



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

for the period from 01/01/2018 to 31/03/2018

SEPARATE PROFIT AND LOSS ACCOUNT
for the period of 3 months from 01/01/2018 to 31/03/2018

NO.	PROFIT AND LOSS ACCOUNT	1st quarter – a period from 01/01/2018 to 31/03/2018	1st quarter – a period from 01/01/2017 to 31/03/2017
	Continuing operations		
I	Revenue from sales	158,098	235,877
	Revenue from construction contracts	156,949	234,397
	Revenue from sale of services	969	1,446
	Revenue from sales of goods and materials	180	34
II	Own sales costs	139,861	207,804
III	Gross profit (loss) on sales	18,237	28,073
IV	Administrative expenses	12,020	11,738
V	Other operating revenue	1,321	1,488
VI	Other operating costs	710	9,893
VII	Profit (loss) on operating activities	6,828	7,930
VIII	Financial revenue	59	10,970
IX	Financing costs	3,911	1,927
X	Gross profit (loss)	2,976	16,973
XI	Income tax	1,673	4,993
	a) current	0	0
	b) deferred	1,673	4,993
XII	Net profit (loss) on continuing operations	1,303	11,980
XIII	Discontinued operations	0	0
XIV	Net profit (loss) on discontinued activities	0	0
XV	Net profit / (loss)	1,303	11,980
	Net profit / (loss)	1,303	11,980
	Average-weighted number of ordinary shares	20,000,000	20,000,000
	Net profit (loss) per ordinary share (PLN)	0.07	0.60
	Diluted net profit (loss) per ordinary share	0.07	0.60

SEPARATE STATEMENT OF COMPREHENSIVE INCOME
for the period of 3 months from 01/01/2018 to 31/03/2018

STATEMENT OF TOTAL REVENUE	1st quarter – a period from 01/01/2018 to 31/03/2018	1st quarter – a period from 01/01/2017 to 31/03/2017
Net profit / loss for the period	1,303	11,980
Effective part of profit and loss associated with hedging of cash flows	0	0
Income tax associated with components of other comprehensive income	0	0
Other total comprehensive income after tax	0	0
<i>including items that may be reclassified as profit or loss at a later date</i>	0	0
Total comprehensive income	1,303	11,980

SEPARATE STATEMENT OF FINANCIAL POSITION as at 31/03/2018

NO.	ASSETS	as at 31/03/2018	as at 31/12/2017	as at 31/03/2017 (restated)
I	Fixed assets (long-term)	104,108	106,245	141,517
I.1	Intangible assets	2,426	2,615	2,767
I.2	Perpetual usufruct right	19,430	19,430	19,430
I.3	Tangible fixed assets	11,916	12,150	14,248
I.4	Long-term receivables from deliveries and services and other receivables.	1,870	1,590	4,473
I.5	Long-term advances for construction works	0	0	0
I.6	Investment property	7,905	8,181	8,389
I.7	Long-term financial assets	30,053	30,046	34,796
I.8	Other long-term investments	0	0	0
I.9	Assets from deferred taxes	29,905	31,578	56,894
I.10	Long-term accrued charges	603	655	520
II	Current assets (short-term)	722,118	741,858	682,812
II.1	Inventory	6,443	3,721	4,755
II.2	Receivables from deliveries and services and other receivables.	280,252	311,211	331,569
II.3	Prepayments for construction works	14,963	15,468	43,805
II.4	Short-term financial assets	0	0	0
II.5	Cash and equivalents	33,574	76,244	85,172
II.6	Accruals from valuation of contracts (gross amounts due from customers under construction contracts)	384,616	332,978	215,234
II.7	Other accruals	2,270	2,236	2,277
II.8	Fixed assets classified as designated for sale	0	0	0
	TOTAL ASSETS	826,226	848,103	824,329

