



**Condensed interim separate financial statements of
Mostostal Warszawa S.A.**

for the period from 01/07/2019 to 30/09/2019

SEPARATE PROFIT AND LOSS ACCOUNT
for the period of 3 months from 01/07/2019 to 30/09/2019

| NO. | PROFIT AND LOSS ACCOUNT | Third quarter from 01/07/2019 to 30/09/2019 | 3 quarters of 2019, incrementally from 01/01/2019 to 30/09/2019 | Third quarter from 01/07/2018 to 30/09/2018 | 3 quarters of 2018, incrementally from 01/01/2018 to 30/09/2018 |
|------------|---|---|---|---|---|
| | Continuing operations | | | | |
| I | Sales Revenue | 280,563 | 769,869 | 202,784 | 537,923 |
| | Revenue from construction contracts | 279,209 | 763,182 | 201,362 | 534,170 |
| | Revenue from sale of services | 1,353 | 6,653 | 1,390 | 3,492 |
| | Revenue from sale of goods and materials | 1 | 34 | 32 | 261 |
| II | Cost of goods sold | 277,602 | 747,619 | 196,154 | 513,100 |
| III | Gross profit (loss) on sales | 2,961 | 22,250 | 6,630 | 24,823 |
| IV | Administrative expenses | 11,541 | 34,344 | 11,743 | 37,339 |
| V | Other operating revenue | 19,246 | 19,371 | 492 | 2,403 |
| VI | Other operating expenses | 1,957 | 4,276 | 611 | 2,048 |
| VII | Profit (loss) from operations | 8,709 | 3,001 | -5,232 | -12,161 |
| VIII | Financial revenue | -3,331 | 2,631 | 22 | 3,244 |
| IX | Financing costs | 10,860 | 16,575 | -2,105 | 12,536 |
| X | Gross profit (loss) | -5,482 | -10,943 | -3,105 | -21,453 |
| XI | Income tax | 500 | 3,121 | 3,202 | 1,326 |
| | a) current | | | | |
| | b) deferred | 500 | 3,121 | 3,202 | 1,326 |
| XII | Net profit (loss) from continuing operations | -5,982 | -14,064 | -6,307 | -22,779 |
| XIII | Discontinued operations | 0 | 0 | 0 | 0 |
| XIV | Net profit (loss) on discontinued operations | | | | |
| XV | Net profit (loss) | -5,982 | -14,064 | -6,307 | -22,779 |
| | Net profit (loss) | -5,982 | -14,064 | -6,307 | -22,779 |
| | 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) | -0.30 | -0.70 | -0.32 | -1.14 |
| | Diluted net profit (loss) per ordinary share | -0.30 | -0.70 | -0.32 | -1.14 |

SEPARATE STATEMENT OF COMPREHENSIVE INCOME
for the period of 3 months from 01/07/2019 to 30/09/2019

| | STATEMENT OF TOTAL REVENUE | Third quarter from 01/07/2019 to 30/09/2019 | 3 quarters of 2019, incrementally from 01/01/2019 to 30/09/2019 | Third quarter from 01/07/2018 to 30/09/2018 | 3 quarters of 2018, incrementally from 01/01/2018 to 30/09/2018 |
|--|---|---|---|---|---|
| | Net profit (loss) for the period | -5,982 | -14,064 | -6,307 | -22,779 |
| | Effective part of profit and loss associated with cash flow hedges | 0 | 0 | 0 | 0 |
| | Income tax associated with other comprehensive income items | 0 | 0 | 0 | 0 |
| | Other total comprehensive income after tax | 0 | 0 | 0 | 0 |
| | <i>including items that may be reclassified as profit or loss at a later date</i> | 0 | 0 | 0 | 0 |
| | Total comprehensive income | -5,982 | -14,064 | -6,307 | -22,779 |

**SEPARATE STATEMENT OF FINANCIAL POSITION
as at 30/09/2019**

| NO. | ASSETS | as at 30/09/2019 | as at 30/06/2019 | as at 31/12/2018 | as at 30/09/2018 |
|-----------|--|---------------------|---------------------|---------------------|---------------------|
| I | Fixed assets (long-term) | 85,948 | 83,058 | 71,756 | 103,355 |
| I.1 | Intangible assets | 1,182 | 1,374 | 1,844 | 2,053 |
| I.2 | Perpetual usufruct of land | 0 | 0 | 0 | 19,430 |
| I.3 | Tangible fixed assets | 26,425 | 23,786 | 8,288 | 10,697 |
| I.4 | Long-term trade and other receivables | 1,463 | 998 | 1,749 | 2,356 |
| I.5 | Long-term prepayments for works | 0 | 0 | 0 | 0 |
| I.6 | Investment property | 4,788 | 4,858 | 4,996 | 7,974 |
| I.7 | Long-term financial assets | 29,442 | 29,764 | 29,764 | 29,764 |
| I.8 | Other long-term investments | 0 | 0 | 0 | 0 |
| I.9 | Deferred tax assets | 21,288 | 21,788 | 24,409 | 30,252 |
| I.10 | Long-term accruals | 1,360 | 490 | 706 | 829 |
| II | Current assets (short-term) | 804,053 | 854,900 | 810,428 | 763,058 |
| II.1 | Inventory | 7,014 | 9,829 | 10,006 | 9,187 |
| II.2 | Trade and other receivables | 353,263 | 359,534 | 320,863 | 318,909 |
| II.3 | Prepayments for works | 8,529 | 13,640 | 5,284 | 4,846 |
| II.4 | Short-term financial assets | 1,015 | 1,003 | 0 | 0 |
| II.5 | Cash and cash equivalents | 91,790 | 74,649 | 101,690 | 26,913 |
| II.6 | Assets arising from construction contracts | 339,554 | 358,851 | 347,777 | 400,281 |
| II.7 | Other accruals | 2,888 | 3,474 | 3,074 | 2,922 |
| II.8 | Fixed assets held for sale | 0 | 33,920 | 21,734 | 0 |
| | TOTAL ASSETS | 890,001 | 937,958 | 882,184 | 866,413 |

| NO. | EQUITY AND LIABILITIES | as at 30/09/2019 | as at 30/06/2019 | as at 31/12/2018 | as at 30/09/2018 |
|------------|--|---------------------|---------------------|---------------------|---------------------|
| I | Equity | 42,285 | 48,267 | 56,349 | 71,770 |
| I.1 | Share capital | 44,801 | 44,801 | 44,801 | 44,801 |
| I.2 | Called-up subscribed capital (negative value) | 0 | 0 | 0 | 0 |
| I.3 | Own shares (interests) (negative value) | 0 | 0 | 0 | 0 |
| I.4 | Supplementary / reserve capital | 108,406 | 108,406 | 108,406 | 108,406 |
| I.5 | Reserve capital from reclassification of loans | 201,815 | 201,815 | 201,815 | 201,815 |
| I.6 | Retained earnings (loss brought forward) | -312,737 | -306,755 | -298,673 | -283,252 |
| | Accumulated profit (loss brought forward) | -298,673 | -298,673 | -260,473 | -260,473 |
| | profit (loss) for the period | -14,064 | -8,082 | -38,200 | -22,779 |
| II | Long-term liabilities | 198,750 | 196,999 | 285,375 | 231,358 |
| II.1 | Interest-bearing bank loans and borrowings | 125,702 | 120,965 | 235,769 | 188,016 |
| II.2 | Long-term lease liabilities | 10,191 | 11,340 | 1,081 | 1,044 |
| II.3 | Long-term trade liabilities | 26,802 | 26,161 | 31,399 | 32,056 |
| II.4 | Long-term prepayments for works | 23,549 | 23,550 | 8,202 | 0 |
| II.5 | Long-term provisions | 12,506 | 14,983 | 8,924 | 10,242 |
| III | Short-term liabilities | 648,966 | 692,692 | 540,460 | 563,285 |
| III.1 | Current interest-bearing bank loans and borrowings | 135,384 | 130,404 | 13,519 | 63,132 |
| III.2 | Short-term lease liabilities | 5,032 | 5,020 | 801 | 692 |
| III.3 | Trade liabilities | 209,056 | 242,635 | 213,937 | 217,001 |
| III.4 | Other liabilities | 38,218 | 54,546 | 58,602 | 30,318 |
| III.5 | Prepayments for works | 41,946 | 43,780 | 36,438 | 46,101 |
| III.6 | Short-term provisions | 14,081 | 12,782 | 25,289 | 22,974 |
| III.7 | Liabilities arising from construction contracts | 19,304 | 11,133 | 23,659 | 10,696 |
| III.8 | Other accruals | 185,945 | 180,377 | 168,215 | 172,371 |
| III.9 | Liabilities associated with assets held for sale | 0 | 12,015 | 0 | 0 |
| IV | Total liabilities | 847,716 | 889,691 | 825,835 | 794,643 |
| | TOTAL EQUITY AND LIABILITIES | 890,001 | 937,958 | 882,184 | 866,413 |

SEPARATE CASH FLOW STATEMENT
for the period of 3 months from 01/07/2019 to 30/09/2019

| NO. | CASH FLOW STATEMENT | Third quarter – from 01/07/2019 to 30/09/2019 | 3 quarters of 2019, incrementally, period from 01/01/2019 to 30/09/2019 | Third quarter – from 01/07/2018 to 30/09/2018 | 3 quarters of 2018, incrementally, period from 01/01/2018 to 30/09/2018 |
|------------|---|--|--|--|--|
| I | Cash flows from operating activities | | | | |
| I.1 | Gross profit (loss) | -5,482 | -10,943 | -3,105 | -21,453 |
| I.2 | Adjustments of items: | -18,989 | -36,945 | -40,781 | -71,720 |
| I.2.1 | Depreciation | 2,238 | 6,752 | 1,090 | 3,205 |
| I.2.2 | Exchange differences | 7,191 | 4,372 | -4,961 | 4,124 |
| I.2.3 | Interest received and paid | 1,314 | 6,316 | 1,981 | 1,919 |
| I.2.4 | Profit (loss) from investing activities | -19,205 | -19,205 | 28 | 22 |
| I.2.5 | Increase (decrease) in receivables | 10,917 | -35,359 | 20,659 | 2,158 |
| I.2.6 | Increase (decrease) in inventory | 2,815 | 2,992 | -1,857 | -5,466 |
| I.2.7 | Increase (decrease) in liabilities, except for loans and borrowings | -51,101 | -9,007 | -53,059 | 2,339 |
| I.2.8 | Change in accruals | 28,752 | 17,130 | -880 | -61,765 |
| I.2.9 | Change in provisions | -1,178 | -7,626 | -3,795 | -18,558 |
| I.2.10 | Other | -732 | -3,310 | 13 | 302 |
| | Net cash from operating activities | -24,471 | -47,888 | -43,886 | -93,173 |
| II | Cash flows from investing activities | | | | |
| II.1 | Sale of tangible and intangible assets | 44,990 | 45,011 | 0 | 6 |
| II.2 | Acquisition of tangible and intangible assets | -4,297 | -6,289 | -241 | -616 |
| II.3 | Acquisition of financial assets | 0 | 0 | 0 | -7 |
| II.4 | Interest and dividends received and paid | 1,250 | 1,250 | 0 | 3,128 |
| II.5 | Loans granted | 0 | -1,000 | 0 | 0 |
| | Net cash from investing activities | 41,943 | 38,972 | -241 | 2,511 |
| III | Cash flows from financing activities | 0 | | | |
| III.1 | Repayment of finance lease liabilities | -278 | -829 | -154 | -500 |
| III.2 | Proceeds from loans and borrowings | 0 | 0 | 33,339 | 42,213 |
| III.3 | Repayment of loans and borrowings | 0 | 0 | 0 | 0 |
| III.4 | Interest paid | -53 | -155 | -126 | -382 |
| | Net cash from financing activities | -331 | -984 | 33,059 | 41,331 |
| IV | Net change in cash and cash equivalents | 17,141 | -9,900 | -11,068 | -49,331 |
| | Net exchange differences | | | | |
| V | Cash opening balance | 74,649 | 101,690 | 37,981 | 76,244 |
| VI | Cash closing balance | 91,790 | 91,790 | 26,913 | 26,913 |

