



**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS
OF THE MOSTOSTAL WARSZAWA CAPITAL GROUP
FOR THE PERIOD 01.01.2023 - 30.06.2023**

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CONSOLIDATED PROFIT AND LOSS ACCOUNT for the period of 6 months from 01.01.2023 to 30.06.2023

CONTINUING OPERATIONS	1st half 2023 period as of 01.01.2023 until 30.06.2023 (unaudited)	Q2 2023 period as of 01.04.2023 until 30.06.2023 (unaudited)	1st half of 2022 period as of 01.01.2022 until 30.06.2022 (unaudited)	Q2 2022 period as of 01.04.2022 until 30.06.2022 (unaudited)
I Sales revenue	775 321	458 358	716 323	415 388
Revenue from construction contracts	760 076	446 702	712 732	412 980
Revenue from sale of services	14 497	11 326	1 677	1 548
Revenue from sale of goods and materials	748	330	1 914	860
II Own costs of sales	732 814	434 392	677 354	398 038
III Gross profit/loss on sales	42 507	23 966	38 969	17 350
IV General and administrative expenses	34 153	16 690	33 669	17 690
V Other operating income	2 975	1 636	23 019	19 421
VI Other operating expenses	9 522	8 562	19 693	18 232
VII Operating profit / (loss)	1 807	350	8 626	849
VIII Financial income	11 994	8 915	2 158	908
IX Financial costs	7 275	3 468	9 357	4 948
X Gross profit / (loss)	6 526	5 797	1 427	-3 191
XI Income tax	1 667	1 250	665	-2 371
XII Net profit / (loss) from continuing operations	4 859	4 547	762	-820
XIII Net profit / (loss) from discontinued operations	0	0	0	0
XIV Net profit / (loss) for the period	4 859	4 547	762	-820
XV Net profit / (loss) attributable to shareholders of the Parent Company	4 775	4 054	-609	-1 284
XVI Net profit attributable to non-controlling shareholders	84	493	1 371	464

Earnings per share

SPECIFICATION	1st half 2023 period as of 01.01.2023 until 30.06.2023 (unaudited)	Q2 2023 period as of 01.04.2023 until 30.06.2023 (unaudited)	1st half of 2022 period as of 01.01.2022 until 30.06.2022 (unaudited)	Q2 2022 period as of 01.04.2022 until 30.06.2022 (unaudited)
Weighted average number of ordinary shares	20 000 000	20 000 000	20 000 000	20 000 000
Net profit (loss) per ordinary share (PLN)	0,24	0,20	-0,03	-0,06
Basic earnings per share from continuing operations	0,24	0,20	-0,03	-0,06
Diluted net profit (loss) per ordinary share (in PLN)	0,24	0,20	-0,03	-0,06
Diluted earnings per share from continuing operations	0,24	0,20	-0,03	-0,06

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period of 6 months from 01.01.2023 to 30.06.2023

SPECIFICATION	1st half 2023 period as of 01.01.2023 until 30.06.2023 (unaudited)	Q2 2023 period as of 01.04.2023 until 30.06.2023 (unaudited)	1st half of 2022 period as of 01.01.2022 until 30.06.2022 (unaudited)	Q2 2022 period as of 01.04.2022 until 30.06.2022 (unaudited)
Net profit / (loss) for the period	4 859	4 547	762	-820
Other comprehensive income, which will be subsequently reclassified to profit or loss when certain conditions are met:				
Foreign exchange differences on translation of a foreign entity	-55	-114	75	47
Other comprehensive income before tax	-55	-114	75	47
Income tax relating to components of other comprehensive income	0	0	0	0
Other net comprehensive income	-55	-114	75	47
Total income	4 804	4 433	837	-773
attributed to:				
Shareholders of the Parent Company	4 720	3 940	-534	-1 238
Non-controlling shareholders	84	493	1 371	465