NO.	EQUITY CAPITAL AND LIABILITIES	as at 31/03/2018	as at 31/12/2017	as at 31/03/2017 (restated)
I	Equity capital	95,852	94,549	101,428
I.1	Stated capital	44,801	44,801	44,801
I.2	Called up stated capital (negative value)	0	0	0
I.3	Own shares	0	0	0
I.4	Supplementary/reserve capital	108,406	108,406	108,406
I.5	Reserve capital from reclassification of loans	201,815	201,815	201,815
I.6	Retained profit / uncovered loss	-259,170	-260,473	-253,594
	unshared profit / (uncovered loss)	-260,473	-265,574	-265,574
	profit / loss for the period	1,303	5,101	11,980
II	Long term liabilities	109,239	244,147	194,021
II.1	Interest bearing bank credits and loans	59,319	193,121	137,147
II.2	Long term liabilities from leasing agreements	1,168	1,241	1,291
II.3	Long term liabilities from deliveries and services.	32,500	32,991	37,160
II.4	Long-term advances for construction works	4,674	6,590	15,469
II.5	Long-term reserves	11,578	10,204	2,954
III	Short term liabilities	621,135	509,407	528,880
III.1	Current portion of interest-bearing bank credits and loans	147,323	7,025	54,487
III.2	Short term liabilities from leasing agreements	618	587	437
III.3	Trade liabilities	192,610	218,906	224,788
III.4	Other liabilities	40,261	30,985	16,096
III.5	Prepayments for construction works	32,571	33,665	37,856
III.6	Short-term provisions	27,411	41,570	32,616
III.7	Accruals from valuation of contracts (gross amounts due from customers under construction contracts)	8,246	10,270	1,452
III.8	Other accruals	172,095	166,399	161,148
IV	Total liabilities	730,374	753,554	722,901
	EQUITY CAPITAL AND LIABILITIES (TOTAL)	826,226	848,103	824,329

SEPARATE CASH FLOW STATEMENT
for the period of 3 months from 01/01/2018 to 31/03/2018

NO.	CASH FLOW ACCOUNT	1st quarter period from 01/01/2018 to 31/03/2018	1st quarter period from 01/01/2017 to 31/03/2017
	Cash flows from operating activities		
I	Gross profit (loss)	2,976	16,973
II	Total adjustments	-48,509	-83,856
II.1	Depreciation	1,043	1,155
II.2	Exchange differences	1,751	-9,259
II.3	Interest received and paid	1,493	1,419
II.4	Profit (loss) on investing activities	-4	64
II.5	Increase / decrease in receivables	31,184	-2,037
II.6	Increase / decrease in inventory	-2,722	-205
II.7	Increase / decrease in liabilities excluding credits and loans	-20,521	5,608
II.8	Change in prepayments and accruals	-47,948	-75,689
II.9	Change in reserves	-12,785	-4,962
II.10	Income tax paid	0	0
II.11	Other	0	50
	Net cash from operating activities	-45,533	-66,883
II	Cash flows from investment activities		
II.1	Disposal of tangible fixed assets and intangible assets	4	676
II.2	Purchase of tangible fixed assets and intangible assets	-213	-313
II.3	Acquisition of financial assets	-7	0
II.4	Withdrawal of a term deposit	0	2,500
	Net cash from investing activities	-216	2,863
III	Cash flow from financing activities		
III.1	Payment of liabilities arising from financial leases	-173	-108
III.2	Inflows from credits/loan taken	3,384	0
III.3	Interest paid	-132	-4,266
	Net cash from financing activities	3,079	-4,374
IV	Change in net cash and its equivalents	-42,670	-68,394
	Net currency translation differences	0	0
V	Cash opening balance, including	76,244	153,616
VI	Cash closing balance, including	33,574	85,222

SEPARATE STATEMENT OF CHANGES IN EQUITY
for the period of 3 months from 01/01/2018 to 31/03/2018