SEPARATE STATEMENT OF CHANGES IN EQUITY
for the period of 3 months from 01/07/2019 to 30/09/2019

| | Share capital | Supplementary / reserve capital | Reserve capital from reclassification of loans | Retained profit / uncovered loss | Total equity |
|--|---------------|---------------------------------|--|----------------------------------|---------------|
| Third quarter of 2019 – from 01/07/2019 to 30/09/2019 | | | | | |
| As at 01 July 2019 | 44,801 | 108,406 | 201,815 | -306,755 | 48,267 |
| Profit (loss) for the period | 0 | 0 | 0 | -5,982 | -5,982 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 | -5,982 | -5,982 |
| Distribution of profit brought forward | 0 | 0 | 0 | 0 | 0 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 |
| As at 30 September 2019 | 44,801 | 108,406 | 201,815 | -312,737 | 42,285 |

| | | | | | |
|---|---------------|----------------|----------------|-----------------|----------------|
| 3 quarters of 2019 from 01/01/2019 to 30/09/2019 | | | | | |
| As at 01 January 2019 | 44,801 | 108,406 | 201,815 | -298,673 | 56,349 |
| Profit (loss) for the period | 0 | 0 | 0 | -14,064 | -14,064 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 | -14,064 | -14,064 |
| Distribution of profit brought forward | 0 | 0 | 0 | 0 | 0 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 |
| As at 30 September 2019 | 44,801 | 108,406 | 201,815 | -312,737 | 42,285 |

| | | | | | |
|--|---------------|----------------|----------------|-----------------|----------------|
| 2018 – period from 01/01/2018 to 31/12/2018 | | | | | |
| As at 01 January 2018 | 44,801 | 108,406 | 201,815 | -260,473 | 94,549 |
| Profit (loss) for the period | 0 | 0 | 0 | -38,200 | -38,200 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 | -38,200 | -38,200 |
| Distribution of loss brought forward | 0 | 0 | 0 | 0 | 0 |
| Reclassification of loans to equity | 0 | 0 | 0 | 0 | 0 |
| As at 31 December 2018 | 44,801 | 108,406 | 201,815 | -298,673 | 56,349 |

| | | | | | |
|---|---------------|----------------|----------------|-----------------|----------------|
| 3 quarters of 2018 from 01/01/2018 to 30/09/2018 | | | | | |
| As at 01 January 2018 | 44,801 | 108,406 | 201,815 | -260,473 | 94,549 |
| Profit (loss) for the period | 0 | 0 | 0 | -22,779 | -22,779 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 | -22,779 | -22,779 |
| Distribution of profit brought forward | 0 | 0 | 0 | 0 | 0 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 |
| As at 30 September 2018 | 44,801 | 108,406 | 201,815 | -283,252 | 71,770 |

**Additional Notes
to the Condensed Interim Separate Financial Statements
for the period from 01/07/2019 to 30/09/2019**

1. Overview

For the separate profit and loss account, the condensed interim separate financial statements cover the period of 9 months of 2019 and the third quarter of 2019 and comprise corresponding figures for the period of 9 months of 2018 and the third quarter of 2018; for the separate cash flow statement, the financial statements cover the period of 9 months of 2019 and the third quarter of 2019 and comprise the corresponding figures for the period of 9 months of 2018 and the third quarter of 2018; while the separate statement of financial position prepared as at 30 September 2019 includes corresponding figures as at 30 June 2019, 31 December 2018 and 30 September 2018.

Mostostal Warszawa S.A. (hereinafter "Company", "Mostostal", or "Issuer") is a joint-stock company incorporated under the laws of Poland, registered with the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register, under the number 0000008820. The Company's registered office is located in Warsaw, at ul. Konstruktorska 12a. The Company's main activities involve construction of residential and non-residential buildings, as specified in the Polish Business Classification (PKD) in section 4120Z. The Company's shares are listed on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.); construction sector.

The Company is established for an indefinite time.

The parent company of Mostostal is Acciona Construcción S.A. The ultimate controlling party is Acciona S.A.

Mostostal Warszawa S.A. prepared the condensed interim financial statements, which were approved on 29/11/2019.

The aim of the Management Board of Mostostal Warszawa S.A. is to maintain a strong position among the largest construction companies in the country. In order to achieve this objective, the Company takes measures oriented at:

- focusing its activities on the effective organisational structure that guarantees stable financial results and increased margins, which in turn enables further development,
- managing projects while maintaining the highest quality, taking care of safety on construction sites and supporting related initiatives,
- strengthening the role of Mostostal Warszawa SA as the Group's primary management centre and enhancing cooperation within the Group for development of regional centres,
- maintaining a nationwide network of representative offices, capable of providing services in all the segments of civil works, as a general contractor,
- development by the R&B Department of new technologies to improve implementation processes as well as to develop and enhance the engineering ideas, and
- nurturing the achievements of the Polish engineering thought and development of technical knowledge through close cooperation with the research centres and by improving the level of education of future engineers as well as by sharing knowledge and experience gained during over 70 years of its activities.

As at 29/11/2019, members of the Management Board included:

Miguel Angel Heras Llorente, President of the Management Board
Jorge Calabuig Ferre, Vice-President of the Management Board
Alvaro Javier De Rojas Rodríguez, Member of the Management Board
Jacek Szymanek, Member of the Management Board
Radosław Gronet, Member of the Management Board

As at 29/11/2019, members of the Supervisory Board included:

Antonio Muñoz Garrido, Member of the Supervisory Board
José David Márquez Arcos, Member of the Supervisory Board
Javier Lapastora Turpín, Member of the Supervisory Board
Neil Roxburgh Balfour, Member of the Supervisory Board
Ernest Podgórski, Member of the Supervisory Board
Javier Serrada Quiza, Member of the Supervisory Board

2. Approval of the Financial Statements

The condensed interim separate financial statements for the third quarter of 2019 were approved for publication by the Management Board of the Company on 29/11/2019.

3. Basis for preparation of the Condensed Financial Statements for the third quarter of 2019 and the accounting policies

3.1 Basis for preparation of the Financial Statements

The condensed interim separate financial statements have been prepared with the assumption that the Company would be able to continue its business operations in the foreseeable future.

The condensed interim separate financial statements have been prepared in accordance with the historical cost principle.

In the period from 01/01/2019 to 30/09/2019, the Company generated gross sales profit of PLN 22,250 thousand and incurred a net loss of PLN 14,064 thousand. The Company's equity as at 30/09/2019 was positive and amounted to PLN 42,285 thousand. As at the balance sheet date, the Company's short-term liabilities amounted to PLN 648,966 thousand and were higher by PLN 103,381 thousand PLN than current assets less assets, receivables and liabilities arising from construction contracts, which are unlikely to be realized and thus produce a cash inflow to the Company within 12 months from the balance sheet date.

In the third quarter of 2019, the Company financed its operations using mainly its own funds and borrowings granted by the related party - Acciona Construcción S.A. The loan maturity dates fall for the years 2019-2020. In the event that the Company is forced to repay the loans due, temporary difficulties in settlement of the Company's liabilities may occur. As of the date of these financial statements, the Company has not received any assurance from the lender that the loans would be rolled over.

In the third quarter of 2019, the Company sold a property, and recorded a cash inflow in the net amount of PLN 44.97 million. The funds obtained will be allocated to support financing of the Company's operations in the next 12 months.

Based on the analysis of future cash flows, the Company's Management Board estimates that the Company will have sufficient cash to fund its operations in the period of at least 12 months after the balance sheet date. The value of Mostostal Warszawa S.A.'s backlog amounts to PLN 2.322.224 thousand. At the same time, the Company is involved in a number of procurement procedures, which will translate into winning new contracts in the near future, which should also contribute to improved results and cash flows for Mostostal Warszawa S.A.

The above-mentioned events and circumstances indicate the existence of significant uncertainty which may raise serious doubts as to the Company's ability to continue as a going concern.

Despite the factors that may pose a threat to the Company's ability to continue as a going concern such as: negative financial performance, negative cash flows, and uncertainty regarding the roll-over of short-term loans, the Company's Management Board believes that the liquidity and going concern risks are properly managed. Therefore, the Management Board believes that the going concern assumption for the Company is appropriate.

3.2 Compliance statement

These condensed interim separate financial statements have been prepared in accordance with the International Accounting Standard 34 – Interim Financial Reporting, as approved by the EU. These condensed interim separate financial statements should be read together with the audited separate financial statements of the Company for the year ended 31 December 2018 and the related additional information. The condensed interim separate financial statements of Mostostal Warszawa S.A. have been neither reviewed nor audited by a statutory auditor.

3.3 Accounting Policies

Detailed accounting policies adopted by the Company are described in the separate financial statements for the year ended 31 December 2018.

The accounting principles (policies) applied in the preparation of these condensed separate financial statements are consistent with those applied in the preparation of the annual separate financial statements of the Company for the year ended 31 December 2018, except for the accounting principles related to entry into force of IFRS 16 as of 01/01/2019, which have been described in Note 3.4.

Standards, amendments, interpretations and clarifications to the standards applied for the first time in 2019

- IFRS 16 “Leases”
- Amendments to IAS 28 “Investments in Associates and Joint Ventures” - Long-term interests in Associates and Joint Ventures,
- Amendments to IFRS 9 “Financial Instruments” – Prepayment Features with Negative Compensation,
- Amendments to various standards, Improvements to IFRSs (2015-2017 cycle),
- Amendments to IAS 19 “Employee Benefits” – Plan Amendment, Curtailment or Settlement,
- Interpretation of IFRIC 23 “Uncertainty over income tax treatments”

Standards and interpretations that have been approved by IASB, but have not yet been approved by the EU

IFRSs, as adopted by the EU, do not differ from the regulations adopted by the IASB, except for the following standards, amendments to standards and interpretations, which as at the date of approval of these statements have not yet been approved for use:

- IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 01 January 2021)
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – Sales or transfers of assets between the investor and the associate or joint venture – the work leading to the approval of these amendments has been postponed indefinitely by the EU – the date of entry into force has been postponed by the IASB for an indefinite period,
- Amendments to IFRS 3 "Business combinations" (effective for annual periods beginning on or after 01 January 2020),
- Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" – Definition of material (effective for annual periods beginning on or after 01 January 2020),
- IFRS 14 "Regulatory Deferral Accounts" – according to the decision of the European Commission, the process of approving the pre-release standard will not be initiated before the release of the final version of the standard (effective for annual periods beginning on or after 01 January 2016),
- Amendments to the Conceptual Framework for IFRS (effective for annual periods beginning on or after 01 January 2020).

The Company does not expect the new standards or amendments to the existing standards to have a significant impact on its statements.

3.4. Amendments to accounting policies and principles for preparation of financial statements

From 01 January 2019, the Company has for the first time applied the standard IFRS 16 "Leases".

The standard establishes the rules for the recognition, measurement, presentation and disclosures relating to the lease. All lease transactions result in obtaining by the lessee of the right to use the assets and liabilities arising from the payment obligation. Therefore, IFRS 16 removes the classification of operating leases and finance leases hitherto regulated by IAS 17 and introduces a single model for the accounting for leases by the lessee. Currently, the lessee is required to recognize:

- (a) assets and liabilities for all leases entered into for a period of over 12 months, except when the asset is of low value; and
- (b) depreciation of leased assets separately from the interest on the lease liability in the profit and loss account.

As a result of the analysis carried out by the Management Board, as of the date of the first application of IFRS, new significant assets were recognized in the Company's balance sheet that meet the criteria of the new standard. These include:

- right to perpetual usufruct
- the right to use office space (based on a rental agreement),
- the right to use cars.

Method for implementation of the IFRS 16 and the impact on the opening balance

The Company applied the standard retrospectively with the combined effect of the first application recognized on the first application date. The Company did not restate the corresponding figures, and the total effect of the first application was recognized as an adjustment to the opening balance of retained earnings on the date of the first application.

As a result of the analysis of lease agreements, the Management Board determined that the application of the new standard had no impact on the financial results presented so far and there was no need to adjust the opening balance of retained earnings as at 1 January 2019.

The Company decided to take advantage of the exemption regarding short-term leases and leases in which the underlying asset is of low value. In this case, the Company recognizes lease payments as costs under the profit and loss account. The equivalent of USD 5,000 in PLN has been considered as the low value. The recognition exemption for short-term leases has been applied to all types of the right-of-use assets, except for the right to use cars.

With regard to contracts identified as leases prior to the date of first application of IFRS 16 i.e. in accordance with IAS 17, the Company used the practical solution provided for under IFRS 16 and did not reassess whether the contract is a lease. Therefore, IFRS 16 was not applied to contracts that were not identified as leases prior to the date of the first application.