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

N	ASSETS	as at 30.06.2023 (unaudited)	as at 31.12.2022 (data restated)*
I	Fixed assets (long-term)	228 597	206 323
I.1	Intangible assets	1 339	1 213
I.2	Rights of use	79 633	81 121
I.3	Tangible fixed assets	101 134	75 879
I.4	Long-term deposits under construction contracts due from customers	5 856	6 398
I.5	Long-term advances for construction work	0	1 346
I.6	Deferred tax assets	31 334	31 862
I.7	Long-term accruals and deferred income	9 301	8 504
II.	Current assets (short-term)	912 545	832 225
II.1	Stocks	51 521	40 347
II.2	Trade receivables and other receivables	395 409	330 164
II.3	Income tax receivables	458	458
II.4	Advances for construction work	21 669	14 786
II.5	Cash and cash equivalents	111 606	205 674
II.6	Short-term financial assets	1 049	961
II.7	Assets from the performance of construction contracts	318 561	232 115
II.8	Other accruals and deferred income	12 272	7 720
	Total assets	1 141 142	1 038 548

*detailed information is presented in note 5.5

CAPITAL GROUP MOSTOSTAL WARSZAWA

Condensed interim consolidated financial statements for the period 01.01.2023 - 30.06.2023 (in thousands of PLN)

N	LIABILITIES	as at 30.06.2023 (unaudited)	as at 31.12.2022 (data restated)*
I	Equity (attributable to shareholders of the Parent Company)	81 159	76 456
I.1	Core capital	44 801	44 801
I.2	Share premium	108 406	108 406
I.3	Other reserves	40 327	42 335
I.4	Reserve from reclassification of loans	201 815	201 815
I.5	Exchange rate differences on translation of foreign units/branches	-518	-463
I.6	Retained earnings / (Uncovered losses)	-313 672	-320 438
II	Non-controlling shareholders' equity	18 781	19 518
III	Total equity	99 940	95 974
IV	Long-term liabilities	257 569	186 796
IV.1	Interest-bearing bank loans and borrowings	66 058	0
IV.2	Long-term leasing liabilities	45 666	52 196
IV.3	Long-term deposits under construction contracts due to suppliers	34 365	30 183
IV.4	Non-current liabilities for construction contracts	98 667	91 299
IV.5	Long-term provisions	12 813	13 118
V	Current liabilities	783 633	755 778
V.1	Current portion of interest-bearing bank loans and borrowings	73 288	140 196
V.2	Current lease liabilities	20 800	17 881
V.3	Trade payables and other liabilities	341 885	256 137
V.4	Income tax liabilities	907	3 143
V.5	Commitments in respect of construction contracts	108 898	107 779
V.6	Short-term provisions	26 279	14 542
V.7	Employee benefit obligations	15 061	12 477
V.8	Other accruals and deferred income	196 515	203 623
VI	Total liabilities	1 041 202	942 574
Total equity and liabilities		1 141 142	1 038 548

*detailed information is presented in note 5.5

CONSOLIDATED CASH FLOW STATEMENT

for the period of 6 months from 01.01.2023 to 30.06.2023

N	SPECIFICATION	1st half 2023 period as of 01.01.2023 until 30.06.2023 (unaudited)	1st half 2022 period as of 01.01.2022 until 30.06.2022 (unaudited)
I	Cash flow from operating activities		
I.1	Gross profit	6 526	1 427
I.2	Adjustments for items:	-42 159	-109 638
I.2.1	Depreciation	16 686	9 618
I.2.2	Exchange rate differences	-6 764	2 302
I.2.3	Interest	5 601	3 928
I.2.4	Profit/loss on investing activities	1 507	-288
I.2.5	Increase/decrease in receivables	-70 240	-91 498
I.2.6	Increase/decrease in stocks	-11 174	5 653
I.2.7	Increase/decrease in liabilities, except for loans and borrowings	98 217	5 847
I.2.8	Increase/decrease in assets and liabilities from construction contracts and other accruals	-87 543	-41 120
I.2.9	Change in provisions	11 432	-2 680
I.2.10	Other	119	-1 400
I.3	Cash flow from operating activities	-35 633	-108 211
	Income tax (paid/received)	-3 379	-3 786
I	Net cash flow from operating activities	-39 012	-111 997
II	Cash flow from investing activities		
II.1	Sale of tangible fixed assets and intangible assets	449	442
II.2	Acquisition of tangible fixed assets and intangible assets	-42 941	-12 260
II.3	Interest received	114	46
II.4	Other	0	0
II	Net cash flow from investing activities	-42 378	-11 772
III	Cash flow from financing activities		
III.1	Repayment of lease liabilities	-13 300	-8 335
III.2	Proceeds from borrowing/borrowing	7 670	11 925
III.3	Repayment of loans / credits	0	-2 016
III.4	Interest paid	-7 046	-2 760
III.5	Other	-2	-8
III	Net cash flow from financing activities	-12 678	-1 194
IV	Change in cash and cash equivalents before exchange differences	-94 068	-124 963
	Change in cash and cash equivalents due to exchange rate differences	0	0
V	Change in cash and cash equivalents net of exchange differences	-94 068	-124 963
VI	Cash and cash equivalents at beginning of period	205 674	240 761
VII	Cash and cash equivalents at the end of the period	111 606	115 798