	Stated capital	Supplementary/reserve capital	Supplementary capital from reclassification of loans	Unabsorbed losses	Total equity capital
1st quarter of 2018 period from 01/01/2018 to 31/03/2018					
As at 01 January 2018	44,801	108,406	201,815	-260,473	94,549
Profit / loss for the period	0	0	0	1,303	1,303
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	1,303	1,303
Distribution of previous years' profit	0	0	0	0	0
Dividends paid	0	0	0	0	0
As at 31 March 2018	44,801	108,406	201,815	-259,170	95,852
2017 period from 01/01/2017 to 31/12/2017	Stated capital	Supplementary/reserve capital	Supplementary capital from reclassification of loans	Unabsorbed losses	Total equity capital
As at 01 January 2017	44,801	108,406	201,815	-265,574	89,448
Profit / loss for the period	0	0	0	5,101	5,101
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	5,101	5,101
Distribution of previous years' loss	0	0	0	0	0
Reclassification of loans for the capital	0	0	0	0	0
As at 31 December 2017	44,801	108,406	201,815	-260,473	94,549
1st quarter of 2017 period from 01/01/2017 to 31/03/2017 (restated)	Stated capital	Supplementary/reserve capital	Supplementary capital from reclassification of loans	Unabsorbed losses	Total equity capital
As at 01 January 2017	44,801	108,406	201,815	-265,574	89,448
Profit / loss for the period	0	0	0	11,980	11,980
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	11,980	11,980
Distribution of previous years' profit	0	0	0	0	0
Dividends paid	0	0	0	0	0
As at 31 March 2017	44,801	108,406	201,815	-253,594	101,428

**Additional explanatory information
to the condensed interim financial statements
for the period from 01/01/2018 to 31/03/2018**

1. General information

For the profit and loss account, the condensed interim financial statements cover the period of 3 months of 2018 and comprise comparative figures for the period of 3 months of 2017, while for the cash flow statement, the financial statements cover the period of 3 months of 2018 and comprise the comparative figures for the period of 3 months of 2017, and for the statement of financial position as at 31 March 2018, they include comparative figures as at 31 December 2017 and as at 31 March 2017.

Mostostal Warszawa S.A. i.e. the Parent Company, is a joint stock company incorporated under the laws of Poland, registered with the District Court for the Capital City of Warsaw, 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 core business of the Company includes 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 Warszawa S.A. is Acciona Construcción S.A. The ultimate controlling party is Acciona S.A.

Mostostal Warszawa S.A. prepared the condensed interim consolidated financial statements, which were approved on 14 May 2018.

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 Company's main management centre and enhancing cooperation within the Group in the area of 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
- maintaining the heritage of Polish engineering knowledge and development of technical knowledge through close cooperation with the research centres and by improving the level of education of future engineers by sharing knowledge and experience gained during 70 years of its activities.

As of 31 March 2018, members of the Management Board included:

Andrzej Gołowski	– President of the Management Board
Jorge Calabuig Ferre	– Member 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

On 21 March 2018, the Supervisory Board of the Company appointed Radosław Antoni Gronet, as Member of the Management Board of the eighth term.

Andrzej Gołowski resigned from the position of the President of the Management Board of the Company, effective as of 19 April 2018.

On 9 May 2018, the Supervisory Board of the Company appointed Miguela Angel Heras Llorente, as President of the Management Board of the eighth term. At the same time, the Supervisory Board of the Company entrusted to Jorge Calabuig Ferre the position of the Vice-President of the Management Board.

As of 31 March 2018, members of the Supervisory Board included:

Francisco Adalberto Claudio Vazquez	– Chair of the Supervisory Board
Jose Manuel Terceiro Mateos	– Vice-Chair of the Supervisory Board
Javier Lapastora Turpin	– Member of the Supervisory Board
Neil Roxburgh Balfour	– Member of the Supervisory Board
Ernest Podgórski	– Member of the Supervisory Board

On 24 April 2018, the Annual General Meeting of the Company appointed Mr. Javier Serrada Quiza as a member of the Supervisory Board of Mostostal Warszawa S.A. of the ninth term of office.

