

Mostostal

W A R S Z A W A

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENT
MOSTOSTAL WARSZAWA CAPITAL GROUP

for the period 01.07.2021 - 30.09.2021

BUDUJEMY PRZYSZŁOŚĆ.

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CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the period of 9 months from 01.01.2021 to 30.09.2021

in PLN '000

L.P	CONTINUED OPERATIONS	3 quarters 2021 period from 01.01.2021 to 30.09.2021	Q3 2021 period from 01.07.2021 until 30.09.2021	3 quarters 2020 period from 01.01.2020 to 30.09.2020	Q3 2020 period from 01.07.2020 until 30.09.2020
I	Sales revenues	881 743	325 474	1 021 187	349 512
	Revenues from construction contracts	870 175	322 354	1 015 757	348 340
	Revenues from sale of services	2 400	1 180	3 700	916
	Revenues from sale of goods and materials	9 168	1 940	1 730	256
II	Cost of sales	801 317	301 231	946 921	321 196
III	Gross profit on sales	80 426	24 243	74 266	28 316
IV	General administrative expenses	46 450	14 287	46 514	14 014
V	Other operating income	4 823	891	5 086	692
VI	Other operating expenses	9 655	1 938	9 145	5 275
VII	Profit from operating activities	29 144	8 909	23 693	9 719
VIII	Financial revenue	6 289	-3 351	3 174	522
IX	Financial costs	9 737	4 574	20 348	5 374
X	Gross profit	25 696	984	6 519	4 867
XI	Income tax	7 193	-69	627	-342
XII	Net profit from continued operations	18 503	1 053	5 892	5 209
XIII	Net profit for the period from discontinued operations	0	0	0	0
XIV	Net profit for the period	18 503	1 053	5 892	5 209
XV	Net profit attributable to shareholders of the Parent Company	11 215	-954	3 151	3 754
XVI	Net profit attributable to non-controlling shareholders	7 288	2 007	2 741	1 455

Profit per share

SPECIFICATION	3 quarters 2021 period from 01.01.2021 to 30.09.2021	Q3 2021 period from 01.07.2021 until 30.09.2021	3 quarters 2020 period from 01.01.2020 to 30.09.2020	Q3 2020 period from 01.07.2020 until 30.09.2020
Weighted average number of ordinary shares	20 000 000	20 000 000	20 000 000	20 000 000
Net profit per ordinary share (in PLN)	0,56	-0,05	0,16	0,19
Basic profit per share from continued operations	0,56	-0,05	0,16	0,19
Diluted net profit per ordinary share (in PLN)	0,56	-0,05	0,16	0,19
Diluted profit per share from continued operations	0,56	-0,05	0,16	0,19

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period of 9 months from 01.01.2021 to 30.09.2021

in PLN '000

	SPECIFICATION	3 quarters 2021 period from 01.01.2021 to 30.09.2021	Q3 2021 period from 01.07.2021 until 30.09.2021	3 quarters 2020 period from 01.01.2020 to 30.09.2020	Q3 2020 period from 01.07.2020 until 30.09.2020
	Net profit for the period	18 503	1 053	5 892	5 209
	Other comprehensive income that will be subsequently reclassified to profit or loss when certain conditions are met:				
	Foreign exchange differences on translation of a foreign entity	33	-220	150	53
	Other comprehensive income before tax	32	-221	121	24
	Income tax relating to components of other comprehensive income	0	0	0	0
	Other net comprehensive income	32	-221	121	24
	Total income	18 535	832	6 013	5 233
	attributed to:				
	Shareholders of the Parent Company	11 248	-1 174	3 272	3 778
	To non-controlling shareholders	7 287	2 006	2 741	1 455

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in PLN '000

L.P	ASSETS	30.09.2021	30.06.2021	31.12.2020	30.09.2020
I.	Non-current assets (long-term)	131 001	132 405	130 705	123 789
I.1	Intangible assets	1 112	1 287	1 557	1 594
I.2	Use rights	43 811	44 608	46 006	6 381
I.3	Tangible fixed assets	39 463	39 707	34 852	66 890
I.4	Long-term deposits under construction contracts due from customers	13 898	14 739	15 604	13 894
I.5	Long-term financial assets	12	12	12	12
I.6	Deferred tax assets	27 829	27 367	27 305	29 138
I.7	Long-term accruals and deferred income	4 876	4 685	5 369	5 880
II.	Current assets (short-term)	845 964	815 342	832 459	832 495
II.1	Stocks	54 362	41 455	20 654	22 411
II.2	Trade receivables	293 078	343 858	337 291	339 204
II.3	Other receivables	9 229	5 262	5 622	942
II.4	Income tax receivables	1 050	430	539	0
II.5	Advances for works	4 349	3 162	12 144	15 175
II.6	Cash and cash equivalents	204 528	144 042	183 289	135 913
II.7	Short-term financial assets	0	0	59	73
II.8	Assets resulting from construction contracts	271 500	270 129	267 483	312 870
II.9	Other accruals and deferred income	7 868	7 004	5 378	5 907
	TOTAL ASSETS	976 965	947 747	963 164	956 284
L.P	LIABILITIES	30.09.2021	30.06.2021	31.12.2020	30.09.2020
I	Equity (attributable to shareholders of the Parent Company)	54 550	55 732	43 091	40 332
I.1	Share capital	44 801	44 801	44 801	44 801
I.2	Share premium	108 406	108 406	108 406	108 406
I.3	Other reserve capitals	33 056	33 056	22 742	22 742
I.4	Reserve capital from reclassification of loans	201 815	201 815	201 815	201 815
I.5	Foreign exchange differences on translation of foreign entities/branches	-619	-399	-652	-708
I.6	Retained earnings / (Uncovered losses)	-332 909	-331 947	-334 021	-336 724
II.	Non-controlling shareholders' equity	19 946	17 940	13 172	13 658
III.	Total equity	74 496	73 672	56 263	53 990
IV.	Long-term liabilities	116 125	126 351	112 268	113 924
IV.1	Long-term leasing liabilities	29 204	29 452	26 505	24 505
IV.2	Long-term deposits under construction contracts due to suppliers	36 475	42 263	44 556	47 178
IV.3	Long-term liabilities under construction contracts	39 785	43 668	30 114	33 862
IV.4	Long-term provisions	10 661	10 968	11 093	8 379
V.	Short-term liabilities	786 344	747 724	794 633	788 370
V.1	Current portion of interest-bearing bank loans and borrowings	143 105	134 175	206 480	200 267
V.2	Short-term leasing liabilities	9 869	10 256	10 346	10 136
V.3	Trade payables	199 839	264 358	201 721	206 582
V.4	Income tax	324	275	3 096	1 773
V.5	Other liabilities	37 112	39 503	39 360	34 931
V.6	Short-term liabilities due to execution of construction contracts	194 247	88 043	122 298	131 356
V.7	Short-term provisions	16 880	22 341	17 826	11 139
V.8	Liabilities on account of employee benefits	7 408	7 677	9 009	0
V.9	Other accruals and deferred income	177 560	181 096	184 497	192 186
VI.	Total liabilities	902 469	874 075	906 901	902 294
	Total equity and liabilities	976 965	947 747	963 164	956 284

CONSOLIDATED CASH FLOW STATEMENT
for the period of 9 months from 01.01.2021 to 30.09.2021

in PLN '000

L.P	SPECIFICATION	3 quarters 2021 period from 01.01.2021 to 30.09.2021	Q3 2021 period from 01.07.2021 until 30.09.2021	3 quarters 2020 period from 01.01.2020 to 30.09.2020	Q3 2020 period from 01.07.2020 until 30.09.2020
I	Cash flows from operating activities				
I.1	Gross profit	25 696	984	6 519	4 867
I.2	Adjustments for items:	88 362	62 956	-67 394	20 085
I.2.1	Depreciation	13 205	4 443	12 271	4 248
I.2.2	Exchange rate differences	-964	4 085	11 325	2 637
I.2.3	Interest	5 255	-352	6 698	2 351
I.2.4	Profit/loss on investing activities	-18	226	-1 333	-213
I.2.5	Change in receivables	49 596	45 847	-12 668	50 666
I.2.6	Change in inventories	-33 708	-12 907	-6 683	-1 208
I.2.7	Change in liabilities, except for loans and borrowings	-12 209	-69 022	-55 337	-22 036
I.2.8	Change in assets and liabilities arising from construction contracts and accruals	67 069	96 094	-12 134	-12 847
I.2.9	Change in provisions	-1 379	-5 769	-6 982	-2 089
I.2.10	Other	1 515	311	-2 551	-1 424
I.3	Cash from operating activities	114 058	63 940	-60 875	24 952
	Income tax (paid / received)	-11 692	-1 654	-274	-51
I	Net cash provided by operating activities	102 366	62 286	-61 149	24 901
II	Cash flows from investing activities				
II.1	Sale of tangible and intangible assets	687	221	7 632	1 137
II.2	Acquisition of tangible and intangible assets	-5 478	-464	-6 509	-2 386
II.3	Purchase of financial assets	0	0	-1 313	0
II.4	Interest received	1	-487	474	1
II.5	Other	0	0	369	369
II	Net cash from investing activities	-4 790	-730	653	-879
III	Cash flows from financing activities				
III.1	Repayment of lease liabilities	-8 153	-3 750	-5 755	-2 447
III.2	Proceeds from loans/credits taken out	8 841	4 354	5 329	-493
III.3	Repayment of loans / credits	-73 107	-3 710	-57 393	-387
III.4	Dividends paid to non-controlling shareholders	-513	-513	0	0
III.5	Interest paid	-3 314	2 583	-19 373	-959
III.6	Other	-91	-34	-82	-28
III	Net cash from financing activities	-76 337	-1 070	-77 274	-4 314
IV	Change in cash and cash equivalents before foreign exchange differences	21 239	60 486	-137 770	19 708
	Change in cash and cash equivalents due to exchange rate differences	0	0	0	0
V	Change in cash and cash equivalents, net of foreign exchange differences	21 239	60 486	-137 770	19 708
VI	Cash and cash equivalents at the beginning of the period	183 289	144 042	273 683	116 205
VII	Cash and cash equivalents at the end of the period	204 528	204 528	135 913	135 913