First application of IFRS 16

For leases previously classified as operating leases, as at the date of the first application (with the exception of low-value contracts and those maturing within 12 months), the Company recognized:

- liability measured as the present value of the remaining lease payments, discounted at the marginal interest rate for the Company's leases on the date of the first application;
- right-of-use assets – in the amount equal to the lease liability.

The identified right-of-use assets were assessed for impairment as at the date of the first application and no need to recognize impairment was found.

The following table illustrates the impact of the first application of the IFRS on the individual items of the statement of financial position:

| ASSETS | as at 31/12/2018 | adjustments | as at 01/01/2019 |
|--|-------------------------|--------------------|-------------------------|
| Fixed assets (long-term) | | | |
| Tangible fixed assets | 8,288 | 14,535 | 22,823 |
| Current assets (short-term) | | | |
| Fixed assets classified as held for sale | 21,734 | 12,531 | 34,265 |

| EQUITY AND LIABILITIES | as at 31/12/2018 | adjustments | as at 01/01/2019 |
|--|-------------------------|--------------------|-------------------------|
| Long-term liabilities | | | |
| Long-term lease liabilities | 1,081 | 10,859 | 11,940 |
| Short-term liabilities | | | |
| Short-term lease liabilities | 801 | 3,676 | 4,477 |
| Liabilities associated with assets held for sale | 0 | 12,531 | 12,531 |

The weighted average lessee's incremental borrowing rate of interest applied by the Company to its lease liabilities recognized in the statement of financial position on the date of the first application was 4.02%.

Presentation in the Company's financial statements

The company decided to include the right-of-use assets in the same reporting item under which the assets would be presented if they were owned by the lessee. Therefore, the right-of-use assets were presented in the following items of the separate financial statements:

- Tangible fixed assets (rental and lease agreements for office space and cars);
- Fixed assets classified as held for sale (right to perpetual usufruct)

The Company presented its lease liabilities in the following items of the separate financial statements:

- Long-term lease liabilities
- Short-term lease liabilities
- Liabilities associated with assets held for sale

3.5 The principles applied to conversion of selected financial data into EUR

The following principles have been adopted for converting the selected financial data concerning the third quarter of 2019 to EUR:

- individual items of the separate profit and loss account and cash flow account for the third quarter of 2019 were converted at the PLN/EUR rate of 4.3086, which is the arithmetical mean of the rates announced by the National Bank of Poland for the last days of January, February, March, April, May, June, July, August and September of 2019.
- individual items of assets and liabilities on the separate statement of financial position were converted at the PLN/EUR rate of 4.3736 as published by the NBP on 30/09/2019.

3.6 Currency of the financial statements

The condensed interim separate financial statements for the third quarter of 2019 have been presented in Polish zlotys, and all the values stated – unless indicated otherwise – are rounded off to full thousands of zlotys.

4. Long-term construction contracts

Selected data – Separate Profit and Loss Account

| Item | 01/07/2019 – 30/09/2019 | 01/01/2019 – 30/09/2019 | 01/07/2018 – 30/09/2018 | 01/01/2018 – 30/09/2018 |
|-------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Revenue from construction contracts | 279,209 | 763,182 | 50,197 | 534,170 |
| Cost of construction works | 269,970 | 726,241 | 41,832 | 498,103 |
| profit or loss | 9,239 | 36,941 | 8,365 | 36,067 |

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

The costs of construction works include the costs of provisions created for the losses expected on contracts disclosed in section 10 of these condensed interim separate financial statements.

Revenue accrued on construction contracts in progress as at the balance sheet date

| Item | as at 30/09/2019 | as at 30/06/2019 | as at 31/12/2018 | as at 30/09/2018 |
|--|---------------------|---------------------|---------------------|---------------------|
| Estimated incremental revenue from construction contracts in progress | 3,426,504 | 3,197,717 | 2,809,809 | 2,665,180 |
| Incrementally invoiced sales of construction contracts in progress | 3,271,546 | 3,010,810 | 2,647,878 | 2,450,653 |
| Assets and liabilities arising from construction contracts in progress (on balance) | 154,958 | 186,907 | 161,931 | 214,527 |
| Prepayments received on construction contracts in progress | 65,495 | 67,330 | 44,640 | 46,101 |
| Net balance sheet position for construction contracts in progress | 89,463 | 119,577 | 117,291 | 168,426 |
| Reconciliation with the items from the separate statement of financial position: | | | | |
| Assets and liabilities arising from construction contracts in progress (on balance) | 154,958 | 186,907 | 161,931 | 214,527 |
| Assets arising from completed construction contracts | 165,292 | 160,811 | 162,187 | 175,058 |
| Assets and liabilities arising from construction contracts (on balance) | 320,250 | 347,718 | 324,118 | 389,585 |

While implementing the construction contracts, especially in the years 2010-2012, circumstances have arisen for which the Company has not been responsible. These circumstances resulted in losses (damages, increased amounts of unplanned expenditures etc.) that have not been caused by the Company. These circumstances included in particular the following:

- - broadened scope of works in relation to the design (tender) conditions communicated to the Company by the Ordering Parties,
- unexpected and extraordinary increase in the prices of construction materials (including crude oil derivatives and other materials), transport, equipment rental and construction services,
- the need for longer performance of contracts, and accordingly, to incur higher costs *inter alia* as a result of Company's lack of access to the site due to adverse weather conditions, defects in the design documentation supplied by the customer.

In the Company's opinion, these circumstances resulted in changes to contracts with ordering parties (customers) in accordance with contractual provisions and general legal grounds, and the rights to which it is entitled as a result of the changes to those contracts exist and are enforceable (claims submitted to customers). As a consequence, the Company (in accordance with the provisions of IFRS 15):

- a) estimated the change in the transaction price resulting from the contract modification, taking into account all the information (historical, current, forecasts, legal opinions and expert reports) that were reasonably available,
- b) included in the transaction price some of the amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In connection with the foregoing, as at 30/09/2019, the Company recognized assets arising from construction contracts for completed contracts due to amendments of contracts with employers (customers) in the amount of PLN 165,292

thousand and compared to the preceding year, their value increased by the amount of PLN 4,481 thousand corresponding to the claims recognized on the Contract for Conversion of a Military Building in Redzikowo and was adjusted for the reversed provisions for completed contracts.

The aforementioned circumstances and modifications of contracts with ordering parties (customers) did not affect the amount of recognized revenue from construction contracts in the third quarter of 2019.

In its separate statement of financial position, the Company shows overdue trade receivables in the amount of PLN 207,561 thousand, for which no revaluation write-offs have been recognized, and the assets arising from construction contracts in the amount of PLN 165,292 thousand, associated with the completed contracts, which are mostly subject to court proceedings. The value of accruals due to uninvoiced construction works under these contracts is PLN 48,200 thousand. The Management Board expects that within 12 months from the date of the report, some of these proceedings, given their progress, may be settled in favour of Mostostal, which will result in settlement of receivables under the contracts in the amount of PLN 21,128 thousand, assets under the contracts in the amount of PLN 62,733 thousand and accruals in the amount of PLN 17,677 thousand.

Selected figures from the separate statement of financial position

| Assets | as at 30/09/2019 | as at 30/06/2019 | as at 31/12/2018 | as at 30/09/2018 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Amounts due from customers under construction contracts (long-term contracts) | 354,726 | 360,532 | 322,612 | 321,265 |
| - including retained deposits | 4,294 | 4,210 | 7,987 | 7,310 |
| Prepayments for works | 8,529 | 13,640 | 5,284 | 4,846 |
| Assets arising from construction contracts | 339,554 | 358,851 | 347,777 | 400,281 |

| Liabilities | as at 30/09/2019 | as at 30/06/2019 | as at 31/12/2018 | as at 30/09/2018 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Amounts due to the suppliers under construction agreements (long term contracts) | 235,858 | 268,796 | 245,336 | 249,057 |
| - including retained deposits | 82,335 | 78,480 | 82,069 | 82,667 |
| Prepayments for works | 65,495 | 67,330 | 44,640 | 46,101 |
| Provisions for expected losses | 9,353 | 10,825 | 12,154 | 8,519 |
| Liabilities arising from construction contracts | 19,304 | 11,133 | 23,659 | 10,696 |

5. Significant changes in estimates

Preparation of financial statements in accordance with the EU's IFRS requires the Management Board to make judgements, estimates and assumptions that affect the application of the adopted accounting principles and the presented values of assets, liabilities, income and expenses, whose actual values may differ from the estimates. Estimates and related assumptions are based on historical experience and other factors that are considered reasonable in given circumstances, and their results provide the basis for professional judgement. When making judgements, estimates or assumptions regarding major issues, the Management Board may rely on the opinions of independent experts. Estimates and related assumptions are subject to ongoing verification. Changes in accounting estimates are recognized prospectively from the period in which changes to the estimates took place.

Recognition of sales on construction contracts constitutes an essential estimate. The Company recognizes revenue from construction contracts based on inputs measured by reference to the share of costs incurred between the day the contract has been entered into and the day of determining revenue in relation to the total costs of performance. Total revenue from long-term construction contracts denominated in a foreign currency is determined based on the invoices issued by the balance sheet date and the exchange rates applicable as at the balance sheet date. Budgets of individual contracts are subject to a formal update (revision) process with the use of current information, at least once a quarter. In the event of any occurrences between official budget revisions that significantly affect the outcome of the contract, the total contract revenue or costs can be updated earlier.

Information about the created and reversed write-downs is presented in Notes 8 and 9 of this report.

Information on the provisions created and reversed in the reporting period is presented in Note 10 of this report.

The deferred tax assets decreased over the reporting period by PLN 500 thousand and as at 30/09/2019 amounted to PLN 21,288 thousand (cf. PLN 21,788 thousand as at 30/06/2019). The Company recognizes deferred tax assets based on the assumption that future taxable income will allow for its use. Deterioration of tax results in the future could cause the whole or a part of the deferred tax assets not to be realized.

The Management Board has carried out a deferred tax asset recoverability test as at the balance sheet date based on the projections that have been prepared taking into account the planned involvement in the power engineering and infrastructure sectors. The test demonstrates the realization of a deferred tax asset in the amount of PLN 21,288 thousand. In the opinion of the Management Board, the realisation of the deferred tax assets due to tax losses will be possible in the years 2019-2022.

6. Seasonal or cyclical nature of the Company's activities in the third quarter of 2019

The activities of the Company depend on weather conditions. The Group is significantly less active during winter than during other seasons. The atmospheric conditions in the third quarter of 2019 had no significant effect on the Company's operations and the results it achieved.

7. Amounts and types of items affecting the assets, liabilities, equity, net financial result or cash flows, which are exceptional due to their type, value or frequency

In the third quarter of 2019, the following events had impact on the profit or loss:

- sale of the real estate at ul. Karkowiaków, as a result of which the Company recognized the profit of PLN 19,180
- weakening of the Polish currency against euro compared to the situation as at 30/06/2019, as a result of which the Company recognized foreign exchange losses from the balance sheet valuation of loans in the amount of PLN 7,192 thousand,

8. Impairment of inventory to net realizable value and reversal of the respective allowances

In the third quarter of 2019, the Company recognized write-downs of inventories in the amount of PLN 169 thousand.

9. Impairment of financial assets, tangible assets, intangible assets, or other assets, and the reversed impairment losses

In the third quarter of 2019, the write-downs on the amounts receivable of PLN 99 thousand were reversed, the write-downs in the amount of PLN 518 thousand in this respect were recognized, and the write-downs of PLN 892 thousand were used.

10. Creation, increase, use and reversal of provisions

| 30 September 2019 | Provision for anniversary awards and retirement bonuses | Provisions for expected losses on contracts | Provision for warranty repairs | Provision for litigation | Total |
|-----------------------------------|---|---|--------------------------------|--------------------------|---------------|
| As at 01/01/2019 | 1,944 | 12,154 | 14,841 | 5,274 | 34,213 |
| Created during the financial year | | 2,520 | 3,044 | 2,558 | 8,122 |
| Used | -91 | -5,321 | -2,606 | -4,452 | -12,470 |
| Reversed | | | -3,278 | | -3,278 |
| As at 30/09/2019 | 1,853 | 9,353 | 12,001 | 3,380 | 26,587 |
| Long-term as at 30/09/2019 | 1,492 | 1,970 | 9,044 | | 12,506 |
| Short-term as at 30/09/2019 | 361 | 7,383 | 2,957 | 3,380 | 14,081 |

11. Significant acquisitions and disposals of tangible fixed assets

On 06 September 2019, Mostostal and a company from the data centre industry entered into the agreement for sale of the property located at ul. Krakowiaków 91/101. As a result of the agreement, the Company will raise the net amount of PLN 44.97 million. The decision to sell this non-strategic property was aimed at increasing the Company's liquidity and reducing its liabilities to creditors.