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1st half 2023 period from 01.01.2023 until 30.06.2023	Core capital	Share premium	Other reserves	Reserve from reclassificatio n of loans	Exchange differences on translation of foreign branches	Retained earnings / uncovered losses	Equity (attributable to shareholders of the Parent Company)	Attributable capital to non-controlling shareholders	Equity total
As at 1 January 2023	44 801	108 406	42 335	201 815	-463	-320 438	76 456	19 518	95 974
Profit (loss) for the period	0	0	0	0	0	4 775	4 775	84	4 859
Other comprehensive income	0	0	0	0	-55	0	-55	0	-55
Total comprehensive income	0	0	0	0	-55	4 775	4 720	84	4 804
Distribution of retained earnings	0	0	-2 008	0	0	1 991	-17	-821	-838
Change in capital during the period	0	0	-2 008	0	-55	6 766	4 703	-737	3 966
As at 30 June 2023	44 801	108 406	40 327	201 815	-518	-313 672	81 159	18 781	99 940

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

CAPITAL GROUP MOSTOSTAL WARSZAWA

Condensed interim consolidated financial statements for the period 01.01.2023 - 30.06.2023 (in thousands of PLN)

First half of 2022 period from 01.01.2022 to 30.06.2022	Core capital	Share premium	Other reserves	Reserve from reclassificatio n of loans	Exchange differences on translation of foreign branches	Retained earnings / uncovered losses	Equity (attributable to shareholders of the Parent Company)	Attributable capital to non-controlling shareholders	Equity total
As at 1 January 2022	44 801	108 406	33 056	201 815	-601	-329 137	58 340	22 371	80 711
Profit (loss) for the period	0	0	0	0	0	-609	-609	1 371	762
Other comprehensive income	0	0	0	0	75	0	75	0	75
Total comprehensive income	0	0	0	0	75	-609	-534	1 371	837
Distribution of retained earnings	0	0	9 280	0	0	-9 296	-16	-4 106	-4 122
Change in capital during the period	0	0	9 280	0	75	-9 905	-550	-2 735	-3 285
As at 30 June 2022	44 801	108 406	42 336	201 815	-526	-339 042	57 790	19 636	77 426

ADDITIONAL INFORMATION AND EXPLANATIONS

1. General information

Mostostal Warszawa Capital Group consists of the parent company Mostostal Warszawa S.A. and its subsidiaries. The condensed interim consolidated financial statements of the Mostostal Warszawa Capital Group for the consolidated income statement cover the period of 6 months 2023 and Q2 2023 and include comparative data for the period of 6 months 2022 and the period of Q2 2022, for the consolidated cash flow statement the period of 6 months 2023 and include comparative data for the period of 6 months 2022 and for the consolidated statement of financial position prepared as at 30 June 2023, it includes comparative data as at 31 December 2022.

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

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

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

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

The ultimate parent company is Acciona S.A.