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in PLN '000

3 quarters 2021 period from 01.01.2021 to 30.09.2021	Share capital	Share premium	Other reserve capitals	Reserve capital from reclassification of loans	Foreign exchange differences on translation of foreign branches	Retained earnings / uncovered losses	Equity (attributable to shareholders of the Parent Company)	Attributable capital to non- controlling shareholders	Equity total
As at January 1, 2021	44 801	108 406	22 742	201 815	-652	-334 021	43 091	13 172	56 263
Profit (loss) for the period	0	0	0	0	0	11 215	11 215	7 288	18 503
Other comprehensive income	0	0	0	0	33	0	33	-1	32
Total comprehensive income	0	0	0	0	33	11 215	11 248	7 287	18 535
Distribution of retained earnings	0	0	10 314	0	0	-10 103	211	-513	-302
Change in capital in the period	0	0	10 314	0	33	1 112	11 459	6 774	18 233
As at September 30, 2021	44 801	108 406	33 056	201 815	-619	-332 909	54 550	19 946	74 496

Q3 2021 period from 01.07.2021 to 30.09.2021	Share capital	Share premium	Other reserve capitals	Reserve capital from reclassification of loans	Foreign exchange differences on translation of foreign branches	Retained earnings / uncovered losses	Equity (attributable to shareholders of the Parent Company)	Attributable capital to non- controlling shareholders	Equity total
As at 1 July 2021	44 801	108 406	33 056	201 815	-399	-331 947	55 732	17 940	73 672
Profit (loss) for the period	0	0	0	0	0	-954	-954	2 006	1 052
Other comprehensive income	0	0	0	0	-220	0	-220	0	-220
Total comprehensive income	0	0	0	0	-220	-954	-1 174	2 006	832
Distribution of retained earnings	0	0	0	0	0	-8	-8	0	-8
Change in capital in the period	0	0	0	0	-220	-962	-1 182	2 006	824
As at September 30, 2021	44 801	108 406	33 056	201 815	-619	-332 909	54 550	19 946	74 496

Mostostal Warszawa Capital Group
Condensed consolidated interim financial statement for the period 01.07.2021 - 30.09.2021

2020 period from 01.01.2020 to 31.12.2020	Share capital	Share premium	Other reserve capitals	Reserve capital from reclassification of loans	Foreign exchange differences on translation of foreign branches	Retained earnings / uncovered losses	Equity (attributable to shareholders of the Parent Company)	Attributable capital to non- controlling shareholders	Equity total
As at January 1, 2020	44 801	108 406	30 091	201 815	-858	-344 115	40 140	9 768	49 908
Profit (loss) for the period	0	0	0	0	0	5 825	5 825	2 255	8 080
Other comprehensive income	0	0	24	0	206	-24	206	0	206
Total comprehensive income	0	0	24	0	206	5 801	6 031	2 255	8 286
Distribution of retained earnings	0	0	-7 373	0	0	4 293	-3 080	1 149	-1 931
Change in capital in the period	0	0	-7 349	0	206	10 094	2 951	3 404	6 355
As at 31 December 2020	44 801	108 406	22 742	201 815	-652	-334 021	43 091	13 172	56 263

3 quarters 2020 period from 01.01.2020 to 30.09.2020	Share capital	Share premium	Other reserve capitals	Reserve capital from reclassification of loans	Foreign exchange differences on translation of foreign branches	Retained earnings / uncovered losses	Equity (attributable to shareholders of the Parent Company)	Attributable capital to non- controlling shareholders	Equity total
As at January 1, 2020	44 801	108 406	30 091	201 815	-858	-344 115	40 140	9 768	49 908
Profit (loss) for the period	0	0	0	0	0	3 151	3 151	2 741	5 892
Other comprehensive income	0	0	24	0	150	-53	121	0	121
Total comprehensive income	0	0	24	0	150	3 098	3 272	2 741	6 013
Distribution of retained earnings	0	0	-7 373	0	0	4 293	-3 080	1 149	-1 931
Change in capital in the period	0	0	-7 349	0	150	7 391	192	3 890	4 082
As at September 30, 2020	44 801	108 406	22 742	201 815	-708	-336 724	40 332	13 658	53 990

ADDITIONAL INFORMATION AND EXPLANATIONS

1. General information

Mostostal Warszawa Capital Group consists of the parent company Mostostal Warszawa S.A. and its subsidiaries.

The condensed consolidated interim financial statement of Mostostal Warszawa Capital Group for the consolidated income statement covers the period of 9 months of 2021 and the 3rd quarter of 2021 and includes comparative data for the period of 9 months of 2020 and the 3rd quarter of 2020, for the consolidated cash flow statement the period of 9 months of 2021 and the 3rd quarter of 2021 and includes comparative data for the period of 9 months of 2020 and the 3rd quarter of 2020 and in case of the consolidated statement of financial position prepared as of 30 September 2021, it includes comparative data as of 30 June 2021, 31 December 2020 and 30 September 2020.

Mostostal Warszawa S.A., i.e. the Parent Company, 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 registered office of Mostostal Warszawa S.A. is in Warsaw (02-673), 12A Konstruktorska Street, Poland. The core business of Mostostal Warszawa S.A. is specialised construction works, classified under PKD 4120Z. Mostostal Warszawa Group operates in the European Union market. Shares of Mostostal Warszawa S.A. are listed on the Warsaw Stock Exchange, sector: construction.

The duration of the Parent Company and the companies comprising the Capital Group is indefinite.

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

The ultimate parent company is Acciona S.A.

2. Composition of the Capital Group

In Q3 2021, the consolidated Mostostal Warszawa Capital Group comprises:

Lp.	Company name	Headquarters	Subject of activity	Competent court	Share of Mostostal Warszawa S.A. in votes at the company's General Meeting (30.09.2021)	Mostostal Warszawa S.A. share in the company's share capital (30.09.2021)
1	Mostostal Warszawa S.A. - Parent Company	Warsaw	Construction	District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register under number 0000008820	-	-
2	Mostostal Kielce S.A.	Kielce	Construction	District Court in Kielce, 10th Commercial Division of the National Court Register under number 0000037333	100,00%	100,00%
3	AMK Kraków S.A.	Krakow	engineering services, design, construction project management, implementation of facilities "turnkey	District Court for Kraków Śródmieście XI Economic Division of the National Court Register under number 0000053358	100,00%	100,00%
4	Mostostal Płock S.A.	Plock	Construction	District Court for the Capital City of Warsaw, XIV Commercial Division of the National Court Register under number 0000053336	53,10%	48,69%

5	Mostostal Power Development Sp. z o.o.	Warsaw	Construction	District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register under the number 0000480032	100,00%	100,00%
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Subsidiaries are all business entities over which the Group exercises control. The Group exercises control over a company when it is exposed to or entitled to variable financial results due to its involvement in that company and when it is able to influence the level of its results by exercising its authority over that company. Subsidiaries are fully consolidated from the date on which control is obtained by the Group. Consolidation is discontinued from the date on which control is no longer exercised.

As on 30.09.2021 Mostostal Warszawa S.A. held 907,095 ordinary bearer shares and 66,057 registered shares preferred as to voting rights (1 share = 5 votes), accounting for 48.69% of equity interest and 53.10% of the total number of votes of Mostostal Płock S.A. The fact that Mostostal Warszawa S.A. holds the majority of votes in the Supervisory Board of Mostostal Płock S.A., which is authorised to appoint and dismiss members of the management body, as well as the fact of exercising influence on the operations of this company makes it possible to control Mostostal Warszawa S.A. in relation to Mostostal Płock S.A., which results in consolidation using full method.