2. Approval of the Financial Statements

The condensed interim financial statements for the first quarter of 2018 were approved for publication by the Management Board of the Company on 14 May 2018.

3. Basis for preparation of the condensed financial statement for the 1st quarter of 2018 and accountancy principles

3.1 Basis for preparation of the Financial Statements

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

The condensed interim financial statements have been prepared in accordance with the historical cost principle, except for financial instruments that have been measured at fair market value.

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 backlog amounts to PLN 1,437,696 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.

The Company's Management Board believes that the liquidity and going concern risks are properly managed, and consequently there is no risk of an intended or forced discontinuation or material limitation of its current activities by the Company for the period of at least 12 months after the balance sheet date. Therefore, according to the Management Board, the going concern assumption for the Company is appropriate.

3.2 Compliance statement

These condensed interim financial statements have been prepared in accordance with the International Accounting Standard 34 – Interim Financial Reporting, as approved by the EU. These condensed interim financial statements should be read together with the audited financial statements of the Company for the year ended on 31 December 2017 and the related additional information.

3.3 Accounting Policies

The detailed accountancy principles adopted by the Company were described in the financial statement for the year ending 31 December 2017.

The accounting principles applied in preparing this condensed consolidated financial statement are consistent with those used in preparing the annual financial statement of the Group for the year ending 31 December 2017.

In these financial statements, the following new and amended standards and interpretations, which came into force on or after 01 January 2018, have been applied for the first time:

- IFRS 9 “Financial instruments” (effective for annual periods beginning on or after 01 January 2018),
- IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods beginning on or after 01 January 2018),
- Amendments to IFRS 4 “Insurance Contracts” – Taking into account changes introduced by IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after 01 January 2018),
- Clarifications to IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods beginning on or after 01 January 2018),
- Amendments to IFRS 2 “Share-based payment” – Classification and measurement of share-based payment transactions (effective for annual periods beginning on or after 1 January 2018).

The aforesaid amendments to the standards had no significant impact on the accounting policies hitherto pursued by the entity. In addition, the impact of standard 9 and standard 15 is described in Notes 4.31 and 4.32 to the financial statements for the year 2017.

The Company intends to adopt the amendments to IFRS published but not effective as at the date of publication of these interim condensed financial statements, in accordance with the date of their entry into force. The estimated impact of the amendments and new IFRS on future financial statements of the Company has been presented in the financial statements for the year 2017 in Notes 4.30 and 4.33.

3.4 The principles applied to convert the selected financial data into EUR

The following principles have been adopted for converting the selected financial data concerning the 1st quarter of 2018 to EUR:

- individual items of the profit and loss account and cash flow statement for the 1st quarter of 2018 were converted at the PLN/EUR rate of 4.1784, which is the arithmetical mean of the rates announced by the National Bank of Poland for the last days of January, February and March 2018.
- individual items of assets and liabilities on the balance sheet were converted at the PLN/EUR rate of 4.2085 as published by the NBP on 30/03/2018.

3.5 Currency of the financial statements

The condensed interim financial statement for the 1st quarter of 2018 has been presented in Polish zlotys, and all values stated - unless indicated otherwise – are rounded off to full thousands of zlotys.

4. Long-term construction contracts

Selected data – Profit and Loss Account

Details	1st quarter – a period from 01/01/2018 to 31/03/2018	1st quarter – a period from 01/01/2017 to 31/03/2017
Revenue from construction contracts	156,807	233,937
Cost of performing construction works	136,205	199,244
Result	20,602	34,693

Revenue from construction contracts are 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 anticipated losses on contracts disclosed in Note 11 of these condensed interim financial statements.