2. Group composition

Lp.	Company name	Headoffice	Object of activity	Competent court	Mostostal Warszawa S.A.'s share of votes at the company's AGM (30.06.2023)	Share of Mostostal Warszawa S.A. in the company's share capital (30.06.2023)
1	Mostostal Warszawa S.A. - Parent Company	Warsaw	Construction	District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register under number 0000008820	-	-
2	Mostostal Kielce S.A.	Kielce	Construction	District Court in Kielce, 10th Commercial Division of the National Court Register under number 0000037333	100,00%	100,00%
3	AMK Kraków S.A.	Krakow	engineering services, design, construction project management, execution of facilities "turnkey"	District Court for Kraków Śródmieście XI Economic Division of the National Court Register under number 0000053358	100,00%	100,00%
4	Mostostal Płock S.A.	Plock	Construction	District Court for the Capital City of Warsaw, 14th Commercial Division of the National Court Register under number 0000053336	53,21%	48,69%
5	Mostostal Power Development Ltd.	Warsaw	Construction	District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register under number 0000480032	100,00%	100,00%

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

CAPITAL GROUP MOSTOSTAL WARSZAWA

Condensed interim consolidated financial statements for the period 01.01.2023 - 30.06.2023 (in thousands of PLN)

Mostostal Warszawa S.A., as at 30.06.2023, was the holder of 907,095 ordinary bearer shares and 66,057 registered shares preferred as to voting rights (1 share = 5 votes), providing in total 48.69% share in the capital and 53.21% of the total number of votes of Mostostal Płock S.A. The possession by Mostostal Warszawa S.A. of the majority of votes in the Supervisory Board of Mostostal Płock S.A., which is authorised to appoint and dismiss members of the management body, as well as the fact of exercising influence on the activity of this company, enables Mostostal Warszawa S.A. to exercise control over Mostostal Płock S.A., resulting in consolidation by the full method.

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

The Management Board of Mostostal Warszawa S.A. as at 30.06.2023 comprised:

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

As at 30.06.2023, the Supervisory Board of Mostostal Warszawa S.A. comprised the following members:

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

4. Approval of the financial statements

These condensed interim consolidated financial statements for H1 2023 were approved for publication by the Parent Company's Board of Directors on 27 September 2023.

5. Significant accounting policies

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

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

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

In the period from 01.01.2023 to 30.06.2023, the Group generated a gross profit on sales of PLN 42,507 thousand and a net profit of PLN 4,859 thousand and recorded negative operating cash flows of PLN 39,012 thousand.

The Group's total equity as at 30.06.2023 amounted to PLN 99,940 thousand.

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

CAPITAL GROUP MOSTOSTAL WARSZAWA

Condensed interim consolidated financial statements for the period 01.01.2023 - 30.06.2023 (in thousands of PLN)

On the basis of the analysis of projected cash flows, the Management Board of the Parent Company assesses that the Capital Group will have sufficient cash to finance its operating activities for at least 12 months after the balance sheet date. The value of Mostostal Warszawa Capital Group's order portfolio as at 30.06.2023 was PLN 3,788,693 thousand. At the same time, Group Companies are participating in a number of tender proceedings that may translate into winning new orders in the near future.

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

5.2 Statement of compliance

These condensed consolidated interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as endorsed by the European Union. The condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of Mostostal Warszawa Capital Group for the year ended 31 December 2022 and the related notes.

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

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

The condensed interim consolidated financial statements of the Mostostal Warszawa Capital Group for H1 2023 were reviewed by a statutory auditor.

5.3 Accounting principles

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

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Mostostal Warszawa Group for the year ended 31 December 2022, except for the changes in accounting principles described in note 5.5.

Factoring

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

Amendments to standards applied for the first time in 2023

The Kpatala Group applied the following amendments to the standards for the first time:

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

The above amendments to the standards did not have a significant impact on the accounting policies applied to date by the Companies of the Mostostal Warszawa Group.