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

The Management Board of Mostostal Warszawa S.A. as of 30.09.2021 consisted of:

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

The following persons were members of the Supervisory Board of Mostostal Warszawa S.A. as of 30.09.2021:

Antonio Muñoz Garrido - Member of the Supervisory Board
 Carlos Lapuente Sastre - 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 Ouiza - Member of the Supervisory Board

4. Approval of the financial statements

This condensed interim consolidated financial statement for Q3 2021 was approved for publication by the Parent's Management Board on 5 November 2021.

5. Significant accounting policies

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

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

The condensed interim consolidated financial statements were prepared in accordance with the historical cost principle.

For the 3 quarters of 2021, the Capital Group generated a gross profit on sales of PLN 80,426 thousand and achieved a net profit for the period of PLN 18,503 thousand. As at 30 September 2021, the Capital Group's equity amounted to PLN 74,496 thousand. The Capital Group recorded a positive net cash flow from operating activities in the amount of PLN 102,366 thousand

A significant element of financing Mostostal Warszawa S.A.'s operations are loans granted by its senior parent, Acciona Construcción S.A. In 2021, the Parent Company repaid a loan with interest in the total amount of PLN 71,014 thousand and signed annexes to two loan agreements for the total amount of PLN 127,350 thousand, which postpone their repayment date to May 2022. The Parent Company has not experienced, and does not currently foresee any difficulties with potential further extensions of repayment dates for the remaining amounts of the loans.

Based on the experience of the pandemic to date, the Parent's Management Board does not anticipate any direct material adverse effect of the COVID-19 epidemic on the Parent's and the Group's business, financial condition and operating results in the medium and long term. However, it cannot be ruled out that the prolonged period of restrictions on business activities, the expansion and prolongation of coronavirus containment measures which are severe for the Polish economy, will have a negative impact on the financial position and operating results of the Parent Company and the Group in the medium and long term. The Parent Company's Management Board is monitoring the situation on an ongoing basis and will react accordingly to mitigate the impact of these events, should they occur.

Based on the analysis of the projected cash flows, the Management Board of Mostostal Warszawa S.A. estimates that the Parent Company and the Capital Group will have sufficient cash to finance their operating activities for at least 12 months after the balance sheet date. As at 30 September 2021, the value of the Capital Group's order portfolio amounted to PLN 3,547,337 thousand. At the same time, the companies of the Capital Group participate in a number of tender procedures which may result in winning new orders in the near future.

The Management Board of the Parent Company confirms that as at the date of approving these interim condensed consolidated financial statements there are no circumstances indicating a threat to the continuation of operations by the Parent Company or companies belonging to the Mostostal Warszawa Capital Group.

5.2 Statement of compliance

This condensed consolidated interim financial statements for the 9-month period ended 30 September 2021 has been prepared in accordance with IAS 34 "Interim Financial Reporting" as approved by the European Union. The condensed consolidated interim financial statement should be read in conjunction with the audited consolidated financial statement of Mostostal Warszawa Capital Group for the year ended 31 December 2020 and the related notes.

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

The consolidated financial statements include adjustments not disclosed in the accounting books of the Group's companies, which were made in order to bring the financial statements of those companies to conformity with IFRS.

Mid-year Abbreviated Consolidated Financial Statements of Mostostal Warszawa Capital Group were not reviewed and audited by a statutory auditor.

5.3 Accounting principles

Detailed accounting principles adopted by Mostostal Warszawa Group are described in the consolidated financial statements for the year ended 31 December 2020.

The accounting principles applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of Mostostal Warszawa Capital Group for the year ended 31 December 2020.

Amendments to standards applied for the first time in 2021

The Capital Group 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 significant impact on the Group's accounting policies applied to date.

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

IFRS in the form approved 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 preparation of the financial statements, 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 publication of the standard in the final version (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 approval 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 the 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 any significant impact on the consolidated financial statements if they were applied by the Group as at the balance sheet date.

5.4 Currency of the financial statements

The condensed interim consolidated financial statement for Q3 2021 has been presented in PLN, and all values have been rounded off to the nearest thousand, unless indicated otherwise.

6. Long-term construction contracts

Revenues from construction contracts are adjusted by compensations and penalties paid, whereas the cost of construction works is decreased by compensations and penalties received.

The cost of construction works also includes the costs of provisions created for expected losses on contracts disclosed in item 10 of these condensed interim consolidated financial statements.

Revenues from execution of uncompleted construction contracts

SPECIFICATION	30.09.2021	30.06.2021	31.12.2020	30.09.2020
Cumulatively estimated revenue from construction contracts in progress	1 539 392	3 657 860	3 980 191	4 327 700
Cumulative invoiced sales on uncompleted construction contracts	1 438 495	3 557 376	3 913 990	4 210 372
Assets and accruals resulting from construction contracts in progress (per balance)	100 897	100 484	66 201	117 328
Advances received for uncompleted construction contracts	-178 282	-87 110	-111 340	128 223
Short-term and long-term assets and liabilities under construction contracts in progress (per balance)	-77 385	13 374	-45 139	-10 895
Reconciliation to items from the statement of financial position:				
Assets and accruals resulting from construction contracts in progress (per balance)	100 897	110 674	66 201	117 328
Advances received for uncompleted construction contracts	-178 282	-87 110	-111 340	-128 223
Assets due to execution of construction contracts on completed contracts	114 853	114 853	160 210	158 547
Short-term and long-term assets and liabilities under construction contracts (per balance)	37 468	138 417	115 071	147 652
of which				
Assets resulting from construction contracts	271 500	270 128	267 483	312 870
Long-term liabilities under construction contracts	39 785	43 668	30 114	33 862
Short-term liabilities due to execution of construction contracts	194 247	88 043	122 298	131 356

* Cumulatively estimated revenue from construction contracts in progress and cumulatively invoiced sales for these contracts decreased significantly as compared to 30 June 2021 mainly due to completion of construction of the Opole Power Plant by the Parent Company and its settlement in the books.

During the course of long-term construction contracts, unforeseen circumstances may arise that result in losses or deterioration in margins, damages, increased unanticipated expenses, etc.

These circumstances primarily include:

- increase of the material scope in relation to the design assumptions (tender specifications) provided to the Capital Group by the Ordering Parties,
- unpredictable, extraordinary increase in the prices of: construction materials (including fuels, petroleum materials and other materials), transport, equipment rental and construction services,
- the need to execute the contracts over a longer period of time, and therefore to incur 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 opinion of the Group, these circumstances result in amendments to contracts with customers (clients) in accordance with the contractual provisions and general legal grounds, and the rights vested in the Group as a result of amending the contract exist and are enforceable (claims submitted to clients).

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

The ordering parties may also file claims against the Capital Group, most frequently in the event of delays in contract performance and when defects and faults are identified. Claims against the Capital Group represent the potential amount of reduced remuneration to be returned to the ordering party in the event of an unfavourable outcome of legal proceedings.

Due to the high complexity of construction contracts and the fact that court proceedings involve multiple instances, it may take many years before a final judgment is issued in a given case. In the statement of financial position, the Group discloses material balances of assets related to construction contracts which are subject to court proceedings.

Amounts recorded as assets/liabilities for construction contracts reflect the estimated value of variable consideration:

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

The table below presents the nominal value of variable remuneration to which the Group will be entitled in the event of a favourable outcome of the court proceedings, the nominal value of liabilities arising from the performance of contracts, which will be returned to the ordering parties in the event of an unfavourable outcome of the court proceedings pending against the Group, and the value of assets and liabilities arising from the performance of construction contracts, related to claims, recognised in the statement of financial position.

Claims were grouped by the following categories:

- a) Claims subject to litigation:
 - Resulting from closed contracts, which include claims for payment of due remuneration offset with contractual penalties calculated by the ordering party and claims for increase in remuneration due to the occurrence of unforeseeable circumstances,
 - Disputes related to contracts which have not been completed - disputes concerning the determination of the amount of remuneration due to the Capital Group for work performed until the date of withdrawal from the contract,
- b) Disputes at the pre-litigation negotiation stage.

Specification	Assets / liabilities arising from construction contracts recognised in the statement of financial position	Nominal value of variable remuneration due to the Group	Nominal value of remuneration to be returned to contracting authorities
	30 September 2021		
Claims subject to litigation:	233 996	812 404	377 260
Contracts completed and accepted by the ordering party <i>Assets resulting from construction contracts</i>	121 536	656 032	135 208
Contracts terminated before completion of work <i>Assets resulting from construction contracts</i>	118 460	156 372	242 052
Disputes at the pre-litigation stage <i>Assets resulting from construction contracts</i>	7 445	8 600	11 934
	31 December 2020		
Claims subject to litigation:	302 194	1 053 316	702 071
Contracts completed and accepted by the ordering party <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 Group's rights to remuneration for works executed but not invoiced as at the reporting date in connection with construction contracts. Contract assets have not been subject to impairment losses. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when an invoice is issued to a customer. Liabilities due to the performance of construction contracts relate primarily to accruals, i.e. a situation where the invoiced cumulative value of sales and prepayments received under construction contracts is higher than sales by degree.