Revenue from uncompleted construction contracts as of the balance sheet date

Details	as at 31/03/2018	as at 31/12/2017	as at 31/03/2017 (restated)
The estimated incremental revenue from uncompleted construction contracts is recognized in accordance with IAS 11.	2,756,662	2,639,524	2,358,737
Incrementally invoiced sales of uncompleted construction contracts	2,514,741	2,451,265	2,252,851
Deferred charges and accruals from uncompleted construction contracts	241,921	188,259	105,886
Advances received on uncompleted construction contracts	37,245	40,255	53,325
Net balance sheet position for uncompleted construction contracts	204,676	148,004	52,561
Reconciliation with the item 'Deferred charges and accruals from revaluation of contracts' in the balance sheet:			
Accruals from valuation of uncompleted construction contracts	241,921	188,259	105,886
Claims on completed contracts	134,449	134,449	107,896
Deferred charges and accruals from valuation of construction contracts	376,370	322,708	213,782

While implementing infrastructural contracts 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 include 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.

These circumstances have resulted in claims against the ordering parties that are consistent with the provisions of the contracts and general provisions of law.

Based on the analyses, in 2011 and 2012, the claims against the contracting parties (in the total amount of PLN 235,355,000) have been included in the budgets of some infrastructural contracts by the Company (the effect on the 2012 net result amounted to PLN 105,260,000 while the effect on the 2011 result amounted to PLN 85,239,000). The claims recognized in the statement of financial position as at 31/12/2016 amounted to PLN 224,357 thousand.

In the financial statements for the year 2017, the Management Board of Mostostal Warszawa S.A. corrected the misstatement of the aforementioned claims disclosed in the financial statements for the years 2011-2012 in accordance with IAS 11. After updating the analysis of claims and the legitimacy of their recognition in the statement of financial position as at 31/12/2017, the amount of claims recognized in accordance with IAS 11 decreased to PLN 69,091 thousand. The Company also analysed the remaining claims and based thereon recognized the virtually certain assets in accordance with IAS 37, which increased the result carried over from previous years by PLN 38,804 thousand and revenue in this respect in 2017 by PLN 26,545 thousand (excluding deferred tax provisions).

There were delays in the construction of blocks No. 5 and No. 6 at Opole Power Plant for PGE GiEK S.A., for which the Company, as one of the partners of the Consortium responsible for the contract, is not liable. As indicated in Note 6 to the condensed interim financial statements, as a result of consultations within the Consortium composed of the Company, Polimex-Mostostal S.A. and Rafako S.A. ("Consortium") and GE Power, which is the general designer and the Consortium Leader managing the performance of the contract and the conducted analyses, new deadlines for commissioning Blocks No. 5 and 6 at Opole Power Plant have been scheduled. The revised commissioning dates are 31 May 2019 for Block No. 5 and 30 September 2019 for Block No. 6. The currently conducted negotiations between the Consortium and GE Power and PGE Górnictwo i Energetyka Konwencjonalna SA ("Employer") have not yet been finished.

Given that:

- the delay in the performance does not apply to the scope of work carried out by the Company,
- the provisions of the agreements with the Consortium partners define the responsibilities of each of the partners individually,
- negotiations are conducted with the Employer regarding the annex to extend the contract completion date, the effect of possible contractual penalties for the delay in the commissioning of power units was not included by the Company in the valuation of the contract as at 31 March 2018.

