the contract. Evidentiary proceedings are in progress. 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 write-downs have been created.

w) PERN S.A. (Respondent)

On 31.03.2021 the Consortium of the companies Mostostal Płock S.A. - Consortium Leader (58.3% share in the Consortium) and Mostostal Warszawa S.A. - Consortium Partner (41.7% share in the Consortium) hereinafter referred to as "Plaintiff", filed a statement of claim against PERN S.A. with the Court of Arbitration at the Confederation of Leviathan, in which the Parties seek compensation for payment of unduly set-off contractual penalties in the amount of PLN 3,521,000, compensation for the amount of PLN 1,154,000 for additional works and establishment that PERN S.A. is not entitled to claim payment of contractual penalties by the Claimant in the total amount of PLN 11,934,000. The probability of the Court of Arbitration being favourable to the Claimant is assessed as high.

Part of the claims from the above-mentioned court cases was recognised by the Company in the budgets of contracts and included in revenues of previous years. Details are described in Note 4 of Additional information and explanations to the condensed interim separate financial statements for the period 01.01.2021 - 31.03.2021.

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 Additional information and explanations to the condensed interim separate financial statements for the period 01.01.2021 - 31.03.2021.

Information on credit or loan sureties or guarantees granted by Mostostal Warszawa S.A.

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

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

In the opinion of the Management Board, there is no other information significant for the assessment of the Company's situation other than the information listed in the notes to the condensed separate financial statements for the period 01.01.2021 - 31.03.2021 and the remaining paragraphs to the other information to the condensed separate financial statements for the period 01.01.2021 - 31.03.2021.

12 Factors that will influence the results to be achieved in at least the next quarter

Factors that may affect the Company's results in the outlook for the next quarter are:

- a) the risk of changes in the prices of construction materials and subcontractor services,
- b) exchange rate risk, which has an impact on the valuation of loan commitments,
- c) strong competition on the construction and installation services market,
- d) slowing down investment processes,
- e) coronavirus pandemic and the related declaration of an epidemiological emergency in the territory of the Republic of Poland.

Warsaw, 21.05.2021

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