Specification	30.09.2021	30.06.2021	31.12.2020	30.09.2020
Long-term liabilities under construction contracts				
Advances for works	39 785	43 668	30 114	33 862
Total	39 785	43 668	30 114	33 862
Short-term liabilities due to execution of construction contracts				
Accruals for construction contracts	55 750	44 600	41 072	36 995
Advances for works	138 497	43 443	81 226	94 361
Total	194 247	88 043	122 298	131 356

Assets due to the performance of construction contracts as at 30.09.2021 amounted to PLN 271,500 thousand and compared to the state as at the end of the previous year increased by PLN 4,017 thousand. Accruals due to the performance of construction contracts amounted to PLN 194,247 thousand and compared to the state as at the end of 2020 increased by PLN 71,949 thousand.

7. Significant changes in estimates

The preparation of interim consolidated financial statements requires the Management Board to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities,

revenues and expenses, whose actual amounts may differ from the estimated values. The estimates and related assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, and their results provide a basis for professional judgment. In significant issues, the Management Board, while making judgements, estimates or assumptions, may rely on opinions of independent experts. The estimates and related assumptions are verified 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 Group companies recognise revenue on construction contracts based on measurement of expenditure, measured by the share of costs incurred from the date of contract to the date of revenue recognition in the total costs of service provision. Total revenue under non-current construction contracts denominated in foreign currencies is determined based on invoices issued by the balance-sheet date and on the foreign exchange rate effective as at the balance-sheet date. The budgets of individual contracts are formally updated (revised) based on current information at least once every quarter. In the event of events occurring between official budget revisions which materially affect the contract result, the value of total contract revenues or contract costs may be updated earlier.

See Notes 10 and 11 of these consolidated statements for information on impairment losses recognized and reversed.

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

As at 30 September 2021, deferred tax assets amounted to PLN 27,829 thousand (as at 31 December 2020: PLN 27,305 thousand). The Group recognises deferred tax assets based on the assumption that tax profit will be achieved in the future, which will make it possible to use them. Deterioration of tax results in the future could result in all or part of the deferred tax asset not being realised.

8. Seasonality or cyclicity of operations

Mostostal Warszawa Capital Group's operations are dependent on weather conditions and in winter periods may be less active than in other seasons. In Q3 2021, adverse weather conditions affected the operations of the Capital Group.

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

In Q3 2021, the Group's financial result was significantly affected by the weakening of the Polish currency against the euro as compared to 30.06.2021, which resulted in the Parent Company recognising foreign exchange losses on the balance sheet valuation of loans in the amount of PLN 3,222 thousand.

10. Information on write-downs of inventories to net recoverable value and reversal of write-downs

In the third quarter of 2021, no impairment write-downs on the value of inventories were created, and the write-down in the amount of PLN 14 thousand was released.

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

In Q3 2021, allowances for impairment of receivables were created in the amount of PLN 1,325 thousand and allowances of PLN 181 thousand were released.

12. Information on creation, increase, use and release of provisions

Specification	Provisions for awards jubilee and retirement bonuses	Reserve for foreseen losses on contracts	Reserve for repairs warranty	Reserve for matters judicial	Other reserves	Total
As of 01.01.2021	6 850	3 792	12 179	4 748	1 351	28 920
Created during the period	1 761	24	5 114	870	172	7 941
Used	-1 096	-819	-1 932	-2 804	-1 446	-8 097
Released	0	0	-1 165	-43	-15	-1 223
As at 30.09.2021	7 515	2 997	14 196	2 771	62	27 541
Long-term as at 30.09.2021	3 042	2 961	4 658	0	0	10 661
Short-term as at 30.09.2021	4 473	36	9 538	2 771	62	16 880

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

In Q3 2021, the Capital Group did not enter into any material transactions related to property, plant and equipment.

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

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

15. Information on significant litigation settlements

There were no material settlements of court cases in the reporting period.

16. Corrections of prior period errors

In the reporting period there were no corrections of prior period errors.

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

There were no share issues in Q3 2021. There were no repayments of debt and equity securities.

18. Dividends paid (declared) by the Issuer

In Q3 2021 Mostostal Warszawa S.A. did not pay any dividends.

19. Changes to the basic management principles

During the period reported the management principles of the Parent Company and Group Companies were not subject to any substantial changes.

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

In the reporting period no significant events occurred that might influence future results.

21. Contingent liabilities

Specification	30.06.2021	31.12.2020
1. Biomatec Sp. z o.o. - claim for remuneration	22 876	22 876
Cestar A.Cebula J.Starski sj - claim for remuneration	12 689	12 689
3. other	26 790	23 155
Total	62 355	58 720

The nominal value (corresponding to the value of the object of litigation in court proceedings) of contingent liabilities resulting from court cases brought against the Capital Group as at 30.09.2021 amounted to PLN 62,355 thousand and increased by PLN 3,635 thousand compared to the end of the previous year.

22. Information on credit and loan agreements

SHORT-TERM BANK CREDITS AND LOANS as at 30.09.2021

Name of unit, with indication of legal form	Headquar- ters	Amount of credit/loan according to agreement		Amount of loan/borrowing left for repayment		Repayment period
		PLN thousand	currency	PLN thousand	currency	
Acciona Construcción S.A.	Madrid	14 714	EURO	134 263	PLN	01.05.2022
Acciona Construcción S.A.	Madrid	13 588	EURO		PLN	01.05.2022
Societe Generale S.A. Branch in Poland	Warsaw	10 000	PLN	0	PLN	29.06.2022
Bank PeKaO S.A.	Kielce	10 000	PLN	8 842	PLN	24.06.2024
BNP S.A.	Kielce	4 300	PLN	0	PLN	17.12.2021
Credit Agricole	Krakow	5 000	PLN	0	PLN	30.06.2022
Bank PeKaO S.A.	Warsaw	5 000	PLN	0	PLN	30.06.2022
			Total	143 105		

The decrease in loan balances from year-end 2020 is due to partial repayment of loans.

No loan agreements were terminated in the third quarter of 2021.

23. Information about related parties

Total consolidated sales revenues and turnover within the Capital Group for 3 quarters of 2021.

Group companies	Total net sales revenues	Intra-group sales	Consolidated net sales revenues
Parent Company	646 895	1 354	645 541
Other Companies	255 114	18 912	236 202
TOTAL	902 009	20 266	881 743

The total net sales revenue of the companies consolidated using the full method amounted to PLN 902,009 thousand for the 3 quarters of 2021. Turnover within the Group amounted to PLN 20,266 thousand, i.e. 2.2% of total net sales revenue without consolidation exclusions.

Transactions entered into with related parties in Q3 2021 were typical and routine transactions and were entered into on an arm's length basis.

The table presents the total amounts of transactions concluded by the Companies of the Capital Group with related parties:

Related party of the Group	Date	Sales by the Group's entities to related parties	Purchases made by related parties in Group companies	Receivables from related parties	Liabilities to related parties, excluding loans
Acciona Construcción S.A. Branch in Poland	30.09.2021	26	0	4	2 664
	31.12.2020	34	0	4	3 360
	30.09.2020	26	0	7	3 374
Acciona Construcción S.A.	30.09.2021	0	8 820	209	19 731
	31.12.2020	225	0	489	25 065
	30.09.2020	225	3 774	489	25 065
Acciona Nieruchomości Wilanów Sp. z o.o.	30.09.2021	14 870	444	2 355	0
	31.12.2020	47 326	434	1 611	13
	30.09.2020	35 654	356	9 916	10
Acciona Facility Services Poland Sp. z o.o.	30.09.2021	121	0	41	0
	31.12.2020	187	0	51	0
	30.09.2020	135	0	46	0
TOTAL	30.09.2021	15 017	9 264	2 609	22 395
	31.12.2020	47 772	434	2 155	28 438
	30.09.2020	36 040	4 130	10 458	28 449

No collateral has been established on liabilities to related parties.

Transactions with related parties in Q3 2021 mainly relate to the execution of long-term contracts.

As of 30.09.2021 Mostostal Warszawa S.A. received bank or insurance guarantees from the guarantee limits due to Acciona Construcción S.A. in the total amount of PLN 628,082 thousand. (31.12.2020: PLN 668,609 thousand).

As of 30.09.2021 Mostostal Warszawa S.A. had loan liabilities towards Acciona Construcción S.A. with its registered office in Madrid amounting to PLN 134,263 thousand (31.12.2020: PLN 201,800 thousand).