12. Significant liabilities related to purchase of tangible fixed assets.

In the third quarter of 2019, there were no significant liabilities arising from the purchase of property, plant and equipment.

13. Significant litigation settlements

In the third quarter of 2019, there were no significant litigation settlements.

14. Corrections of prior period errors

In the reporting period, there were no corrections of errors from previous periods.

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

No shares were issued in the third quarter of 2019. No debt or equity securities were repaid.

On July 2, 2019, Acciona Construcción SA announced a public tender offer for Mostostal Warszawa's shares. The public tender offer was announced in connection with the planned acquisition by Acciona Construcción of the Company's shares accounting for 100% of the total number of votes at the Company's general meeting. As a result of the Public Tender Offer, Acciona acquired 2,407,655 (two million four hundred and seven thousand six hundred and fifty-five) shares accounting for 12.04% of the total number of shares in the Company.

16. Dividends paid (declared) by the Issuer

In the third quarter of 2019, the Company did not pay any dividends.

17. Changes in the basic principles of governance

There were no significant changes to the Company's corporate governance principles in the reporting period.

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

On October 4, the Company and the Marshal's Office of Zachodniopomorskie Province ("Employer") entered into the contract for performance of the task entitled "Provision of Architectural and Engineering Services in the field of Design and Construction Works under the Project: Consolidation of the Seat of the Marshal's Office of Zachodniopomorskie Province in Szczecin". Gross contract value: PLN 199,90 million. Time limit for completion: 33 months from the date of the contract.

On 15 October 2019, the Company received a set of relevant documents provided for in Annex 4 executed on 08 October 2019 ("Annex") to the Framework Agreement of 18 August 2017 for Insurance Guarantees with UNIQA Towarzystwo Ubezpieczeń Spółka Akcyjna (Current Report No. 45/2017). The annex provides for the extension of the maximum amount limit of PLN 10 million granted to the Company for the period from 08 October 2019 to 07 October 2020.

On October 17, the Company as a partner (with 0.01% share in the Consortium) of the Consortium, the leader of which is RAFAKO S.A. ("RAFAKO" with 99.99% share in the Consortium) with its registered office in Racibórz, was notified by RAFAKO about the arrangements between the Consortium and Nowe Jaworzno Grupa TAURON Sp z o.o. with its registered office in Jaworzno regarding the amendment of the provisions of the Agreement of 17 April 2014 for the Construction of 910 MW power unit with supercritical parameters at Power Plant Jaworzno III – Power Plant II within the scope of: steam boiler, turbine set, main building, electrical section and instrumentation and automation systems for the power unit ("Agreement") (Current Report No. 14/2014). As a result of negotiations, it was agreed that additional tasks would be performed under the Agreement, including the provision of an additional catalyst layer and additive dosing installation for flue gas desulphurization system to reduce mercury emissions, and the expansion of the fuel base to allow combustion of a wider range of coals. The parties agreed that the net value of the Agreement would be increased by PLN 52.31 million, and the maximum time limit for signing the Power Block Commissioning Report would be 69 months and 15 days from the date of the Agreement, but no later than 31/01/2020. The amendments to the Agreement covered by negotiations require relevant corporate approvals. The Company will publish the information on conclusion of an annex to the Agreement in a separate current report.

On 18 October 2019, the Company received information about a lawsuit dated 28 December 2018, filed against the Company by Gamma Inwestycje S.A. ("Gamma Inwestycje", "Claimant"; formerly: Gamma Inwestycje Sp. z o.o. and previously Zielona Italia Sp. z o.o.). The case is pending before the District Court in Warsaw, 20th Commercial Division (Case File Ref. XX GC 1246/18). Under the lawsuit, Gamma Inwestycje requests an award of PLN 40.48 million plus statutory interest for withdrawal in part from the Contract between them and the Company. The Company disputes the legitimacy and the amount of the claims submitted by the Claimant in full and set out to analyse whether the claims are not repeated in the proceedings already pending. The Company has taken steps to challenge the claims referred to in the lawsuit.

19. Changes in collaterals of commercial contracts and in contingent liabilities, which occurred after the last balance sheet date.

19.1. Contingent liabilities

Contingent liabilities

| No. | Item | 30/09/2019 | 31/12/2018 |
|-----|--|----------------|----------------|
| (a) | Lubelskie Region Oncology Centre – claims in respect of a penalty for withdrawal from the contract, reduction of remuneration, additional and safety works (description in Note 20.1 item (a)) | 27,072 | 27,072 |
| (b) | Gamma Inwestycje S.A. – claim for a contractual penalty related to the construction of the housing estate 'Zielona Italia' (description in Note 20.1 item (b)) | 15,784 | 15,784 |
| (c) | Energa Kogeneracja S.A. – construction of a power unit in Elbląg – claim for reduction of remuneration and a contractual penalty for non-compliance with the parameters (description in Note 20.1 item (c)) | 114,386 | 114,386 |
| (d) | University of Białystok – Construction of the Institute of Biology and the Faculty of Mathematics and Computer Science, together with the University Computing Centre in Białystok – claim for a contractual penalty (description in Note 20.1 item (d)) | 66,718 | 66,718 |
| (e) | Agencja Rozwoju Miasta S.A. – construction of the Czyżyny Sports and Entertainment Arena in Kraków – claim for a contractual penalty (description in Note 20.1 item (e)) | 20,822 | 20,822 |
| (f) | Biomatec Sp. z o.o. – claim for remuneration (description in Note 20.1 item (f)) | 22,876 | 22,876 |
| (g) | Cestar A.Cebula J.Starski s.j. – claim for remuneration (description in Note 20.1 item (g)) | 12,689 | 12,689 |
| (h) | – University of Białystok – claim for a contractual penalty (description in Note 20.1 item (j)) | 204,967 | 204,967 |
| (i) | Municipality of Olsztyn – claims for liquidated damages and reimbursement of substitute performance costs (Description in Note 20.1 item (k)) | 0 | 13,560 |
| (j) | Other | 22,029 | 22,029 |
| | Total | 507,343 | 520,903 |

Contingent liabilities as at 30/09/2019 amounted to PLN 507,343 thousand and decreased by PLN 13,560 thousand, compared to the previous year's balance sheet date.

19.2. Collaterals of trade agreements

Granted

| Item | 30/09/2019 | 31/12/2018 |
|--|----------------|----------------|
| Promissory notes issued to secure trade agreements | 58,928 | 78,511 |
| Guarantees to secure trade agreements | 615,861 | 533,695 |
| Total contingent liabilities | 674,789 | 612,206 |

As at 30/09/2019, the collaterals granted to secure trade agreements amounted to PLN 674,789 thousand, which means an increase by PLN 62,583 thousand, as compared to the previous year's balance sheet date.

Received

| Item | 30/09/2019 | 31/12/2018 |
|-------------------------------------|---------------|---------------|
| Guarantees received | 48,544 | 41,748 |
| Promissory notes received | 1,026 | 817 |
| Total contingent receivables | 49,570 | 42,565 |

As at 30/09/2019, the collaterals received to secure trade agreements amounted to PLN 49,570 thousand, which means an increase by PLN 7,005 thousand as compared to the previous year's balance sheet date.

Collaterals of trade agreements to secure repayment of promissory notes, bank guarantees, performance bonds and other are related to long-term construction contracts. The collaterals granted and received pertain also to contracts performed in the consortia.

The Company has no liabilities related to the requirement to purchase fixed assets.

20. Legal proceedings pending before a court, authority competent for the arbitration proceedings or a public administration body

The Company participates in proceedings concerning the receivables with the total value of PLN 1.150.591 thousand and in the proceedings related to liabilities with the total value of PLN 766,157 thousand.

20.1 Proceedings with the highest value in dispute (Mostostal Warszawa S.A. as a Defendant)

(a) Lubelskie Region Oncology Centre (Claimant)

Date of the claim: 10/09/2015

Value in dispute: PLN 27,072 thousand

The Claimant seeks payment of liquidated damages on account of the Defendant's withdrawal from the Contract as well as claims for reduction of the amounts due and the claims related to additional and securing works performed by the investor. According to Mostostal Warszawa S.A., the claimed liquidated damages are unfounded. The Company disputes also other claims in their entirety. On 11 September 2012, the Company received a notice from St. John of Dukla Lubelskie Region Oncology Centre on the withdrawal from the contract for designing and conducting construction works for the expansion and modernisation of the Lubelskie Region Oncology Centre ("Contract"). The notice included also a request for the payment of a contractual penalty. The aforesaid Contract was entered into on 03 January 2011 by and between the Lubelskie Region Oncology Centre (the "Employer") and the Consortium composed of: Mostostal Warszawa S.A. – Leader, Acciona Construcción S.A.– Partner, and Richter Med. Sp. z o.o. – Partner ("Contractor"). The Employer withdrew from the Contract due the fact that works were not conducted in accordance with the schedule of works and expenditures as well as the terms and conditions of the Contract, which resulted in delays affecting the agreed Contract completion date. At the same time, the Company filed counter-claims and asserts claims in the amount of PLN 32,461 thousand from the Employer as a payment for additional works performed and reimbursement of unduly charged contractual penalties.

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

Date of the claim: 29/03/2013

Value in dispute: PLN 15,784 thousand

The Claimant, a successor in title of Zielona Italia Sp. z o.o. ("Employer"), seeks liquidated damages from Mostostal Warszawa S.A. for withdrawal from the contract. The company questions the grounds for charging the penalty in entirety, since it was the first to withdraw from the contract, which provided for construction of a complex of multi-family residential buildings with commercial premises and underground garages "Zielona Italia" ("Contract"). The reason behind the withdrawal was the Investor's failure to accept the completed works, despite Mostostal Warszawa S.A.'s repeated requests to do so. As a result of the withdrawal from the Contract for the reasons attributable to the Employer, Mostostal Warszawa S.A. charged contractual penalties in the amount of PLN 15,784 thousand (not included in revenue). In response to this, Zielona Italia Sp. z o.o. charged the Company with contractual penalties in the amount of PLN 15,784 thousand. As the Management Board of the Company considers the contractual penalties to be charged unreasonably, this amount has not been included in the contract measurement. The dispute on the lack of grounds to charge the Company with the contractual penalties is currently examined by the Court.

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

Date of the claim: 24/07/2017

Value in dispute: PLN 114,386 thousand

The Claimant asserts cash claims in connection with the construction of the BB20 biomass unit in Elbląg. The Claimant's claims are based on the allegations that the BB20 biomass unit in Elbląg, constructed by Mostostal Warszawa S.A. and commissioned in July 2014 has defects, does not achieve the guaranteed parameters and requires modernization. The amount of the claim covers three groups of claims i.e.: (1) contractual penalties in the amount of PLN 15,170 thousand PLN being a part of the total amount of contractual penalties, of which PLN 7,378 thousand was paid to the

Claimant under the bank guarantee and the remaining part of which is claimed in the proceedings in question; (2) claim for reducing the contractual price in the amount of PLN 90,286 thousand PLN; and (3) capitalized interest in the amount of PLN 959 thousand. After the analysis of the claim, the Company is of the view that both the Energa's claim for contractual penalties in connection with the failure to achieve the guaranteed technical parameters of the Block and the claim for a reduction of the contractual remuneration are unfounded. In particular, the Company indicates that in its opinion, the Claimant operated the Block in violation of the terms and conditions of the Contract as well as operation/maintenance instructions i.e. using the fuel with the parameters contrary to the provisions of the Contract, and further they have failed to conduct the measurement of the guaranteed parameters in accordance with provisions of the Contract. Mostostal Warszawa S.A. disputes these claims in their entirety and finds them unjustified. The statement of defence and the counter-claim for the amount of PLN 7,378 thousand were submitted by Mostostal Warszawa S.A. on 15/12/2017.