Selected balance sheet data

ASSETS	as at 31/03/2018	as at 31/12/2017	as at 31/03/2017 (restated)
Amounts due from the recipients under construction agreements (long term contracts)	282,122	312,801	336,042
- including retained deposits	5,372	8,158	9,447
Prepayments for construction works	14,963	15,468	43,805
Accruals from valuation of contracts (gross amounts due from customers under construction contracts)	384,616	332,978	215,234

LIABILITIES	as at 31/03/2018	as at 31/12/2017	as at 31/03/2017 (restated)
Amounts due to suppliers under construction contracts (long-term contracts)	225,110	251,897	261,948
- including retained deposits	80,874	84,274	88,783
Prepayments for construction works	37,245	40,255	53,325
Reserves for anticipated losses	9,663	11,329	6,898
Accruals and deferred income from contract valuation (gross amounts due to ordering parties under construction agreements)	8,246	10,270	1,452

5. Major changes to estimated amounts

Recognition of sales on construction contracts constitutes an essential estimate. The Company recognizes revenue from construction contracts in accordance with the progress method. The progress is 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 providing the service. 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 9 and 10 of this report.

Information on the provisions created and reversed in the reporting period is presented in Note 11 of this report.

The deferred tax assets decreased over the reporting period by PLN 1,673 thousand and as at 31/03/2018 amounted to PLN 29,905 thousand (cf. PLN 31,578 thousand as at 31/12/2017). 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 taking into account the concluded contracts. The test demonstrates the realization of a deferred tax asset in the amount of PLN 29,905 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 2018-2021.

6. The 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 first quarter of 2018, the Company recorded a negative result on the balance sheet valuation of loans in the amount of PLN 1,751 thousand.

7. The seasonal or cyclical nature of the Company's activities in the 1st quarter of 2018

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 1st quarter of 2018 had no significant effect on the Company's operations and the results it achieved.

8. Information on impairment of inventories to net realizable value and reversal of the respective write-offs

In the 1st quarter of 2018, the impairment loss on inventory in the amount of PLN 534 thousand was reversed.

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

In the first half of 2018, the allowance for uncollectible accounts in the amount of PLN 598 thousand was reversed and the write-offs of PLN 29,652 thousand were used (of which PLN 28,733 thousand was related to receivables from Lubelski Węgiel Bogdanka S.A.).

10. Information on creation, increase, use and reversal of provisions

31 March 2018	Reserve for anniversary awards and retirement bonuses	Provision for anticipated losses on contracts	Reserve for warranty repairs	Provision for litigation	Total
As at 01/01/2018	1,795	11,329	18,972	19,678	51,774
Created during the financial year	0	25	2,669	0	2,694
Used	-77	-1,691	-1,002	-12,406	-15,176
Dissolved	0	0	-303	0	-303
As at 31/03/2018	1,718	9,663	20,336	7,272	38,989
Long-term 31/03/2018	1,301	1,757	8,520	0	11,578
Short-term 31/03/2018	417	7,906	11,816	7,272	27,411

11. Information on significant transactions of purchase and sale of property, plant and equipment

In the first quarter of 2018, the Company did not enter into any significant transactions related to property, plant and equipment.

12. Information on significant liabilities in respect of the purchase of property, plant and equipment

Due to the lack of significant purchases of property, plant and equipment in the first quarter of 2018, no significant liabilities in this respect arose.

13. Information on significant litigation settlements

On 29 March 2018, the Consortium composed of Mostostal Warszawa S.A. (Consortium Leader) and Acciona Construcción S.A. (Consortium Partner) concluded a settlement agreement with Lubelski Węgiel Bogdanka S.A. with a view to terminating all the proceedings between the Parties and settling all the mutual claims between the Parties resulting from cooperation. As a result of the aforesaid settlement agreement, Mostostal Warszawa S.A. has restated its accounts, recording a positive balance of PLN 567 thousand.

14. Corrections of errors from previous periods

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

In the financial statements for the year 2017, the Management Board of Mostostal Warszawa S.A. adjusted the revenue from claims reported to customers recognized in the financial statements for previous financial years, which did not meet the revenue recognition criteria as specified in the International Financial Reporting Standards (IFRS). These claims were related to contracts performed by the Company in the years 2009-2012. As at 31/12/2016, the amount of claims (excluding deferred tax liability) recognized in the Company's assets was PLN 224,357 thousand. After updating the analysis of claims and asserting validity of their recognition, the Management Board found that claims in the amount of PLN 69,092 thousand meet the revenue recognition criteria as required by IAS 11. On this basis, the Management Board adjusted the misstated previous years' claims in accordance with the provisions of IAS 11 "Construction Contracts" in the amount of PLN 155,265 thousand.