At 30.09.2021, interest on loans received from Acciona Construcción S.A. amounted to PLN 4,439 thousand (at 30.09.2020 it amounted to PLN 6,167 thousand).

23.12.2013 r. 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 conditions for repayment of these loans were established such that the loan repayment term was extended indefinitely and Mostostal Warszawa S.A. will decide on their repayment. In accordance with IAS 32 Mostostal Warszawa presented these loans in equity.

24. Reporting by market segment

Mostostal Warszawa Capital Group is organised and managed by segments according to the type of products offered. The Capital Group settles transactions between segments as if they referred to unrelated entities, using current market prices.

The following tables present for each of the Group's reportable segments data from the consolidated income statement for the nine-month periods ended September 30, 2021 and September 30, 2020.

Continuing operations include the following segments:

1. Industry and power industry, comprising the activity related to construction of industrial and power buildings (Mostostal Warszawa S.A., Mostostal Kielce S.A., AMK Kraków S.A., Mostostal Płock S.A., Mostostal Power Development Sp. z o.o.).
2. Infrastructure, which includes road and bridge construction activity (Mostostal Warszawa S.A., Mostostal Kielce S.A.).
3. General construction includes activity related to construction of residential and non-residential buildings and public utility facilities (Mostostal Warszawa S.A.).

Unallocated revenue and expenses relate to other manufacturing and service activities and management expenses.

Consolidated income statement for individual reportable segments:

Period of 9 months ended 30 September 2021	Industry and power generation	Infrastructure	General construction	Unallocated income and expenses and consolidation adjustments	TOTAL
Sales revenues					
Sales to external customers	210 082	401 147	262 609	7 905	881 743
Inter-segment sales	0	0	0	0	0
Total segment revenues	210 082	401 147	262 609	7 905	881 743
Result					
Segment profit (loss) (including other operating income and expenses)	35 163	21 975	29 601	-11 145	75 594
Unallocated costs (management costs)	0	0	0	46 450	46 450
Profit (loss) on operating activities	35 163	21 975	29 601	-57 595	29 144
Financial revenue	925	4 527	223	614	6 289
Financial costs	851	528	2 269	6 089	9 737
Gross profit (loss)	35 237	25 974	27 555	-63 070	25 696
Income tax	0	0	0	7 193	7 193
Net profit (loss) on continued operations	35 237	25 974	27 555	-70 263	18 503
Net profit / (loss) for the period	35 237	25 974	27 555	-70 263	18 503

Period of 9 months ended September 30, 2020	Industry and power generation	Infrastructure	General construction	Unallocated income and expenses and consolidation adjustments	TOTAL
Sales revenues					
Sales to external customers	265 006	255 041	491 891	9 249	1 021 187
Inter-segment sales	0	0	0	0	0
Total segment revenues	265 006	255 041	491 891	9 249	1 021 187
Result					
Segment profit (loss) (including other operating income and expenses)	43 498	14 449	20 378	-8 118	70 207
Unallocated costs (management costs)	0	0	0	46 514	46 514

Profit (loss) on operating activities	43 498	14 449	20 378	-54 632	23 693
Financial revenue	1 052	923	0	1 199	3 174
Financial costs	2 335	172	50	17 791	20 348
Gross profit (loss)	42 215	15 200	20 328	-71 224	6 519
Income tax	0	0	0	627	627
Net profit (loss) on continued operations	42 215	15 200	20 328	-71 851	5 892
Net profit / (loss) for the period	42 215	15 200	20 328	-71 851	5 892

The Management Board of Mostostal Warszawa S.A., responsible for making operating decisions, does not analyse assets and liabilities by segments due to transfers of assets between segments. The allocation of revenues and costs to particular segments is based on the projects performed. Assets are analysed at the level of the entire Capital Group. The main measure of a segment 's result is the gross result on sales adjusted by other operating income and costs.

In the reporting period, the largest customer for services of Mostostal Warszawa Capital Group Companies was the General Directorate for National Roads and Motorways with a 40% share in sales.

Other customers did not exceed the ten percent share in sales of Mostostal Warszawa Capital Group.

Companies of Mostostal Warszawa Capital Group operate in domestic and foreign markets.

The export revenue for 3 quarters of 2021 amounted to PLN 7,596 thousand, which constituted approx. 1% of the sales revenue.

25. Participation in joint actions

Financial data of Mostostal Warszawa S.A. as at 30.09.2021 include values attributable to the Parent Company due to its 50% share in Mostostal Acciona S19 Tunel s.c., which was set up to perform the contract "Design and construction of S19 expressway within the section from Rzeszów Południe junction (without junction) to Babica junction (with junction) of the length of approx. 10.3 km". Mostostal Acciona S19 Tunel s.c. is an entity under common control (unanimity of all the shareholders is required in matters relating to business operations), which according to IFRS 11 is treated as a joint operation (the Company's participation in joint contractual arrangements is recognized as a joint operation when the Company has rights to its share of assets and liabilities).

There are no future investment liabilities related 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), the length of which is approx. 10.3 km".

26. Impact of the COVID-19 outbreak on financial results and operations of the Parent Company and the Mostostal Warszawa Capital Group

In the reporting period the Parent Company and Companies of Mostostal Warszawa Capital Group did not benefit from any assistance under the anti-crisis shield programme announced by the Polish government.

By the date of signing these condensed consolidated financial statements, the Capital Group had not recorded any alarming signals related to the continuation of its activities. The companies of the Capital Group realized sales and their economic activity was continuous.

In order to ensure continuity of business operations and the liquidity of the Parent Company and the Mostostal Warszawa Capital Group, the Management Board of the Parent Company implemented measures which include in particular:

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

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

In the opinion of the Parent Company's Management Board, the effects of further restrictions aimed at limiting the spread of the coronavirus will have a growing impact on the condition of the Polish economy. The Parent Company's Management Board is monitoring the situation on an on-going basis and is taking measures aimed at mitigating the impact of the epidemic on the operations and performance of Mostostal Warszawa S.A. and the Mostostal Warszawa Group.

OTHER INFORMATION

to the condensed interim consolidated financial statement
for the period 01.07.2021 - 30.09.2021

1. Selected financial data

SELECTED FINANCIAL DATA	in PLN '000		in EUR thousand	
	2021 period from 01.01.2021 to 30.09.2021	2020 period from 01.01.2020 to 30.09.2020	2021 period from 01.01.2021 to 30.09.2021	2020 period from 01.01.2020 to 30.09.2020
Sales revenues	881 743	1 021 187	193 428	229 894
Gross profit (loss) on sales	80 426	74 266	17 643	16 719
Profit (loss) on operating activities	29 144	23 693	6 393	5 334
Gross profit (loss)	25 696	6 519	5 637	1 468
Net profit (loss) on continued operations	18 503	5 892	4 059	1 326
Net profit (loss) from discontinued operations	0	0	0	0
Net profit (loss)	18 503	5 892	4 059	1 326
attributable to shareholders of the Parent Company	11 215	3 151	2 460	709
attributable to non-controlling shareholders	7 288	2 741	1 599	617
Net cash flows from operating activities	102 366	-61 149	22 456	-13 766
Net cash flows from investing activities	-4 790	653	-1 051	147
Net cash flows from financing activities	-76 337	-77 274	-16 746	-17 396
Cash and cash equivalents at the end of the period	204 528	135 913	44 147	30 024
Net profit (loss) attributable to shareholders of the Parent Company	11 215	3 151	2 460	709
Weighted average number of ordinary shares	20 000 000	20 000 000	20 000 000	20 000 000
Net profit (loss) per ordinary share attributable to shareholders of the Parent Company (in PLN / EUR)	0,56	0,16	0,12	0,04
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
Total assets	976 965	963 164	210 875	208 712
Long-term liabilities	116 125	112 268	25 065	24 328
Short-term liabilities	786 344	794 633	169 730	172 192
Total liabilities	902 469	906 901	194 796	196 520
Equity (attributable to shareholders of the Parent Company)	54 550	43 091	11 774	9 338
Total equity	74 496	56 263	16 080	12 192
Share capital	44 801	44 801	9 670	9 708

For the calculation of the selected financial data for the 3 quarters 2021 in EUR, the following rules were adopted:

- items of the consolidated profit and loss account and statement of cash flows for the third quarter of 2021 have been converted at the exchange rate of 4.5585 PLN/EUR being the arithmetic mean of exchange rates published by the National Bank of Poland as of the last days of January, February, March, April, May, June, July, August, September 2021
- individual items of assets and liabilities of the consolidated statement of financial position were translated at the average NBP rate of 4.6329 PLN/EUR of 30.09.2021.

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

In the third quarter of 2021, consolidated sales revenue amounted to PLN 325,474 thousand and decreased by PLN 24,038 thousand when compared to the third quarter of 2020. Gross profit on sales amounted to PLN 24,243 thousand (in the corresponding period of 2020 gross profit on sales amounted to PLN 28,316 thousand). In the third quarter of 2021, the Capital Group recorded a net profit of PLN 1,053 thousand (in the third quarter of 2020 the net profit was PLN 5,209 thousand).