(d) University of Białystok (Claimant)

Date of the claim: 03/02/2015

Value in dispute: PLN 66,718 thousand

The subject of the statement of claim is the Claimant's demand for payment of various contractual penalties in connection with the performance of the Contract of 25/01/2011 for the "Construction of the Institute of Biology and the Faculty of Mathematics and Computer Science, together with the University Computing Centre" and the Contract of 25/01/2011 for the regarding the "Construction of the Faculty of Physics and the Institute of Chemistry" under the Operational Program "Infrastructure and Environment". Mostostal Warszawa S.A. disputes these claims in their entirety and finds them unjustified. In the court proceedings, Mostostal Warszawa S.A. presents a number of obstacles which objectively had a significant impact on the performance of construction works, and thus the completion date, justifying the lack of grounds for charging contractual penalties. Mostostal Warszawa SA brought a counter claim against the Claimant for the amount of PLN 83,435 thousand in respect of overdue payment plus interest, indirect costs resulting from the extension of the contract completion deadline and other additional works. The claim have been referred to negotiations. At the joint request of the parties, the proceedings were suspended on 24/04/2019. In the absence of an amicable settlement in the framework of the negotiations held, the proceedings were initiated pursuant to a court decision of 10/10/2019.

(e) Agencja Rozwoju Miasta S.A. (Claimant)

Date of the claim: 22/07/2016

Value in dispute: PLN 20,822 thousand

The Claimant demands that the Company shall pay contractual penalties for late completion of the "Construction of the Sports Hall Czyżyny in Krakow" – currently TAURON Arena Krakow. Having analysed the lawsuit, the Company disputes the legitimacy and the amount of the claim submitted by the Claimant and is of the opinion that there were no grounds to charge the penalties. As of 14/04/2014, the Contractor completed 99% of the Contract and the Investor was able to commence the acceptance procedure. Due to the design documentation defects, for which the Investor was responsible, the time for completing the acceptance procedure exceeded the contractual deadline, but not due to the Contractor's fault. During the alleged delay, the Investor was able to fully use the facility. The final permit for operation of the facility was issued already on 12/05/2014, and the first commercial event was held on 30/05/2014 i.e. at the time when the Investor still charged contractual penalties. The Company also has brought a counter-claim against the Claimant for additional works and the other outstanding payments related to the "Construction of the Sports Hall Czyżyny in Krakow" for the amount of PLN 16,439 thousand. The case has been referred for mediation, under which a private opinion is to be prepared.

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

Date of the claim: 26/05/2014

Value in dispute: PLN 22,876 thousand

The Claimant demands Mostostal Warszawa S.A. to pay the remuneration for the subcontracted works carried out under the project Construction of the 20 MWe biomass-fired power block for Energa Kogeneracja Sp. z o.o. The basis for demanding payment is the claim that the Defendant withdrew from the contract with the Claimant in the situation where the Claimant was ready to perform the same i.e. there were obstacles to the performance of the above-mentioned contract, but on the part of the Defendant. The Company disputes the merits of the Claimant's lawsuit in the entirety. In reply to the lawsuit, Mostostal Warszawa S.A. pleaded that the withdrawal from the contract was for the reasons attributable to the Claimant, while the provisions of the agreement binding upon the parties in the situation discussed exclude the payment of the entire claim to the Claimant, except for the costs incurred by the Claimant until the date of withdrawal. In addition, Mostostal Warszawa SA, in accordance with the agreement concluded, inter alia, with the Claimant, paid to the Claimant all the costs incurred by the Claimant until the date of withdrawal. An expert opinion and a supplementary expert opinion were prepared in the case. The conclusions of both opinions are unfavourable for the Defendant; therefore; Mostostal Warszawa SA raised extensive objections regarding the opinions.

(g) CESTAR Andrzej Cebula i Jerzy Starski Spółka Jawna – in restructuring (Claimant)

Date of the claim: 16/11/2016 and 20/03/2017

Total value in dispute: PLN 14,667 thousand

The Claimant demands payment from Mostostal Warszawa S.A. for the works under the project "Sewage System for the Landscape Park of Puszcza Zielonka and the Surrounding Area" Contract IX – Water Catchment for the Sewage Treatment Plant in Szlachcin – Task 6 – Municipality of Murowana Goślina, issued in connection with the Interim

Payment Certificate No. 23 and No. 24. Mostostal Warszawa S.A. filed for dismissal of the claim due to the fact that the claims asserted by the Claimant were fully offset against the claims of Mostostal Warszawa S.A. against the Claimant under the invoices issued for the substitute performance and contractual penalties charged. Evidentiary proceedings are pending in both cases.

(h) Rafako S.A. (Claimant)

Date of the claim: 31/03/2017

Value in dispute: PLN 16,157 thousand

Rafako S.A. demands payment from the Company for the construction works performed by the Claimant under a sub-contract within the framework of the project "Construction of the Waste Incineration Plant for the Municipal Area of Szczecin". The Company disputes the amount of the claim, since the Claimant did not provide any evidence of the amount of the claim, in particular in the form of a common inventory (no bilaterally signed report confirming the performance of the of works) or expert opinion on the quality of the works. The court admitted the expert witness evidence. The opinion has not been prepared yet.

(i) Wagner Biro Sp. z o.o. (Claimant)

Date of the claim: 09/10/2014

Value in dispute: PLN 10,810 thousand

The Claimant demands the Company to pay for supplies and works performed by the Claimant under the project involving the construction of the National Forum of Music in Wrocław as well as the payment of contractual penalties and reimbursement of the storage costs. The Company disputes the legitimacy of the claim, since the Claimant, according to the Company's knowledge, sold most of the supplies and works for which they are demanding payment to a new contractor of the National Forum of Music. An expert opinion will be prepared in the case.

(j) University of Białystok (Claimant)

Date of the claim: 05/02/2018

Value in dispute: PLN 204,967 thousand

On 16 January 2018, the University of Białystok brought a lawsuit against Mostostal Warszawa S.A. for payment of PLN 204,967 thousand plus statutory interest for delay, accrued from 12 January 2018 until the payment date, as contractual penalty for delay in removal by Mostostal Warszawa S.A. of 449 defects resulting from the performance of contracts regarding the construction of the Institute of Biology, Faculty of Mathematics and Computer Science, University Computing Centre, and the Faculty of Physics and the Institute of Chemistry within the Campus of the University of Białystok. Having analysed the claims, Mostostal Warszawa S.A. disputes the legitimacy of the claims made by the Claimant in its entirety. The statement of defence was filed by the Company on 26 May 2018. In connection with the initiated negotiations, the parties requested that the proceedings be suspended, which took place on 14/11/2018. In the absence of an amicable settlement in the framework of the negotiations held, the proceedings were initiated pursuant to a court decision of 11/09/2019.

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

Date of the claim: 24/01/2019

Value in dispute: PLN 211,839 thousand

Under the proceedings brought by MW, the Defendant filed a counter-claim for the amount of PLN 211,839 thousand. The counter claim was served upon MW on 24 January 2019. The counter-claim is currently being analysed. ZUO's claim has been challenged in its entirety, based on the erroneous assumption that it is ZUO and not Mostostal that effectively withdrew from the contract. The statement of defence was filed on 25/02/2019. Evidentiary proceedings in the case are pending.

(j) Gamma Inwestycje S.A. (successor in title of Zielona Italia Sp. z o.o.) (Claimant)

Date of the claim: 28/12/2018

Value in dispute: PLN 40,483 thousand

On 28 December 2019, Gamma Inwestycje filed a lawsuit against MW for the payment of approximately PLN 40.5 million, including: (a) approx. PLN 9.1 million as the costs incurred by Gamma Inwestycje to remedy defects and faults in Buildings C and D constructed by MW; (b) approx. PLN 8 million as an additional charge on the bank payment guarantee granted by MW; (c) approx. PLN 12.8 million as reimbursement of remuneration paid by Gamma Investments to MW's subcontractors; and (d) approx. PLN 10.5 million as compensation for damage suffered by Gamma Inwestycje due to the need to withdraw from the Contract with MW and subcontract the unfinished works to another entity i.e. Eiffage Budownictwo Mitex SA, at a price PLN 10.5 million higher than the remuneration due to MW. The time limit for submitting the statement of defence the lawsuit is 09/11/2019.

20.2 Proceedings with the highest value in dispute (Mostostal Warszawa S.A. as a Claimant)

(a) State Treasury – General Directorate for National Roads and Motorways (Generalna Dyrekcja Dróg Krajowych i Autostrad) (Defendant)

Date of the Claim: 03/06/2012

Value in dispute: PLN 36,961 thousand

A lawsuit brought by Mostostal Warszawa S.A. and other Consortium members against the Defendant for amendment of the Contract for "Design and Construction of A-2 Motorway Stryków-Konotopa, section between km 394+500 and

411+465.8". Claimants demand that the increase of the remuneration due under the Contract by PLN 36,961 thousand, including PLN 18,850 thousand for Mostostal Warszawa S.A. due to the extraordinary increase in the prices of liquid fuels and bitumen and the payment of the above-mentioned amount. The proceedings were initially conducted before the Regional Court in Warsaw, which dismissed the claim in its entirety. As a result of the appeal of the Claimants, by the virtue of the judgement of 16/03/2017, the Court of Appeal in Warsaw quashed the Regional Court's judgement and remitted the case for reconsideration. The proceedings are pending before the court of first instance. A part of the amount claimed in court is presented under assets arising from construction contracts.

(b) State Treasury – General Directorate for National Roads and Motorways (Generalna Dyrekcja Dróg Krajowych i Autostrad) (Defendant)

Date of the Claim: 09/09/2013

Value in dispute: PLN 61,857 thousand

Mostostal Warszawa S.A. and Acciona brought a lawsuit against the Defendant for compensation of the damage suffered, reimbursement of unduly charged contractual penalties and payment of outstanding remuneration by the Defendant in connection with the performance of the Contract for construction of the bridge over the Odra River along with access flyovers at the sections from 18+174 km to 19+960 km on Wrocław Ring Road A8. The case is heard by the Regional Court in Warsaw. A part of the amount claimed in court is presented under assets arising from construction contracts.

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

Date of the Claim: 29/03/2013

Value in dispute: PLN 15,785 thousand

The case brought by the Company for declaring non-existence of the Defendant's right to demand payment under the bank guarantee – performance bond related to the construction of housing estate "Zielona Italia" in Warsaw, which has been transformed into the case for payment (reimbursement) of the amount equivalent to the amount paid by the under the bank guarantee. The Company withdrew from the contract for reasons attributable to the Defendant, and thus the conditions pursuant to which the Employer may satisfy its claims from the performance bond are not fulfilled. The case is heard by the Regional Court in Warsaw. The amount claimed in court is presented by the Company under trade receivables and other receivables as overdue receivables, for which no revaluation write-offs have been recognized.

(d) The Treasury – Ministry of National Defence (Defendant)

Date of the Claim: 23/06/2010

Value in dispute: PLN 19,093 thousand

Claims of the Consortium Mostostal Warszawa S.A. – Unitek Ltd for additional compensation and reimbursement of the costs incurred in connection with the contract for performance projects under the Investment Package CP 2A0022, whereby the Claimant acted as an alternative investor. During performance of the Contract, the scope and nature of the project changed for the reasons beyond the control of the Claimants, which resulted in additional costs, the reimbursement of which is sought by the Claimants. On 10/10/2016, the Court ordered that the Claimants shall receive the amount of PLN 7,142 thousand plus interest accrued from 03/08/2010. The remainder of the lawsuit was dismissed. The Claimants appealed against the aforesaid judgement. By the virtue of the judgement of 08 November 2018, the Appellate Court in Warsaw amended the decision of the court of first instance by dismissing the claim for the amount of PLN 6,085 thousand. As a consequence of the final sentence, the decision of the court of first instance came into force as regards the amount of PLN 1,057 thousand plus interest due. On 15/02/2019, Mostostal Warszawa S.A. filed an appeal against the judgement of the appellate court to the highest instance.