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

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

- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'.
- Transactions for the sale or contribution of assets between an investor and its associate or joint venture - the work leading to the approval of these amendments has been postponed indefinitely by the EU - the effective date has been postponed indefinitely by the IASB,
- Amendments to IAS 1 "Presentation of financial statements". - Classification of Liabilities as Short- or Long-Term, Classification of Liabilities as Short- or Long-Term - Deferral of Effective Date and Long-Term Liabilities for Contracts Containing Covenants (effective for annual periods beginning on or after 1 January 2024),
- Amendments to IFRS 16 'Leases' - Sale and leaseback obligations (effective for annual periods beginning on or after 1 January 2024).

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

5.4 Currency of financial statements

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

5.5 Changes in accounting principles

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

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

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

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

CAPITAL GROUP MOSTOSTAL WARSZAWA

Condensed interim consolidated financial statements for the period 01.01.2023 - 30.06.2023 (in thousands of PLN)

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

N	Assets	as at 31.12.2022 changed	as at 31.12.2022 according to the approved financial statements	changes
II.2	Trade receivables	330 164	324 833	+5 331
II.4	Other receivables	0	5 331	-5 331

The above-mentioned changes did not affect the value of Fixed assets (long-term) and Current assets (short-term).

N	LIABILITIES	as at 31.12.2022 changed	as at 31.12.2022 according to the approved financial statements	changes
V.3	Trade payables and other liabilities	256 137	202 664	+53 473
V.5	Other liabilities	0	53 473	-53 473

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

6. Long-term construction contracts

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

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

Specification	30.06.2023	31.12.2022
Cumulative estimated revenue from uncompleted construction contracts	2 637 950	2 138 168
Cumulative invoiced sales on uncompleted construction contracts	2 435 859	2 047 230
Assets and accruals for construction contracts not completed (per balance)	202 091	90 938
Advances received for uncompleted construction contracts	-170 606	-137 411
Current and non-current assets and liabilities for construction contracts not completed (per balance)	31 485	-46 473
Reconciliation to items from the consolidated statement of financial position:		
Assets and accruals for construction contracts not completed (per balance)	202 091	90 938
Advances received for uncompleted construction contracts	-170 606	-137 411
Construction contract assets on completed contracts	79 511	79 510
Current and non-current assets and liabilities for construction contracts (per balance)	110 996	33 037
of which:		
Assets from the performance of construction contracts	318 561	232 115
Non-current liabilities for construction contracts	98 667	91 299
Current liabilities for construction contracts	108 898	107 779

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

Circumstances may include, in particular:

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

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

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

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

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

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

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

The table below shows the nominal value of the variable remuneration to which the Capital Group will be entitled in the event of a favourable outcome of the legal proceedings, the nominal value of the contract performance liabilities that will be returned to the ordering parties in the event of an unfavourable outcome of the legal proceedings pending against the Parent Company, and the value of the assets and liabilities of the construction contracts related to the claims, as recognised in the statement of financial position.

Claims have been grouped according to the following categories:

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

CAPITAL GROUP MOSTOSTAL WARSZAWA

Condensed interim consolidated financial statements for the period 01.01.2023 - 30.06.2023 (in thousands of PLN)

30 June 2023	Construction contract assets recognised in the statement of financial position	Nominal value of variable remuneration payable to the Group	Nominal value of remuneration to be reimbursed to contracting authorities
Claims subject to litigation:	235 802	822 646	515 294
Contracts completed and accepted by the contracting authority	113 418	638 590	256 845
Contracts terminated before completion of work	122 384	184 056	258 449
Disputes at the pre-litigation negotiation stage	0	0	0

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

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

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

Specification	30.06.2023	31.12.2022
Non-current liabilities for construction contracts		
Advances for construction work	98 667	91 299
Total	98 667	91 299
Current liabilities for construction contracts		
Accruals for the performance of construction contracts	36 959	61 668
Advances for construction work	71 939	46 111
Total	108 898	107 779

Assets due to the performance of construction contracts as at 30.06.2023 amounted to PLN 318,561 thousand and increased by PLN 86,446 thousand compared to the end of last year. Accruals for the performance of construction contracts amounted to PLN 36,959 thousand and decreased by PLN 24,709 thousand compared to the end of 2022.