The value of short-term trade receivables as at 30.09.2021 amounted to PLN 293,078 thousand and decreased by PLN 50,780 thousand as compared to 30.06.2021.

The value of assets due to execution of construction contracts as at 30.09.2021 amounted to PLN 271,500 thousand and was higher by PLN 1,371 thousand compared to 30.06.2021.

The value of cash as at 30.09.2021 amounted to PLN 204,528 thousand and increased by PLN 60,486 thousand as compared to 30.06.2021.

In the third quarter of 2021, the Capital Group used overdraft facilities and long-term loans, whose balance as at 30.09.2021 amounted to PLN 143,105 thousand and increased by PLN 8,930 thousand compared to 30.06.2021.

Long-term liabilities in Q3 2021 decreased by PLN 10,226 thousand compared to 30.06.2021.

The value of short-term trade liabilities as at 30.09.2021 amounted to PLN 199,839 thousand and decreased by PLN 64,519 thousand as compared to 30.06.2021.

In the reporting period, i.e. from 01.07.2021 to 30.09.2021 the following events significant for Mostostal Warszawa Capital Group took place:

On 15 July 2021, a settlement was concluded between the Parent Company and the University of Białystok as part of mediation proceedings concerning disputes arising from the performance of agreements of 25 January 2011: Dzp-50.1/R/2010 for construction of the Institute of Biology and Faculty of Mathematics and Computer Science together with the University Computing Centre and Dzp-50.2/R/2010 for construction of the Faculty of Physics and Institute of Chemistry. In order to avoid disputes existing between the Company and the University and to avoid uncertainty as to the mutual rights and obligations under the Agreements, the Company, pursuant to the Settlement Agreement, undertook to pay the University the amount of PLN 6.00 million. Payment of this amount exhausts all claims of the Parties covered by the above mentioned disputes. The Settlement has been approved by the Court. The total value of disputes closed by the Settlement is PLN 355,255 thousand.

On 26th July 2021. On 26 July 2021, Mostostal Warszawa S.A. and TAURON Ciepło sp. z o.o. signed an agreement for the performance of the task entitled: "Construction of a gas boiler with a capacity of 140 MWt at ZW Katowice for the needs of the heat market". The value of the contract is PLN 109,470 thousand gross. Completion date: 20.12.2023 r.

On July 28, 2021. Consortium of Mostostal Warszawa S.A. ("Leader") and Mostostal Płock S.A. ("Partner") - a subsidiary of the Issuer (48.69% shares, 53.10% votes at the GM) concluded with PERN S.A. ("Purchaser") an agreement worth PLN 258.95 million gross for the implementation of the following tasks:

- "Construction of storage tanks 3x32,000 m3 for Class III petroleum products with accompanying infrastructure in the Fuel Depot No. 1 in Koluszki". Value: 105,530 thousand PLN gross. Mostostal Warszawa's share in the consortium: 31,31%;
- "Construction of storage tanks 3x32,000 m3 for Class III petroleum products with accompanying infrastructure in the Fuel Depot No. 2 in Nowa Wieś Wielka". Value: PLN 109,450 thousand gross. Mostostal Warszawa's share in the consortium: 31,26%;
- "Construction of a storage tank of 32,000 m3 for petroleum products of class III together with the accompanying infrastructure at the Fuel Depot No. 21 in Debogórz". Value: PLN 43,970 thousand gross. Mostostal Warszawa's share in the consortium: 35,76%.

On 18 August 2021 the Company Mostostal Warszawa S.A. as a member of the consortium consisting of: Trakcja S.A. ("Leader"), Mostostal Warszawa SA ("Partner") and Przedsiębiorstwo Eksploatacji Ulic i Mostów Sp. z o.o. ("Partner") signed with the General Directorate for National Roads and Motorways, Branch in Olsztyn ("Employer") Annex No. 3 to the Agreement for the implementation of the task entitled: "Design and construction of the S61 Szczuczyn - Budzisko (state border) expressway with division into tasks: Task No. 2: section Etk Południe junction - Wysokie junction (together with an interchange within road 16)". The Parent Company informed about the Agreement in the current report 37/2018. The subject of the Annex is the extension of works including soil replacement due to different ground conditions than those provided for in the design. Pursuant to the Annex, the Ordering Party will pay the Consortium additional remuneration entitled to approximately PLN 23,120 thousand (net). The actual amount of remuneration will be confirmed by measurement, i.e. confirmation by the Ordering Party of the work performed, and may differ slightly from the value provided for in the Annex.

On 17.09.2021. Mostostal Warszawa S.A. concluded a settlement concerning termination of all court cases between Gamma Inwestycje S.A. and Mostostal Warszawa S.A. on the basis of which the Parent Company will receive the amount of PLN 2,400 thousand. Payment of this amount exhausts all claims of the Parties covered by mutual disputes.

The proceedings will be discontinued after the above-mentioned settlement is approved by the Court. The total value of disputes which will be closed amounts to PLN 118,675 thousand.

On 27 September 2021 Mostostal Warszawa S.A. was notified by the General Directorate for National Roads and Motorways (the "Employer") of the selection of the most favourable offer made by Mostostal Warszawa S.A. in the proceedings entitled "Construction of the section of national road No. 74 connecting the DK 9 and DK 74 - Northern Connector". The offer submitted by the Parent Company covers the contract value: PLN 57,510 thousand gross and the completion term: 33 months.

3. Description of factors and events, in particular non-recurring ones, affecting the financial results.

In Q3 2021, the financial result was affected by the weakening of the Polish currency against the euro as compared to 30.06.2021, which resulted in the Parent Company recognising foreign exchange losses on the balance sheet valuation of loans in the amount of PLN 3,222 thousand.

4. Market position of the Capital Group.

In Q3 2021, the consolidated Mostostal Warszawa Capital Group comprised the following companies:

- Parent Company: Mostostal Warszawa S.A.
- Subsidiaries: Mostostal Kielce S.A., AMK Kraków S.A., Mostostal Płock S.A., MPB Mielec S.A. in liquidation, Mostostal Power Development Sp. z o.o.

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

Acciona Construcción S.A. owns 62.13 % of Mostostal Warszawa S.A. shares as of 30.09.2021.



Headquarters of AMK Kraków S.A.

Headquarters of Mostostal Kielce S.A.

Headquarters of Mostostal Płock S.A.

5. Outcome projections.

Mostostal Warszawa Capital Group has not published any forecasts for 2021.

Estimated results for the third quarter of 2021 were provided on October 8, 2021.

6. Main shareholders of the Parent Company Mostostal Warszawa S.A.

List of shareholders holding at least 5% of votes at the General Meeting of Shareholders of Mostostal Warszawa S.A., as of 05.11.2021:

Entity	Number of Shares	Number of votes	% Capital	% of Votes
Acciona Construcción SA	12 426 388	12 426 388	62,13%	62,13%
PZU "Złota Jesień" Open-End Pension Fund	3 826 194	3 826 194	19,13%	19,13%

7. Possession of shares of Mostostal Warszawa S.A. by managing and supervising persons and changes in this possession.

In the period from 17.09.2021, i.e. the publication date of the report for H1 2021, to 04.11.2021, there were no changes in the ownership of shares of Mostostal Warszawa S.A. by managing and supervising persons.

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

In the reporting period the Group Companies participated in proceedings concerning receivables with the total value of PLN 903,247 thousand and in proceedings concerning liabilities with the total value of PLN 611,580 thousand.

8.1 Proceedings with the highest value of litigation (Capital Group companies as defendants)

1. Lublin Oncology Centre (Plaintiff)

Date of filing the suit: 10.09.2015 r.

The value of the dispute: PLN 27,072 thousand

The Plaintiff is suing for payment of contractual penalties for withdrawal from the agreement by the Plaintiff, claim for reduction of remuneration, claim for additional and security work performed by the investor. At the same time, the Company instituted a counterclaim and is claiming from the Ordering Party claims of PLN 32,461,000 concerning remuneration for additional works performed and reimbursement of improperly calculated and deducted contractual penalties. An expert opinion was drawn up in the case, according to which the Plaintiff had no grounds to withdraw from the agreement, and thus charge Mostostal Warszawa with the contractual penalty. The Company also disputes the remaining claims in their entirety. At present a supplementary opinion is being drawn up. Until then, the hearing was adjourned without a date.

2. Gamma Inwestycje S.A. (Plaintiff)

Date of filing the suit: 29.03.2013 r.