(e) State Treasury – General Directorate for National Roads and Motorways (Generalna Dyrekcja Dróg Krajowych i Autostrad) (Defendant)

Date of the Claim: 30/05/2012

Value in dispute: PLN 212,105 thousand

The Company and a Consortium member filed with the Regional Court in Warsaw a lawsuit against the Defendant for amending the Contract No. 2811/3/2010 of 26/02/2010 for construction of A-4 motorway Tarnów-Rzeszów, section between Rzeszów Centralny junction and Rzeszów Wschód junction (km. ca. 574+300 to ca. 581+250), by increasing the gross remuneration by PLN 77,345 thousand. On 23/08/2012, the Company extended the claim in such a way that, in addition to the previous demand for amending the contract, the Company requested for (i) ruling pursuant to Article 189 of the Code of Civil Procedure that the Defendant is not entitled to demand from the Company a contractual penalty for exceeding the Time Limit for Completion of works in connection with the construction of the A4 motorway section covered by the Contract; and (2) ordering GDDKiA to pay the amount of PLN 11,368 thousand plus statutory interest to the Company for the contractual penalty for exceeding the Time Limit for Completion set off unjustifiably against the remuneration due for the performance of construction works. On 15/04/2013, another extension of the claim was filed, in which the following amounts were updated: (i) the amount to be increased by the Court, as requested by the Claimants – up to gross PLN 195,723 thousand, and (ii) the claimed payment of the remuneration due, set off as a contractual penalty – up to PLN 13,243 thousand. The current value in dispute is PLN 207,530 thousand. By virtue of the judgement of 4/08/2016, the Regional Court in Warsaw ruled that the Defendant shall pay to the Company and Acciona the amount of PLN 11,298 thousand plus statutory interest for delay and dismissed the remainder of the claim. On 20/12/2016, the Claimants appealed against the above-mentioned judgement as regards the dismissal of the claim and charging the Claimants with the costs of the proceedings. The defendant also appealed against the above-mentioned judgement challenging the same as regards the acknowledgment of the claim and charging the Defendant

with the costs of the proceedings. At present, an appeal is pending, under which an expert has been appointed in respect of MWV's claim for payment of the remuneration due that had been offset against contractual penalty charged by the Defendant. Some of the amounts claimed in court are presented by the Company under trade receivables and other receivables as overdue receivables, for which no revaluation write-offs have been recognized, and under assets arising from construction contracts.

(f) State Treasury – General Directorate for National Roads and Motorways (Generalna Dyrekcja Dróg Krajowych i Autostrad) (Defendant)

Date of the Claim: 02/07/2013

Value in dispute: PLN 25,537 thousand

The Company and a Consortium member filed with the Regional Court in Warsaw a lawsuit against the Defendant for amending the Contract No. 210/RK/110/2009/2010 of 01/09/2010 for the upgrade of S-7 road to a two-lane road at Kielce bypass section, Kielce (National Road No. 73, Wiśniówka junction) – Chęciny (Chęciny junction), by increasing the remuneration by the gross amount of PLN 25,537 thousand in connection with the extraordinary increase in the prices of liquid fuels, asphalt and steel. A part of the amount claimed in court is presented under assets arising from construction contracts.

(g) State Treasury – General Directorate for National Roads and Motorways (Generalna Dyrekcja Dróg Krajowych i Autostrad) (Defendant)

Date of the Claim: 23/05/2014

Value in dispute: PLN 103,644 thousand

The proceedings brought by the Company and other members of the Consortium against the Defendant are conducted before the Regional Court in Warsaw. The case concerns the compensation for the damage suffered by the Claimants as a result of improper description of the Employer's Requirements concerning ten Civil Engineering structures and the Bridge on the Rawka River, the Contractor was obliged to construct under the contract "Design and Construction of A-2 Motorway Stryków-Konotopa, section between km 394+500 and 411+465.8". The Claimants demanded that the Defendant should be ordered to pay PLN 103,644 thousand to the Claimants, including PLN 81,824 thousand to the Company. A part of the amount claimed in court is presented under assets arising from construction contracts.

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

Date of the Claim: 09/05/2013

Value in dispute: PLN 52,344 thousand

The Company seeks payment of the amounts resulting from the settlement of the project and the completed additional works. The examination of the statement of withdrawal from the contract through the fault of Zielona Italia sp. z o.o. (of 06 March 2013) is of key importance for the case. If the Court accepts the statement of withdrawal from the contract by Mostostal Warszawa S.A. due to the fault of Zielona Italia sp. z o.o., the legitimacy of the Company's claims will be confirmed. The case is currently heard by the Regional Court in Warsaw. A part of the amount claimed in court is presented by the Company under trade receivables and other receivables as overdue receivables, for which no revaluation write-offs have been recognized, and under assets arising from construction contracts.

(i) Municipality of Wrocław (Defendant)

Date of the Claim: 13/11/2012

Value in dispute: PLN 82,061 thousand

The case instituted by the Consortium of Mostostal Warszawa S.A., ACCIONA CONSTRUCCIÓN S.A., WPBP n. 2 "Wrobis" S.A. and Marek Izmajłowicz PH-U IWA (Claimant) for payment of PLN 82,061,000. Originally, the case concerned establishing non-existence of Wrocław Municipality's right to demand payment under the bank guarantee – performance bond. The claims included in the lawsuit have been modified and include the demand for payment of PLN 82,061,000 as the final settlement of the project in connection with the withdrawal from the Contract No. 7/2009/NFM of 22.12.2009 for the construction of the National Forum of Music in Wrocław ("Contract"). In its preliminary judgement, the Court of Arbitration found that the Project Consortium (Mostostal Warszawa S.A. – Leader, Acciona Construcción S.A., Marek Izmajłowicz - IWA, WPBP Wrobis S.A.) on 05/10/2012 effectively withdrew from the Contract. As a result of the complaint brought by the Municipality of Wrocław, the initial decision of the Court of Arbitration was repealed. The case is continued to be examined by the same Court of Arbitration, in accordance with the position of Mostostal. Currently, we are awaiting the appointment of the pre-trial date by the Supreme Court.

(j) Lubelskie Region Oncology Centre (Defendant)

Date of the Claim: 03/10/2014

Value in dispute: PLN 32,461 thousand

In the proceedings brought against the Defendant, Mostostal Warszawa S.A. and the consortium members seek claims for payment in connection with the construction of the Lublin Region Oncology Centre. The case is heard by the Regional Court in Lublin. The above amount of the claim comprises the claims for: (i) payment for undisputed work, (ii) interest for late payment in the course of the contract, (iii) reimbursement of unduly charged and offset liquidated damages, (iv) other claims under which the Claimants demand payment for the purchased materials, costs of maintaining the performance bonds and lost benefits. In these proceedings, the Defendant filed a counter-claim in which they demand the Claimant to pay a total of PLN 27,072 thousand in respect of: (i) contractual penalty for withdrawal from the contract, (ii) reimbursement of costs, and (iii) payments to subcontractors. Currently, the case is at the stage of evidence proceedings. A part of the amount claimed in court is presented by the Company under trade

receivables and other receivables as overdue receivables, for which no revaluation write-offs have been recognized, and under assets arising from construction contracts.

(k) University of Białystok (Defendant)

Date of the Claim: 29/04/2015

Value in dispute: PLN 83,435 thousand

Mostostal Warszawa SA, as a mutual claimant, asks for payment for basic and additional works and replacement works, payment of overdue remuneration plus interest, indirect costs resulting from extension of the work schedule and other additional works in connection with the performance of the contract of 25/01/2011 for the "Construction of the Institute of Biology and the Faculty of Mathematics and Computer Science, together with the University Computing Centre" and the Contract of 25/01/2011 for the regarding the "Construction of the Faculty of Physics and the Institute of Chemistry" under the Operational Program "Infrastructure and Environment". A part of the amount claimed in court is presented by the Company under trade receivables and other receivables as overdue receivables, for which no revaluation write-offs have been recognized. The claim have been referred to negotiations. At the joint request of the parties, the proceedings were suspended on 24/04/2019. In the absence of an amicable settlement in the framework of the negotiations held, the proceedings were initiated pursuant to a court decision of 10/10/2019.

(l) Agencja Rozwoju Miasta S.A. (Defendant)

Date of the Claim: 28/04/2017

Value in dispute: PLN 23,017 thousand

Mostostal Warszawa S.A. filed a counter-claim against the Defendant for payment of the amount due for additional works performed in connection with the construction of the Sports Hall (Czyżyny) in Krakow. The case has been referred for mediation, under which a private opinion is to be prepared. A part of the amount claimed in court is presented by the Company under trade receivables and other receivables as overdue receivables, for which no revaluation write-offs have been recognized, and under assets arising from construction contracts.

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

Date of the Claim: 07/06/2013

Value in dispute: PLN 9,963 thousand

Mostostal Warszawa SA demands the Defendant to cease the infringement of proprietary copyrights to the working design of the multi-purpose housing estate "Zielona Italia" and that the defendant be ordered to pay to the Claimant the amount that is three times the market value of the working design. The case is heard by the Regional Court in Warsaw.

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

Date of the Claim: 10/02/2017

Value in dispute: PLN 33,770 thousand

Litigation for reimbursement of money on account of unjust enrichment in connection with the Defendant's exercise of the bank guarantee for proper performance of the contract awarded to the defendant on behalf of Mostostal Warszawa S.A. under the project "Construction of the Waste Incineration Plant for the Municipal Area of Szczecin". On 29 March 2018, the Regional Court in Szczecin awarded the amount of PLN 33,770 thousand plus interest to Mostostal Warszawa S.A. On 30 May 2018, the Defendant lodged an appeal against the decision. By the decision of 04/12/2018, the Appellate Court dismissed the Defendant's appeal in its entirety. MW initiated enforcement proceedings against the Defendant. On 5/02/2019, the Defendant filed an appeal to the highest instance and the motion to suspend enforcement of the judgements. The Appellate Court approved the Defendant's motion to suspend enforcement of the judgements until the Supreme Court has settled the final appeal. In connection with the Appellate Courts' decision, the enforcement of the proceedings against the Defendant has been suspended. The pre-trial date was scheduled for 25/10/2019. The amount claimed in court is presented by the Company under trade receivables and other receivables as overdue receivables, for which no revaluation write-offs have been recognized.

(o) State Treasury – General Directorate for National Roads and Motorways (Generalna Dyrekcja Dróg Krajowych i Autostrad) (Defendant)

Date of the Claim: 17/05/2017

Value in dispute: PLN 29,063 thousand

Mostostal Warszawa S.A. and a consortium demand payment in respect of additional costs incurred in performance of the Contract No. 122/2010 of 31/08/2010 concluded with the Defendant for the works involving "Reconstruction of the national road No. 8 as an expressway on the section: border of Mazowieckie/Łódzkie Province - Radziejowice". The case is heard by the Regional Court in Warsaw. A part of the amount claimed in court is presented under assets arising from construction contracts.

(p) State Treasury – General Directorate for National Roads and Motorways (Generalna Dyrekcja Dróg Krajowych i Autostrad) (Defendant)

Date of the Claim: 03/07/2017

Value in dispute: PLN 20,614 thousand

The Company and a Consortium member brought a lawsuit to the Regional Court in Warsaw against the Defendant for payment to the Claimants of the amount of PLN 20,614 thousand plus statutory interest for delay, accrued from the lawsuit date until the date of payment. The subject of the dispute is the reimbursement by the Defendant to the Claimant

of the costs of works on the extension of the S-7 road on the Kielce beltway section, contract No. 210 / RK / 110/2009/2010 from 01/09/2010 for the execution of works involving the upgrade of S-7 road to a two-lane road at Kielce bypass section, Kielce (National Road No. 73, Wiśniówka junction) – Chęciny (Chęciny junction), within the extended period of the project. A part of the amount claimed in court is presented under assets arising from construction contracts.

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

Date of the claim: 20/01/2018

Value in dispute: PLN 26,274 thousand

Mostostal Warszawa S.A. demands the payment of PLN 26,274 thousand plus statutory interest accrued from the date of the claim until the payment date and the reimbursement of the costs. Mostostal Warszawa SA is seeking payment for construction works carried out under the project "20 MWe Power Block in Elbląg". The value in dispute covers the principal amount of PLN 19,948 thousand and interest capitalized as at the date preceding the date of the claim i.e. PLN 6,366 thousand. The defendant paid only a part of the amount due to the Claimant for the works performed. The principal amount due results from the invoices, which have been reduced by the contractual penalties, which in the opinion of Mostostal Warszawa S.A. have been unduly charged. The defendant was not entitled to charge contractual penalties, as the delay occurred due to circumstances for which Mostostal Warszawa S.A. was not liable. The contractual penalty charged by the Defendant is grossly excessive. Mostostal Warszawa S.A. requested also for issuing an order for payment in the writ proceedings. On 02 February 2018, the District Court in Gdańsk, 9th Commercial Division, issued an order for payment in the writ proceedings. On 23 February 2018, the defendant lodged an appeal against the aforesaid order for payment. On 10 April 2018, Mostostal Warszawa S.A. submitted a response to the appeal against the order for payment. The court proceedings are pending.