7. Significant changes in estimates

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

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

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

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

Deferred tax assets decreased by PLN 528 thousand compared to the end of 2022.

8. Seasonal or cyclical nature of the business

Mostostal Warszawa Group's operations are dependent on weather conditions and may be less active in winter periods than at other times of the year. In H1 2023, weather conditions did not affect the Group's operations.

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

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

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

In H1 2023, no inventory write-downs were created, and a write-down was released in the amount of PLN 655 thousand.

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

In H1 2023, allowances for receivables in the amount of PLN 219 thousand were created, and allowances for receivables in the amount of PLN 155 thousand were released.

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

Specification	Provisions for awards jubilee, retirement benefits	Reserve for foreseen losses on contracts	Reserve for court cases	Reserve for repairs warranty	Other reserves	Total
As of 01.01.2023	3 771	2 393	6 104	15 261	131	27 660
Created during the period	36	14 050	2 000	2 278	19	18 383
Used	--1 051	-83	-1 106	-2 422	-74	-4 736
Resolved	-18	0	0	-2 125	-72	-2 215
As of 30.06.2023	2 738	16 360	6 998	12 992	4	39 092
Long-term as at 30.06.2023	2 225	2 310	0	8 248	0	12 813
Short-term as at 30.06.2023	483	14 050	6 998	4 744	4	26 279

13. Information on significant acquisitions and disposals of tangible fixed assets and rights of use

In H1 2023, Mostostal Warszawa S.A. concluded an agreement for the purchase of an asphalt mixing plant. The estimated value of the contract is approximately EUR 3 million. The contract will be implemented in H2 2023.

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

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

As there were no significant purchases of property, plant and equipment in H1 2023, no significant liabilities arose on this account.

15. Information on significant monetary settlements for court cases

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

16. Corrections of prior period errors

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

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

There were no share issues in H1 2023. There were no repayments of debt and equity securities.

18. Dividends paid (declared) by the Issuer

In H1 2023, Mostostal Warszawa S.A. did not pay dividends.

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

19. Changes to the basic management principles

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

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

After the balance sheet date as at which this report was prepared, no significant events occurred that may affect the results achieved by the Capital Group companies in the future.

21. Contingent liabilities

	Specification	30.06.2023	31.12.2022
1.	Biomatec Sp. z o.o. – roszczenie o wynagrodzenie	22 876	22 876
2.	Cestar A.Cebula J.Starski s.j. - roszczenie o wynagrodzenie	12 689	12 689
3.	Partner Bud S.A.	7 030	7 030
4.	CTU Clean Technology Universe AG	5 101	5 101
5.	Warmińsko-Mazurska Filharmonia im. Feliksa Nowowiejskiego w Olsztynie	4 928	4 026
6.	Pozostałe	10 843	13 685
	Razem	63 467	65 407

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

22. Information on loans contracted and terminated and loans

LONG-TERM BANK CREDITS AND LOANS at 30.06.2023

Name of unit, indicating the legal form	Headoffice	Amount of credit/loan according to agreement		Amount of credit/loan outstanding		Repayment period
		thousand	currency	thousand PLN	currency	
Acciona Construcción S.A.	Madrid	14 714	EURO	66 058	PLN	15.07.2024
			TOTAL	66 058		

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SHORT-TERM BANK CREDITS AND LOANS at 30.06.2023

Name of unit, indicating the legal form	Headoffice	Amount of credit/loan according to agreement		Amount of credit/loan outstanding		Repayment period
		thousand	currency	thousand PLN	currency	
Acciona Construcción S.A.	Madrid	13 494	EURO	60 971	PLN	31.01.2024
Societe Generale S.A. Branch in Poland	Warsaw	10 000	PLN	0	PLN	31.07.2023
Bank PeKaO S.A.	Kielce	12 500	PLN	7 317	PLN	24.06.2025
Bank PeKaO S.A.	Kielce	7 500	PLN	5 000	PLN	24.06.2025
Credit Agricole Polska S.A.	Krakow	5 000	PLN	0	PLN	31.08.2023
Bank PeKaO S.A.	Plock	5 000	PLN	0	PLN	24.06.2026
Bank Millennium S.A.	Plock	5 000	PLN	0	PLN	07.03.2024
TOTAL				73 288		

No loan agreement was terminated in H1 2023.