The value of the dispute: PLN 15,784 thousand

On 17.09.2021 the parties entered into a settlement concerning the termination of all court cases between Gamma Inwestycje S.A. and Mostostal Warszawa S.A. On the basis of which the Company will receive the amount of PLN 2.4 million. Payment of this amount exhausts all claims of the Parties covered by the mutual disputes. The proceedings will be discontinued after the above settlement is approved by the Court.

3. Energa Kogeneracja Sp. z o.o. (Plaintiff)

Date of filing the suit: 24.07.2017 r.

The 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. Having analysed the claim, 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 its claim for a reduction in the contractual price are 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. On 05.07.2021 the expert opinion was delivered, which confirms that the obstacles that caused the delay were not on the side of the Contractor. The parties have responded to the opinion.

4. Agencja Rozwoju Miasta S.A. (Plaintiff)

Date of filing the suit: 22.07.2016 r.,

The 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. The Company also filed a counterclaim against the Claimant for claims for additional works and the remuneration remaining to be paid in connection with the construction of the Entertainment and Sports Hall Czyżyny in Kraków in the amount of PLN 16,439 thousand.

5. Biomatec Sp. z o.o. (Plaintiff)

Date of filing the suit: 26.05.2014 r.

The 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 claims in their entirety. In the case an expert opinion and two supplementary expert opinions were drawn up. The conclusions of all three opinions are unfavourable for the Respondent, therefore Mostostal Warszawa S.A. raised extensive objections to them. On 02.07.2020 The Court dismissed Mostostal Warszawa S.A.'s motion to appoint a new expert and closed the hearing. In the verdict of 31.07.2020 the court dismissed the claim in its entirety. Biomatec has filed an appeal, but it has not yet been delivered to the attorney of Mostostal Warszawa S.A. By a judgment of October 21, 2021, the Court of Appeal quashed the judgment and remitted the case for reconsideration.

6. CESTAR Andrzej Cebula and Jerzy Starski Spółka jawna w restrukturyzacji (Plaintiff)

Date of filing suit: 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 the works within the framework of the investment project "Canalisation of the area of the Zielonka Forest Landscape Park 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 case be dismissed. On 6.09.2019. The Court issued a decision 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 October 31st 2020. The Company filed objections to the opinion. By order of 8 February 2021, the court admitted expert evidence. We are awaiting the date of the hearing.

7. Rafako S.A. (Plaintiff)

Date of filing the suit: 31.03.2017 r.,

The 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 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 failed to present any evidence as to the amount of the claim. In the case an expert opinion was drawn up confirming the legitimacy of Rafako's claims. Mostostal has raised objections to the opinion. We are waiting for a supplementary opinion.

8. Waagner - Biro Austria Stage Systems GmbH (Plaintiff)

Date of filing the suit: 09.10.2014 r.,

The value of the dispute: PLN 10,810 thousand.

The Plaintiff is demanding payment from the Company for deliveries and works performed by the Plaintiff as part of the investment involving 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. An expert opinion has been issued recognising the legitimacy of the claim in the amount of PLN 4.4 million. Mostostal is contesting the opinion to this extent and has requested a supplementary opinion. The proceedings have been suspended until a common court rules on a potential appeal to set aside the arbitration award.

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

Date of filing suit: 24.01.2019 r.

The value of the object in dispute: PLN 211,839 thousand

As part of the MW action, the Respondent filed a counterclaim in 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. We have challenged the OEM's claim in its entirety, as it is based on the erroneous assumption that it was the OEM 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 witness has been selected.

10. Gamma Inwestycje S.A. (legal successor of Zielona Italia Sp. z o.o.) (Plaintiff)

Date of filing suit: 28.12.2018 r.

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

On 17.09.2021 the parties entered into a settlement concerning the termination of all court cases between Gamma Inwestycje S.A. and Mostostal Warszawa S.A. On the basis of which the Company will receive the amount of PLN 2.4 million. Payment of this amount exhausts all claims of the Parties covered by the mutual disputes. The proceedings will be discontinued after the above settlement is approved by the Court.

11. Municipality of Wrocław (Applicant)

Date of action 05.03.2021.

Value of the complaint: PLN 15,941 thousand

In its verdict 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 Wrocław Municipality paid the amount of PLN 43,501 thousand to the Company. On 5.03.2021 the Municipality of Wrocław appealed to the court to set aside the arbitration award in the amount of 15.941 thousand. The Court accepted the complaint in part and waived the verdict as regards the amount of PLN 3,141 thousand. Mostostal is considering filing a cassation appeal.

12. Sarens Polska Sp. z o.o. (Plaintiff)

Date of filing suit: 31.08.2017 r.,

The value of the dispute: PLN 23,625 thousand.

Sarens Polska Sp. z o.o. (the Plaintiff) sued Mostostal Power Development Sp. z o.o. (the Respondent) for payment of remuneration for the work performed and for payment of the equivalent of the amount collected from the Complainant's performance bond. The Respondent considers the Claimant's claim unfounded on the grounds that part of the remuneration claimed was deducted from the contractual penalty due to the Respondent, the remaining part of that remuneration is undue, and the amount collected by the Respondent from the Claimant's performance bond was credited towards the contractual penalty due to the Respondent.

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

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

Date of action 03.06.2012

The 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 fee payable under the agreement by PLN 36,961 thousand, including PLN 18,850 thousand payable to Mostostal Warszawa S.A., due to an extraordinary increase in the prices of liquid fuels and asphalts, and payment of the above 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 its judgment of 16 March 2017. The Court of Appeal in Warsaw repealed the judgment of the Regional Court and transferred the case back to it for re-examination. An expert opinion was 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 and a new opinion of an institute in order to determine the fuel consumption of the works.

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

Date of action 09.09.2013.

Dispute value PLN 61,857 thousand

Action brought by Mostostal Warszawa S.A. and Acciona against the Respondent for repair of damage sustained, repayment of improperly calculated contractual penalties and payment of outstanding remuneration by the Respondent in connection with the execution of the Agreement for the construction of a bridge over the Oder River with approach flyovers 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 has been prepared in the case. Part of the amount claimed in court is presented in assets resulting from construction contracts.

3. Gamma Inwestycje S.A. (legal successor of Zielona Italia Sp. z o.o.) (Respondent)

Date of action 29.03.2013.

Value of litigation PLN 15,785 thousand

On 17.09.2021 the parties entered into a settlement concerning the termination of all court cases between Gamma Inwestycje S.A. and Mostostal Warszawa S.A. On the basis of which the Company will receive the amount of PLN 2.4 million. Payment of this amount exhausts all claims of the Parties covered by the mutual disputes. The proceedings will be discontinued after the above settlement is approved by the Court.

4. State Treasury Ministry of National Defence (Respondent)

Date of action 23.06.2010

Value of the dispute PLN 19,093 thousand

Claims of consortium Mostostal Warszawa S.A. - Unitek Ltd for additional remuneration and reimbursement of costs incurred in relation to the performance of a contract for the development 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, resulting in additional costs. On 10.10.2016. The Court awarded the plaintiffs the amount of PLN 7,142 thousand with interest from 3.08.2010. It dismissed the claim in the remaining scope. The plaintiffs appealed against the above judgment. On 8 November 2018. The Court of Appeal in Warsaw amended the judgment of the Court of First Instance in such a way that it dismissed the claim as 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. The Supreme Court revoked the judgment of the Court of Appeal in its entirety and remitted the case to the Court of Appeal for examination.

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

Date of action 30.05.2012

Value of litigation PLN 194.196 thousand

Together with the consortium, the Company filed a lawsuit with the Regional Court in Warsaw against the Defendant to amend the wording of agreement no. 2811/3/2010 of 26 February 2010 on the performance of works regarding the construction of the A-4 Tarnów-Rzeszów motorway, section from the Rzeszów Centralny interchange to the Rzeszów Wschód interchange, km. 574+300 to approx. 581+250 through increasing the gross remuneration to PLN 194,196 thousand (after a few revisions), and (ii) the claimed payment of the remuneration due, deducted as a contractual penalty, to PLN 13,244 thousand. As a result of the partial judgement of the Court of Appeal of 30.04.2021, the amount of PLN 13,244 thousand together with interest in the amount of PLN 9,822 thousand was awarded to the Company. The judgement is final and was paid by the Defendant. As regards the remaining amount (i.e. PLN 194,196 thousand), the proceedings in the second instance are pending. Part of the amounts claimed in court is presented by the Company under assets resulting from the performance of construction contracts.

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

Date of action 02.07.2013.

Value of litigation 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 resulting from 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.

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

Date of action 23.05.2014.

Value of the dispute PLN 103,644 thousand

Action by the Company and other consortium members against the Respondent is 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 execute under the agreement entitled "Design and Construction of the A-2 Stryków-Konotopa Motorway along the section from km 394+500 to km 411+465.8". The plaintiffs requested that the amount of PLN 103,644 thousand be adjudged against the defendant in favour of the plaintiffs, of which the Company is entitled to PLN 81,824 thousand. Part of the amount claimed in court is presented in assets due to the performance of construction contracts. An expert opinion was prepared in the case. The court ordered a supplementary opinion.