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

Date of the Claim: 15/01/2018

Value in dispute: PLN 90,141 thousand

Mostostal Warszawa S.A. demands the payment of PLN 90,141 thousand plus statutory interest for delay, accrued from 28 November 2016 until the date of payment. Under this claim, Mostostal Warszawa S.A. is seeking from the Defendant the payment of remuneration for the works, deliveries, designs and other services rendered to the Defendant until withdrawal by Mostostal Warszawa S.A. from the Contract for the Construction of the Waste Incineration Plant in Szczecin i.e. until 14 June 2016, for which Mostostal Warszawa S.A. did not receive the remuneration under the interim payment certificate issued on a monthly basis. The Company received the Defendant's statement of defence on 24 May 2018. On 24 January 2019, MW received a counter-claim for the amount of PLN 211,839 thousand, which, in the Company's opinion, was unfounded. The settlement of the case will be subject to the assessment of a court expert. Evidentiary proceedings in the case are pending. The amount claimed in court is presented by the Company under trade receivables and other receivables as overdue receivables, for which no revaluation write-offs have been recognized.

(s) State Treasury – General Directorate for National Roads and Motorways (Generalna Dyrekcja Dróg Krajowych i Autostrad) (Defendant)

Date of the claim: 24/01/2018

Value in dispute: PLN 98,585 thousand

Mostostal Warszawa S.A. and a Consortium member brought a lawsuit to the Regional Court in Warsaw against the Defendant for payment of the amount of PLN 98,585 thousand plus statutory interest for delay, accrued from 31 December 2014 to 31 December 2015 and plus statutory interest for delay, accrued from 01 January 2016 until the date of payment. Under the claim, Mostostal Warszawa S.A. demands the Defendant to pay the claims, which arose in the years 2010-2012 in the course of construction of the Section Tarnów – Rzeszów Wschód of A-4 Highway, due to obstacles encountered by the Claimants in the course of construction, for which the Defendant is responsible (e.g. unpredictable physical conditions) as well as additional costs related to the extension of the contract completion time. A part of the amount claimed in court is presented under assets arising from construction contracts.

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

Date of the claim: 15/12/2017

Value in dispute: PLN 7,753 thousand

The subject of the counter-claim proceedings of Mostostal v. Energa Kogeneracja Sp. z o.o. (Energa) is a demand for payment (reimbursement) of liquidated damages, which have been charged and paid by Energa from the bank guarantee issued in connection with the Contract EKO/86/2011 of 25 March 2011 for the construction of a 20 MW Biomass-Fired Power Block in Elbląg. The investor (Energa) maintains that the contract was executed improperly and that design and construction errors were made as a result of which the block does not achieve the guaranteed parameters, which entitled Energa to charge liquidated damages. In Mostostal's opinion, the cause of the Block's malfunctioning and failure to achieve the guaranteed parameters is mainly the Block's operation with the use of fuel that does not meet the contractual requirements. The amount claimed in court is presented by the Company under trade receivables and other receivables as overdue receivables, for which no revaluation write-offs have been recognized.

(u) Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji m.st. Warszawa S.A. („MPWiK”) (Defendant)

Date of the claim: 04/03/2019

Value in dispute: PLN 9,438 thousand

A claim for reimbursement of the amount deducted by MPWiK – without any factual and legal basis – from a performance bond. On 12/03/2019, the Court issued an order for payment in favour of Mostostal in the writ proceedings. The defendant lodged an appeal against the aforesaid order for payment. The amount claimed in court is presented by the Company under trade receivables and other receivables as overdue receivables, for which no revaluation write-offs have been recognized.

Some of the claims brought in the aforesaid cases were recognized by the Company in the budgets of contracts and accounted as previous years' revenue. Details are described in Note 4 of the Additional Notes to the condensed interim separate financial statements for the period from 01/07/2019 to 30/09/2019.

21. Credits and loans incurred and terminated in the third quarter of 2019

The balance of loans payable as of 30/09/2019 amounted to PLN 261,086 thousand (the balance of loans payable as of 30/06/2019 amounted to PLN 251,368 thousand). The higher balance of loans results mainly from the interest accrued as at the balance sheet date and the negative balance sheet valuation of loans.

In the reporting period, the Company used the overdraft amounting to PLN 0 thousand as at the balance sheet date (the balance of loans as at 30/06/2019 amounted to PLN 0 thousand).

| Bank | Type of loan | Amount of loan in thousands of PLN | Amount used as at 30/09/2019 in thousands of PLN | Due date | Interest rate |
|--|---------------------------|------------------------------------|--|------------|--------------------------|
| Societe Generale S.A. Branch in Poland | Current account overdraft | 10,000 | 0 | 30/06/2020 | WIBOR 1M + Bank's margin |

In the third quarter of 2019, no loan agreement was terminated.

22. Related party transactions

Related party transactions in the third quarter of 2019 were typical and routine transactions, and were entered into on arm's length basis.

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

| Company name | 30/09/2019 | 31/12/2018 |
|---|---------------|---------------|
| Mostostal Power Development Sp. z o.o. | 109 | 146 |
| Acciona Construcción S.A. | 184 | 184 |
| Mostostal Kielce S.A. | 17 | 87 |
| Mostostal Płock S.A. | 5,852 | 11,766 |
| Acciona Facility Services Poland Sp. z o.o. | 131 | 209 |
| Acciona Nieruchomości Wilanów Sp. z o.o. | 3,969 | 2,394 |
| AMK Kraków S.A. | 0 | 3 |
| Total | 10,262 | 14,789 |

Advances for the construction works granted to related parties:

| Company name | 30/09/2019 | 31/12/2018 |
|--|------------|------------|
| Mostostal Power Development Sp. z o.o. | 2,636 | 2,797 |

Trade payables towards related parties amounted to (in thousands of PLN):

| Company name | 30/09/2019 | 31/12/2018 |
|--|---------------|---------------|
| Mostostal Power Development Sp. z o.o. | 34,383 | 25,483 |
| Acciona Construcción S.A. | 21,044 | 22,605 |
| Acciona Construcción S.A. Branch in Poland | 4,187 | 4,323 |
| MPB Mielec S.A. | 100 | 100 |
| Acciona Nieruchomości Wilanów Sp. z o.o. | 8 | 15 |
| Mostostal Kielce S.A. | 326 | 7,133 |
| Mostostal Płock S.A. | 0 | 443 |
| Total | 60,048 | 60,102 |

Advances for the construction works received from related parties:

| Company name | 30/09/2019 | 31/12/2018 |
|----------------------|------------|------------|
| Mostostal Płock S.A. | 5,543 | 6,497 |

As at 30/09/2019, the Company received bank or insurance guarantees under the guarantee limits of Acciona Construcción S.A. in the total amount of PLN 419,954 thousand (cf. 322,231 thousand as at 31/12/2018).

As at 30/09/2019, the Company granted bank guarantees under its guarantee limits to Mostostal Płock S.A. for the total amount of PLN 14,295 thousand. (as at 31/12/2018 – PLN 15,795 thousand)

As at 30/09/2019, the Company recognized liabilities arising from the loans from Acciona Construcción S.A. with its registered office in Madrid in the amount of PLN 261,086 thousand (as at 31/12/2018, the value of loans was PLN 249,288 thousand).

As at 30/09/2019, the Company recognized liabilities arising from short-term loans from AMK Kraków S.A. in the amount of PLN 1,015 thousand.

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

| Company name | 9-month period ended 30/09/2019 | 9-month period ended 30/09/2018 |
|---|---------------------------------|---------------------------------|
| Acciona Nieruchomości Wilanów Sp. z o.o. | 22,922 | 14,208 |
| Mostostal Power Development Sp. z o.o. | 1,150 | 1,102 |
| Mostostal Kielce S.A. | 408 | 111 |
| Acciona Facility Services Poland Sp. z o.o. | 119 | 123 |
| Mostostal Płock S.A. | 60 | 68 |
| Acciona Construcción S.A. Branch in Poland | 23 | 25 |
| AMK Kraków S.A. | 13 | 13 |
| Total | 24,695 | 15,650 |

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

| Company name | 9-month period ended 30/09/2019 | 9-month period ended 30/09/2018 |
|--|---------------------------------|---------------------------------|
| Mostostal Power Development Sp. z o.o. | 63,169 | 102,249 |
| Acciona Construcción S.A. | 7,913 | 8,581 |
| Mostostal Kielce S.A. | 9,603 | 6,132 |
| Mostostal Płock S.A. | 21 | 2,432 |
| Acciona Nieruchomości Wilanów Sp. z o.o. | 70 | 291 |
| Total | 80,776 | 119,685 |

Interest on the loans received

| Company name | 9-month period ended 30/09/2019 | 9-month period ended 30/09/2018 |
|---------------------------|---------------------------------|---------------------------------|
| Acciona Construcción S.A. | 7,426 | 4,665 |

23. Reporting by market segment

The Company is organised and managed by segment, as appropriate for the types of products offered. The tables below present data from the profit and loss account for the Company's individual reporting segments for the 9-month period ended 30 September 2019.

The segments of continuing operations are as follows:

1. The industrial and power engineering segment, which includes activities relating to construction of industrial and power engineering facilities.
2. The infrastructural segment, which includes activities relating to construction of roads and bridges.
3. General construction segment, which includes activities related to construction of residential buildings and public utilities.

Starting from 2019, the Company's Management Board decided to change the presentation of the financial performance by segments, separating two segments "Industry and Energy" and "Infrastructure" from the "Engineering and Industrial" segment. This is dictated by the development of the Company in both areas.

Separate profit and loss account for individual reporting segments:

| Period ended 30 September 2019 | Continuing operations | | | | |
|--|--------------------------------|----------------|---------------------------|----------------------------|----------------|
| | Industry and power engineering | Infrastructure | General civil engineering | Unallocated revenue, costs | Total |
| Sales Revenue | | | | | |
| Sales to external customers | 166,992 | 130,750 | 468,845 | 3,282 | 769,869 |
| Sales between segments | 0 | 0 | 0 | 0 | 0 |
| Total revenue from segment | 166,992 | 130,750 | 468,845 | 3,282 | 769,869 |
| Profit (loss) of segment (taking into account operating costs and revenue) | 24,914 | 4,854 | -273 | 7,850 | 37,345 |
| Unallocated costs (administrative expenses and cost of sales) | - | - | - | 34,344 | 34,344 |
| Profit (loss) on continuing operations | 24,914 | 4,854 | -273 | -26,494 | 3,001 |
| Financial revenue | 1,487 | 226 | 5 | 913 | 2,631 |
| Financing costs | 4,327 | 82 | 336 | 11,830 | 16,575 |
| Gross profit (loss) | 22,074 | 4,998 | -604 | -37,411 | -10,943 |
| Income tax | | | | 3,121 | 3,121 |
| Net profit (loss) from continuing operations | 22,074 | 4,998 | -604 | -40,532 | -14,064 |
| Discontinued operations | | | | | 0 |
| Net profit (loss) | 22,074 | 4,998 | -604 | -40,532 | -14,064 |

| Period ended 30 September 2018 | Continuing operations | | | | |
|--|--------------------------------|----------------|---------------------------|----------------------------|----------------|
| | Industry and power engineering | Infrastructure | General civil engineering | Unallocated revenue, costs | Total |
| Sales Revenue | | | | | |
| Sales to external customers | 173,648 | 61,406 | 299,559 | 3,310 | 537,923 |
| Sales between segments | 0 | 0 | 0 | 0 | 0 |
| Total revenue from segment | 173,648 | 61,406 | 299,559 | 3,310 | 537,923 |
| Profit (loss) of segment (taking into account operating costs and revenue) | 36,234 | -2,676 | 1,286 | -9,666 | 25,178 |
| Unallocated costs (administrative expenses and cost of sales) | - | - | - | 37,339 | 37,339 |
| Profit (loss) on continuing operations | 36,234 | -2,676 | 1,286 | -47,005 | -12,161 |
| Financial revenue | 0 | 22 | 1 | 3,221 | 3,244 |
| Financing costs | 1,052 | 343 | 59 | 11,082 | 12,536 |
| Gross profit (loss) | 35,182 | -2,997 | 1,228 | -54,866 | -21,453 |
| Income tax | | | | 1,326 | 1,326 |
| Net profit (loss) from continuing operations | 35,182 | -2,997 | 1,228 | -56,192 | -22,779 |
| Discontinued operations | 0 | 0 | 0 | 0 | 0 |
| Net profit (loss) | 35,182 | -2,997 | 1,228 | -56,192 | -22,779 |

The main body of the Company (the Management Board) responsible for operational decisions does not conduct a review of segment assets and liabilities, due to transfers of assets between segments. Revenue and costs are allocated to the individual segments on the basis of the implemented projects. Assets are analysed at the level of the entire Company. Gross profit (loss) on sales adjusted for other operating revenue and costs constitutes a key indicator of segment result.