23. Information on transactions with related parties

Summary of consolidated total sales revenue and intra-Group turnover for the H1 2023.

Specification	Total net sales revenue	Intra-Group sales	Consolidated net sales revenue
Parent Company	628 196	239	627 957
Other Companies	158 545	11 181	147 364
TOTAL	786 741	11 420	775 321

The total net sales revenue of the fully consolidated companies amounted to PLN 786,741 thousand for the first half of 2023. Intra-Group turnover amounted to PLN 11,420 thousand, i.e. 1.5 per cent of total net sales revenue without consolidation exclusions.

Transactions with related parties in Q1 2023 were typical and routine transactions and were concluded on an arm's length basis.

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

Related party of the Group	Date	Sales by Group entities to related parties	Purchases made by related parties in Group companies	Receivables from related parties	Amounts owed to related parties excluding loans
	30.06.2023	9 044*	21 086*	6 540*	9 081*
Acciona Construcción S.A. Branch in Poland	31.12.2022	14 066	99	2 658	0
	30.06.2022	126	66	71	1 563
	30.06.2023	13	3 908	13	14 096
Acciona Construcción S.A.	31.12.2022	0	5 779	0	12 119
	30.06.2022	0	2 336	0	14 455
	30.06.2023	0	-8	22	0
Acciona Nieruchomości Wilanów Sp. z o.o.	31.12.2022	0	32	22	0
	30.06.2022	0	28	22	0
	30.06.2023	108	0	3	0
Acciona Facility Services Poland Sp. z o.o.	31.12.2022	168	0	69	0
	30.06.2022	71	0	48	
	30.06.2023	0	0	0	0
Acciona Nieruchomości Sp. z o.o.	31.12.2022	118	0	0	0
	30.06.2022	0	0	0	0
	30.06.2023	0	0	0	0
Acciona Concesiones S.L.	31.12.2022	0	0	7	0
	30.06.2022	0	0	0	0
	30.06.2023	9 165	25 356	6 591	23 177
TOTAL	31.12.2022	14 352	5 910	2 756	12 119
	30.06.2022	197	2 430	141	16 018

* As at June 30, 2023, receivables in the amount of PLN 4,888 thousand PLN from Acciona Construcción S.A. Branch in Poland and liabilities in the amount of PLN 9,081 thousand. PLN included in the balance sheet of Acciona Construcción S.A. The branch in Poland results from settlements with Mostostal Acciona S19 Tunel. s.c.

Including sales in the amount of PLN 8,778 thousand. PLN to Acciona Construcción S.A. The branch in Poland results from the sale to Mostostal Acciona S19 Tunel. s.c. and purchases in the amount of PLN 10,254 thousand. PLN included in the profit and loss account of Acciona Construcción S.A. Branch in Poland, which directly result from the sale to Mostostal Acciona S19 Tunel s.c.

No collateral has been pledged to related parties.

As at 31.03.2023, Mostostal Warszawa S.A. received bank or insurance guarantees from the guarantee limits accruing to Acciona Construcción S.A. in the total amount of PLN 661,538 thousand. (31.12.2022: PLN 709,039 thousand).

As at 30.06.2023, Mostostal Warszawa S.A. had loan liabilities to Acciona Construcción S.A., Madrid, in the amount of PLN 127,029 thousand (31.12.2022: PLN 135,547 thousand).

At 30.06.2023, interest on loans received from Acciona Construcción S.A. amounted to PLN 2,587 thousand (at 30.06.2022 it amounted to PLN 2,698 thousand).

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

24. Reporting by market segment

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

The following tables present, for each of the Group's reportable segments, data from the consolidated income statement for the six months of 2023 ended 30 June 2023 and the six months of 2022 ended 30 June 2022.