8. Gamma Inwestycje S.A. (formerly Zielona Italia Sp. z o.o.) (Respondent)

Date of action 09.05.2013.

Value of the dispute: PLN 52,344 thousand

On 17.09.2021 the parties entered into a settlement concerning the termination of all court cases between Gamma Inwestycje S.A. and Mostostal Warszawa S.A. On the basis of which the Company will receive the amount of PLN 2.4 million. Payment of this amount exhausts all claims of the Parties covered by the mutual disputes. The proceedings will be discontinued after the above settlement is approved by the Court.

9. Lublin Oncology Centre (Respondent)

Date of action 03.10.2014.

Value of the dispute: PLN 32,461 thousand

In an action brought against the Respondent, Mostostal Warszawa S.A. and its consortium members are pursuing claims for payment in respect of the construction of the Lublin Oncology Centre. The case is pending before the Regional Court in Lublin. The aforementioned lawsuit amount consists of claims for: (i) payment for works undisputedly performed, (ii) interest for delays in payments during the performance of the contract, (iii) reimbursement of improperly calculated and deducted contractual penalties, (iv) other claims in which the plaintiffs seek payment for materials purchased and left for incorporation, costs of maintaining warranties, and lost profits. In the proceedings in question, the Respondent filed a counterclaim in which it demands that the Claimant pay the total amount of PLN 27,072 thousand. Part of the amount claimed in court is presented by the Company under trade and other receivables in the group of overdue receivables for which no impairment losses were recognised, and under assets due to the performance of construction contracts. An expert opinion has been prepared in this case. At present, a supplementary opinion is being prepared. The parties received the supplementary opinion and responded to it in writing. The Court obliged the Expert to take a stand.

10. 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 of additional works connected with the construction of the "Czyżyny" Sports and Entertainment Arena in Kraków. 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-offs were created and in assets resulting from the performance of construction contracts. As no agreement has been reached through mediation, the case will continue before the court.

11. Gamma Inwestycje S.A. (formerly Zielona Italia Sp. z o.o.) (Respondent)

Date of action 07.06.2013.

Value of litigation PLN 9,963 thousand

On 17.09.2021 the parties entered into a settlement concerning the termination of all court cases between Gamma Inwestycje S.A. and Mostostal Warszawa S.A. on the basis of which the Company will receive the amount of PLN 2.4 million. Payment of this amount exhausts all claims of the Parties covered by the mutual disputes. The proceedings will be discontinued after the above settlement is approved by the Court.

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

Date of action 10.02.2017.

Value of litigation PLN 33,770 thousand

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. In its verdict of 4.12.2018, the Court of Appeal 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 motion to stay enforcement of the judgments. The Court of Appeal granted the Respondent's motion 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. The amount claimed in court is presented by the Company under trade and other receivables in the group of overdue receivables for which no impairment losses have been recognised. On 29.06.2021 the Supreme Court revoked the verdict of the Court of Appeal and returned the case for reconsideration.

13. 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 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.

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

Date of action 03.07.2017.

Value of litigation PLN 20,614 thousand

The Company and the consortium member filed a lawsuit 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 lawsuit 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 road S-7 to the section of Kielce bypass, contract no. 210/RK/110/2009/2010 of 01.09.2010 for the performance of works consisting in the extension of road S-7 to the parameters of a dual carriageway on the section of Kielce bypass, Kielce (DK 73 Wiśniówka junction) - Chęciny (Chęciny junction) within an extended time to 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. On 14 May 2021, we received a partially favourable expert opinion.

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

Date of filing suit: 20.01.2018 r.

The value of the dispute: PLN 26,274 thousand

Mostostal Warszawa S.A. applied for payment of PLN 26,274 thousand with statutory interest from the date of filing the suit to the date of payment plus costs. Mostostal Warszawa S.A. is demanding payment for construction works performed as part of an investment project: 20 MWe Power Block in Elbląg. The Respondent paid the Claimant only a part of the amount due on account of the performed works. The principal amount due results from invoices that were reduced by deductions due to contractual penalties that, in Mostostal Warszawa S.A.'s opinion, were unjustified. The Respondent had no right to charge contractual penalties, since the delay occurred due to circumstances for which Mostostal Warszawa S.A. was not responsible. The contractual penalty charged by the Respondent is grossly excessive. On 2 February 2018. The Regional Court in Gdańsk, 9th Commercial Department issued a payment order in the proceedings by writ of payment. On 23 February 2018. The Respondent filed an objection to the order for payment. On 10 April 2018. Mostostal Warszawa S.A. submitted 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. On 05.07.2021 we received a positive opinion of the expert, which confirms that the delay was not caused by the Contractor.

16. 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 an action for the 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 reply 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 an expert witness. Evidentiary proceedings are pending in the case and an expert has been selected. Part of the amount claimed in court is presented by the Company under trade and other receivables in the group of overdue receivables for which no impairment losses have been recognised.

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

Date of filing suit: 24.01.2018 r.

Value of the dispute PLN 98,585 thousand

Mostostal Warszawa S.A., together with the consortium, filed a statement of claim with 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 under assets due to the performance of construction contracts. On May 28, 2020. The Court hearing the case decided to dismiss the Respondent's motion to dismiss the lawsuit. The Respondent appealed against the said decision. Evidence proceedings are pending.

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

Date of filing the lawsuit: 15.12.2017

Value of litigation 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 (reimbursement) 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 that resulted in the unit not reaching guaranteed parameters, for which Energa was entitled to contractual penalties. According to Mostostal the reason for the malfunction of the Unit and the failure to achieve the guaranteed parameters is mainly 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 under trade and other receivables in the group of overdue receivables for which no impairment loss has been recognised.

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

Date of filing suit: 4.03.2019 r.

Dispute value: PLN 9,438 thousand

A lawsuit for payment for the amount paid by MPWiK - without factual and legal basis - from the guarantee of due performance of the contract. On 12.03.2019. The Court issued a payment order in the writ of payment procedure in favour of Mostostal. The defendant filed an objection to the payment order. It indicated therein that it executed a performance bond in connection with corrosion of technological pipelines. The reasons for the corrosion were, 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 guarantee amount, the respondent was not entitled to a specific, e.g. as to the amount, due claim included in improper performance or non-performance of the contract. Evidentiary proceedings are pending. The amount claimed in court is presented by the Company under trade and other receivables in the group of overdue receivables for which no revaluation write-downs have been made.

20. PERN S.A. (Respondent)

On 31.03.2021 the Consortium of 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 thousand, compensation for the amount of PLN 1,154 thousand 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 thousand. The parties negotiated the terms of the settlement. The assumptions adopted for its conclusion were taken into account in the financial result for 3 quarters of 2021.

Part of the claims from the above-mentioned court cases was recognized by the Company in contract budgets 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 01.07.2021 - 30.09.2021.

9. Information on transactions with related entities

Summary of total consolidated sales revenues and intragroup turnover for 3 quarters of 2021.

Group companies	Total net sales revenues	Intra-group sales	Consolidated net sales revenues
Parent Company	646 895	1 354	645 541
Other Companies	255 114	18 912	236 202
TOTAL	902 009	20 266	881 743

The total net sales revenue of the companies consolidated using the full method amounted to PLN 902,009 thousand for the 3 quarters of 2021. Turnover within the Group amounted to PLN 20,266 thousand, i.e. 2.2% of total net sales revenue without consolidation exclusions.

All transactions entered into with related parties in Q3 2021 were typical and routine transactions and were concluded on an arm's length basis.

Information on transactions with related entities have been presented in Note 23 of "Additional information and explanations to the condensed interim consolidated financial statements for the period 01.07.2021 - 30.09.2021".



Sports Centre in Zduńska Wola

10. Information on credit or loan sureties or guarantees granted.

In the reporting period, the Capital Group companies did not grant any sureties for loans or credits or any guarantees to a single entity of significant value.

11. Other information important for the assessment of the Capital Group's standing

In the opinion of the Management Board of the Parent Company, there is no other information significant for the assessment of the situation of the Capital Group other than the information disclosed in the notes to the interim condensed consolidated financial statements for the period 1 July 2021 - 30 September 2021 and other items of "Other information to the interim condensed consolidated financial statements for the period 1 July 2021 - 30 September 2021".

12. Factors that will affect the results generated at least in the next quarter

Factors that may affect the Group's results over the next quarter include:

- the risk of changes in the prices of construction materials and subcontractor services,
- foreign exchange risk, which affects the valuation of loan liabilities,
- high competition on the construction and installation services market,
- slowing down of investment processes,
- coronavirus pandemic and the related declaration of a state of epidemiological emergency on the territory of the Republic of Poland.



BaseCamp student house in Katowice

Warsaw, 05.11.2021

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

Mostostal
W A R S Z A W A