Both in the third quarter of 2019 and in the third quarter of 2018, the Company conducted all of its operations mainly on the domestic market. Export sales in the third quarter of 2019 accounted for 0.8 % of sales revenue and were attributable to prefabricated elements manufactured for the construction of a bridge in Denmark (the share of exports in the total sales in the third quarter of 2018 was 6%).

24. Financial Instruments - Fair values

The table shows the comparison between carrying amounts and fair values of all financial instruments used by the Company. The financial statements include the figures restated to fair value (as shown below).

| Item | Carrying amount | | Fair value | |
|--|-----------------|----------------|------------|------------|
| | 30/09/2019 | 30/06/2019 | 30/06/2019 | 30/06/2019 |
| <i>Financial assets</i> | | | | |
| Loans granted and receivables | 787,085 | 759,035 | * | * |
| - Long-term trade receivables and other receivables | 1,463 | 998 | * | * |
| - Short-term trade receivables and other receivables | 353,263 | 359,534 | * | * |
| - Short-term loans granted | 1,015 | 1,003 | * | * |
| - Cash and cash equivalents | 91,790 | 74,649 | 91,790 | 74,649 |
| - Assets arising from construction contracts | 339,554 | 358,851 | * | * |

* Fair value cannot be determined

| Item | Carrying amount | | Fair value | |
|---|-----------------|----------------|------------|------------|
| | 30/09/2019 | 30/06/2019 | 30/09/2019 | 30/06/2019 |
| <i>Financial liabilities</i> | | | | |
| Liabilities (measured at amortised cost) | 274,076 | 323,342 | * | * |
| Liabilities from deliveries and services and other short-term liabilities | 247,274 | 297,181 | * | * |
| Long-term trade liabilities and other long-term liabilities | 26,802 | 26,161 | * | * |
| Other financial liabilities (measured at amortised cost) | 276,309 | 267,729 | * | * |
| - Interest-bearing bank loans and borrowings | 125,702 | 120,965 | * | * |
| - Current portion of interest-bearing bank credits and loans | 135,384 | 130,404 | * | * |
| - Short-term and long-term liabilities from leasing agreements | 15,223 | 16,360 | * | * |

* Fair value cannot be determined

As at 30/09/2019, the Company did not have any financial instruments used for hedge accounting.

**Other information
to the condensed interim financial statements
for the period from 01/07/2019 to 30/09/2019**

1. Selected financial data

| SELECTED FINANCIAL DATA | PLN | | EUR | |
|--|---|---|---|---|
| | 3 quarters of 2018, incrementally, period from 01/01/2018 to 30/09/2018 | 3 quarters of 2018, incrementally, period from 01/01/2018 to 30/09/2018 | 3 quarters of 2018, incrementally, period from 01/01/2018 to 30/09/2018 | 3 quarters of 2018, incrementally, period from 01/01/2018 to 30/09/2018 |
| Sales Revenue | 769,869 | 537,923 | 178,682 | 126,466 |
| Gross profit (loss) on sales | 22,250 | 24,823 | 5,164 | 5,836 |
| Profit (loss) from operations | 3,001 | -12,161 | 697 | -2,859 |
| Gross profit (loss) | -10,943 | -21,453 | -2,540 | -5,044 |
| Net profit (loss) from continuing operations | -14,064 | -22,779 | -3,264 | -5,355 |
| Net profit (loss) | -14,064 | -22,779 | -3,264 | -5,355 |
| Net cash from operating activities | -47,888 | -93,173 | -11,115 | -21,905 |
| Net cash from investing activities | 38,972 | 2,511 | 9,045 | 590 |
| Net cash from financing activities | -984 | 41,331 | -228 | 9,717 |
| Cash closing balance | 91,790 | 26,913 | 20,987 | 6,301 |
| Net profit (loss) | -14,064 | -22,779 | -3,264 | -5,355 |
| Weighted average number of ordinary shares | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 |
| Net profit (loss) per ordinary share in PLN | -0.70 | -1.14 | -0.16 | -0.27 |

| | PLN | | EUR | |
|------------------------|------------------|------------------|------------------|------------------|
| | as at 30/09/2019 | as at 31/12/2018 | as at 30/09/2019 | as at 31/12/2018 |
| Total assets | 890,001 | 882,184 | 203,494 | 205,159 |
| Long-term liabilities | 198,750 | 285,375 | 148,383 | 66,366 |
| Short-term liabilities | 648,966 | 540,460 | 148,383 | 125,688 |
| Total liabilities | 847,716 | 825,835 | 193,826 | 192,055 |
| Total equity | 42,285 | 56,349 | 9,668 | 13,104 |
| Share capital | 44,801 | 44,801 | 10,244 | 10,419 |
| Number of shares | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 |

2. Significant achievements and setbacks as well as major events in the third quarter of 2019; assessment of financial resources management

Sales revenue in the third quarter of 2019 amounted to PLN 280,563 thousand and was higher by 38% as compared to the corresponding period of 2018. Gross profit on sales amounted to PLN 2,961 thousand (gross profit on sales in the same period of 2018 amounted to PLN 6,630 thousand). In the third quarter of 2019, the Company incurred a net loss of PLN 5,982 thousand (in the third quarter of 2018, the net loss amounted to PLN 6,307 thousand). The Company's earnings are also influenced by the increase in prices of materials and services provided by subcontractors, which means that the margin on long-term contracts concluded 2-3 years ago is lower than expected.

Short-term trade receivables and other receivables as at 30/09/2019 amounted to PLN 353,263 thousand and compared to the figures as at 30/06/2019 increased by PLN 6,271 thousand.

The assets arising from construction contracts as at 30/09/2019 amounted to PLN 339,554 thousand and were lower by PLN 19,297 thousand as compared to the value as at 30/06/2019.

The value of cash as at 30/09/2019 amounted to PLN 91,790 thousand and compared to the figures as at 30/06/2019 increased by PLN 17,141 thousand. In the third quarter of 2019, the Company was using an overdraft facility and loans, the value of which as at 30/09/2019 amounted to PLN 261,086 thousand and compared to the figures as at 30/06/2019 increased by PLN 9,717 thousand.

Long-term liabilities in the third quarter of 2019 remained at a similar level compared to value as at 30/06/2019. The value of short-term trade liabilities at the end of the 3rd quarter of 2019 amounted to PLN 209,056 thousand and compared to the figures as at 30/09/2019 were lower by PLN 33,579 thousand.

During the reporting period i.e. from 01/07/2019 to 30/09/2019, the following events significant for the Mostostal Warszawa S.A. took place:

On 02 July 2019, the Company withdrew from the uncompleted part of the contract concluded on 17 October 2016 with the District Board of Infrastructure in Gdynia, as amended, under the project entitled "Conversion of the building No. 20 into the staff and office building with a kitchen, canteen, food storage room and the briefing room at the military complex in Redzikowo, Project No. 13746" (Contract No. 682/IV/FIN/2016 and Annexes thereto).

On August 9, the Company and GE Power Sp. z o.o. ("GE Power") with its registered office in Warsaw entered into the contract for the implementation of a subcontract entitled "Execution of Construction Works at the Construction Site of the Ostrołęka C Power Plant with a capacity of approx. 1000 MW - Packages V30, V02, V20, V32 and V33". Contract value: net amount of PLN 609 million and an option for the construction of the engine room and electrical building. Time limit for completion: 33 months.

On September 3, the Company and Akademia Górniczo-Hutnicza im. Stanisława Staszica (AGH University of Science and Technology) in Cracow entered into the Contract for performance of the project entitled "Construction of the Building for the Faculty of Physics and Applied Computer Science of the AGH University in Cracow KC – zp. 272 – 400/19". Gross contract value: PLN 36,29 million. Time limit for completion: 19 months.

Given the fulfilment of the conditions provided for in the letter of intent regarding the Company's intention to sell the property located at ul. Krakowiaków 91/101, on 06 September 2019, Mostostal and a company from the data centre industry entered into the agreement for sale of the property. As a result of the agreement, the Company will raise the net amount of PLN 44.97 million. The decision to sell this non-strategic property was aimed at increasing the Company's liquidity and reducing its liabilities to creditors.

On 24 September 2019, the Company and Orpea Polska Sp. z o.o. with its registered office in Warsaw entered into the Contract for the construction of a complex of two buildings intended for health care services i.e. a rehabilitation hospital and accommodation services for the elderly with medical and nursing care on plots No. 70, 79, part of plot No. 10/7 in precinct 3-11-57, ul. Mrówcza 124, Borough of Wawer, Capital City of Warsaw. Net contract value: PLN 38,97 million. Time limit for completion: 17.5 months.

3. Extraordinary factors and events affecting the profit or loss

In the third quarter of 2019, the following events had impact on the profit or loss:

- sale of the real estate at ul. Karkowiaków, as a result of which the Company recognized the profit of PLN 19,180
- weakening of the Polish currency against euro compared to the situation as at 30/06/2019, as a result of which the Company recognized foreign exchange losses from the balance sheet valuation of the loans from Acciona Construcción S.A. in the amount of PLN 7,192 thousand

4. Group Structure

The Mostostal Warszawa Group consists of the following subsidiaries:

| Name of the entity | Percentage of the share capital held as at 30/09/2019 | Consolidation |
|--|---|---------------|
| Mostostal Kielce S.A. | 100.00 | yes |
| AMK Kraków S.A. | 60.00 | yes |
| MPB Mielec S.A. in liquidation | 97.14 | yes |
| Mostostal Płock S.A. | 48.69 | yes |
| Mostostal Power Development Sp. z o.o. | 100.00 | yes |

Mostostal Warszawa S.A. is a company of Acciona S.A. Group based in Madrid. Acciona Construcción S.A. holds 62.13 % of shares in Mostostal Warszawa S.A. as at 30/09/2019.

5. Financial performance forecasts

The Company did not publish financial performance forecasts for 2019.

6. Key shareholders of the Company

List of shareholders having at least 5% of votes at the General Meeting of Mostostal Warszawa S.A. as at 29/11/2019

| Shareholder | Number of shares | Number of votes | Share in share capital | Share in the total number of votes at the General Meeting |
|--|------------------|-----------------|------------------------|---|
| Acciona Construcción S.A. | 12.426.388 | 12.426.388 | 62.13% | 62.13% |
| Otwarty Fundusz Emerytalny PZU Złota Jesień (pension fund) | 3.666.000 | 3.666.000 | 18.33% | 18.33% |

7. Shares of Mostostal Warszawa S.A. held by Members of the Management Board and the Supervisory Board as at 29/11/2019

In the period from 24/09/2019 i.e. from the publication of the financial statements for the first quarter of 2019 until 29.11.2019, there were no changes in the Issuer's shares held by members of the management and supervisory bodies.

8. Legal proceedings pending before a court, authority competent for the arbitration proceedings or a public administration body

Information on significant proceedings is presented in Note 21 of the Additional Notes to the condensed interim separate financial statements for the period from 01/07/2019 to 30/09/2019.

9. Related party transactions

Information on transactions with related parties is presented in Note 23 of the Additional Notes to the condensed interim separate financial statements for the period from 01/07/2019 to 30/09/2019.

10. Loan or credit sureties granted by Mostostal Warszawa S.A. or guarantees issued (in excess of 10% of the Issuer's equity)

In the reporting period, the Company granted no sureties for credits and loans as well as guarantees to a single entity that in total would exceed 10% of the equity of Mostostal Warszawa S.A.

11. Other information vital for assessing the Company's situation

It is the opinion of the Management Board that there is no other information vital for assessing the Company's situation, except from those specified in the notes to the separate financial statements for the period from 01/07/2019 to 30/09/2019 and other sections of the Additional Notes to the separate financial statements for the period from 01/07/2019 to 30/09/2019.

12. Factors to affect the results achieved in the perspective of at least the next quarter

Factors which may affect the Company's results achieved in the next quarter are:

- a) the risk of change in the prices of construction materials and subcontractors' services,
- b) the risk of foreign exchange fluctuations affecting the valuation of liabilities under the loans,
- c) stiff competition on the market of construction/assembly services.

Warsaw, 29/11/2019

| Full name | Title | Signatures |
|----------------------------------|--------------------------------|------------|
| Alvaro Javier de Rojas Rodriguez | Member of the Management Board | |
| Jarosław Reszka | Proxy | |