In addition, the Company also analysed the remaining claims submitted to the customers, which have not been included in the financial statements for previous years, and based thereon recognized virtually certain assets in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", which increased the previous years' result by PLN 38,804 thousand (excluding deferred tax liability).

The impact of the above adjustments on the items of the statement of financial position as at 31/03/2017 and 31/12/2016 is as follows:

Equity	31/03/2017	31/12/2016
Equity before adjustment	195,761	183,781
Adjustment of claims recognized in the years 2011-2012	-125,765	-125,765
Recognition of claims which affect the previous years' result in accordance with IAS 37	31,432	31,432
Equity after adjustment	101,428	89,448

Assets	31/03/2017	31/12/2016
Deferred tax assets before adjustment	34,766	39,759
Adjustment of a deferred tax asset related to claims recognised in 2011-2012	29,500	29,500
Adjustment of a deferred tax asset related to claims recognised in accordance with IAS 37	-7,372	-7,372
Deferred tax assets after adjustment	56,894	61,887

Assets	31/03/2017	31/12/2016
Accruals from valuation of contracts (gross amounts due from ordering parties under construction agreements) before adjustment	331,695	297,803
Adjustment of claims recognized in the years 2011-2012	- 155,265	- 155,265
Recognition of claims which affect the previous years' result in accordance with IAS 37	38,804	38,804
Accruals from valuation of contracts (gross amounts due from customers under construction agreements)	215,234	181,342

The Company will continue all the activities aimed at recovering the amounts included in the Company's statements of financial position for the years 2011-2012, while their settlement will have a positive impact on the financial statements in the subsequent financial years.

15. Information on changes in the economic situation and operating conditions materially affecting the fair value of the entity's financial assets and liabilities.

In the reporting period, there were no changes in the economic situation and operating conditions that would have a material effect on the fair value of the entity's financial assets and liabilities.

16. Issuances, repurchases, and repayments of debt and equity securities

There were no share issues in the 1st quarter of 2018. There were no repayments of debt and equity securities in the 1st quarter of 2011.

17. Dividends paid (declared) by the Issuer

The Company did not pay out any dividends in the 1st quarter of 2018.

On 24 April 2018, the Annual General Meeting of Mostostal Warszawa S.A. resolved to allocate the entire profit for 2017 in the amount of PLN 5,101 thousand to cover losses from previous years.

18. Changes to the basic management rules of the Company

In the reporting period there were no significant changes to the management rules of the Company.

19. Events which took place after balance sheet day for which the financial statement was drawn up, which may have significant impact on the future financial results.

There were no events after the balance sheet date for which the condensed interim financial statements were prepared, which might have a significant impact on the future results.

20. Changes in granted / received collaterals of commercial contracts and in contingent liabilities / receivables, which occurred after the end of the last financial year

20.1. Contingent liabilities and assets

Contingent liabilities

No.	Item	31/03/2018	31/12/2017
(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 21.1 item a)	27,072	27,072
(b)	Gamma Inwestycje Sp. z o.o. – claim for a contractual penalty related to the construction of the housing estate 'Zielona Italia' (description in Note 21.1 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 21.1 item c)	106,417	106,417
(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 21.1 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 21.1 item e)	20,822	20,822
(f)	Mazowiecki Port Lotniczy Warszawa – Modlin Sp. z o.o. – construction of the passenger terminal building at Modlin Airport – claim for a contractual penalty (description in Note 21.1 item f)	81,579	81,579
(g)	Biomatec Sp. z o.o. – claim for remuneration (description in Note 21.1 item g)	22,876	22,876
(h)	Cestar A.Cebula J.Starski s.j. – claim for remuneration (description in Note 21.1 item i)	8,748	8,748
(i)	– University of Białystok – claim for a contractual penalty (description in Note 21.1 item l)	204,967	0
(j)	Other	12,006	12,006
	Total	566,989	362,022

Contingent liabilities as at 31/03/2018 amounted to PLN 566,989 thousand and decreased by PLN 204,967 thousand, compared to the end of the previous year.