The following segments are included in the continuing operations:

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

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

Consolidated income statement for each reportable segment:

Period of 6 months ended 30 June 2023	Industry and energy	Infrastructure	General construction	Unallocated revenues, costs and consolidation adjustments	Total
Sales revenue					
Sales to external customers	162 138	408 040	202 330	2 813	775 321
Sales between segments	0	0	0	0	0
Total segment revenue	162 138	408 040	202 330	2 813	775 321
Segment profit (loss) (including operating income and expenses)	-3 487	44 802	4 363	-9 718	35 960
Unallocated costs (management costs)	0	0	0	34 153	34 153
Operating profit / (loss)	-3 487	44 802	4 363	-43 871	1 807
Financial income	1 174	332	2 537	7 951	11 994
Financial costs	670	1 603	741	4 261	7 275
Gross profit (loss)	-2 983	43 531	6 159	-40 181	6 526
Income tax	0	0	0	1 667	1 667
Net profit (loss) from continuing operations	-2 983	43 531	6 159	-41 848	4 859
Net profit (loss)	-2 983	43 531	6 159	-41 848	4 859
Net profit (loss) attributable to shareholders of the Parent Company	-2 983	43 531	6 159	-41 932	4 775
Net profit (loss) attributable to non- controlling shareholders					84

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Period of 6 months ended 30 June 2023	Industry and energy	Infrastructure	General construction	Unallocated revenues, costs and consolidation adjustments	Total
Sales revenue					
Sales to external customers	249 462	276 122	188 659	2 080	716 323
Sales between segments	0	0	0	0	0
Total segment revenue	249 462	276 122	188 659	2 080	716 323
Segment profit (loss) (including operating income and expenses)	17 751	24 949	6 015	-6 420	42 295
Unallocated costs (management costs)	0	0	0	33 669	33 669
Operating profit / (loss)	17 751	24 949	6 015	-40 089	8 626
Financial income	24	923	78	1 133	2 158
Financial costs	304	1 308	991	6 754	9 357
Gross profit (loss)	17 471	24 564	5 102	-45 710	1 427
Income tax	0	0	0	665	665
Net profit (loss) from continuing operations	17 471	24 564	5 102	-46 375	762
Net profit (loss)	17 471	25 564	5 102	-46 375	762
Net profit (loss) attributable to shareholders of the Parent Company	17 471	25 564	5 102	-47 746	-609
Net profit (loss) attributable to non-controlling shareholders				1 371	1 371

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

In the reporting period, the largest customer for the services of the Companies of the Mostostal Warszawa Capital Group was the General Directorate for National Roads and Motorways with a 42 per cent share in sales. Other customers did not exceed the ten per cent share threshold in the sales of the Mostostal Warszawa Capital Group.

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

Export revenue for H1 2023 amounted to PLN 34,280 thousand, which accounted for approximately 4.4 per cent of sales revenue.

25. Participation in joint activities

The financial data of Mostostal Warszawa S.A. as at 30.06.2023 include values attributable to the Parent Company on account of its 50% share in Mostostal Acciona S19 Tunel s.c., which was established to perform the contract "Design and construction of the S19 expressway on the section from Rzeszów Południe junction (without junction) to Babica junction (with junction) of approximately 10.3 km". Mostostal Acciona S19 Tunel s.c. is an entity under common control (unanimity of all shareholders is required in matters relating to operations), which is treated as a joint operation under IFRS 11 (the Company's participation in joint contractual arrangements is recognised as a joint operation when the Company has rights to its share of assets and liabilities).

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

26. War in Ukraine

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

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

- conducted an analysis of the potential risks arising from the conflict that may affect the Group's operations, and
- conducted an analysis of the potential impact of the conflict on the H1 2023 financial statements in the context of assessing the Parent Company's and Group's ability to continue as a going concern.

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

Warsaw, 27.09.2023

Name	Position
Miguel Angel Heras Llorente	President of the Management Board
Jorge Calabuig Ferre	Vice-President of the Management Board
Carlos Enrique Resino Ruiz	Member of the Management Board
Jacek Szymanek	Member of the Management Board
Jarosław Reszka	Proxy / Chief Accountant

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