Contingent assets

No.	Item	31/03/2018	31/12/2017
(a)	The State Treasury – The General Director of National Roads and Highways – Construction of the A4 Motorway – claims related to increase in prices of aggregate and sand (Description in Note 21.2 item e)	61,795	61,795
(b)	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 payment for primary, additional and replacement works (description in Note 21.2 item k)	50,283	50,283
(c)	The State Treasury – The General Director of National Roads and Highways – Construction of Kielce beltway – claims related to the increase in prices of fuels and bitumen (Description in Note 21.2 item f)	12,568	12,568
(d)	The State Treasury – The General Director of National Roads and Highways – Construction of the A2 Motorway – claims related to increase in prices of bitumen (Description in Note 21.2 item a)	8,553	8,553
(e)	Other	12,907	12,907
	Total	146,106	146,106

Contingent assets as at 31/03/2018 amounted to PLN 146,106 thousand and did not change as compared to the previous year's balance sheet date.

20.2. Collaterals of commercial contracts

Granted

Item	31/03/2018	31/12/2017
Bills of exchange issued to secure trade agreements	74,815	92,792
Guarantees to secure trade agreements	363,286	445,362
Total contingent liabilities	438,101	538,154

The collaterals of commercial agreements as at 31/03/2018 amounted to PLN 438,101 thousand, which means a decrease by PLN 100,053 thousand as compared to the previous year's balance sheet date.

Obtained

Item	31/03/2018	31/12/2017
Guarantees received	48,662	54,670
Bills of exchange received	2,318	2,318
Total contingent receivables	50,980	56,988

Contingent receivables as of 31/03/2018 amounted to PLN 50,980 thousand, which means a decrease by PLN 6,008 thousand compared to the end of the previous year.

Collaterals of trade agreements to secure repayment 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 consortiums.

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

21. Information on legal proceedings pending before a court, authority competent for the arbitration proceedings or a public administration body

The Company participates in the litigation concerning the receivables with the total value of PLN 1.081.990 thousand and in the proceedings related to liabilities with the total value amounting to PLN 666,269 thousand.

21.1 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 3 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. – 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 counterclaims 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. A part of the amounts claimed in court is presented by the Company under trade receivables and other receivables in the group of overdue receivables, for which no revaluation write-offs have been recognized and under deferred charges and accruals from revaluation of contracts – gross amounts due from customers under construction contracts.

b) Gamma Inwestycje Sp. z o.o. (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 liquidated damages to be charged unreasonably, this amount has not been included in the contract measurement. The dispute on the lack of grounds to charge liquidated damages from the Company is under examination by the Court. The amount claimed in court is presented by the Company under trade receivables and other receivables in the group of overdue receivables, for which no revaluation write-offs have been recognized.

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

Date of the claim: 24/07/2017

Value in dispute: PLN 106,417 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 Unit and the claim for reducing 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 response to the claim and the counterclaim for the amount of PLN 7,378 thousand were submitted by Mostostal Warszawa S.A. on 15/12/2017. The amount claimed in court is presented by the Company under trade receivables and other receivables in the group of overdue receivables, for which no revaluation write-offs have been recognized.

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 amount of PLN 2,964 thousand claimed in court is presented by the Company under trade receivables and other receivables in the group of overdue receivables, for which no revaluation write-offs have been recognized.

- 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 counterclaim 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. A part of the amounts claimed in court is presented by the Company under trade receivables and other receivables in the group of overdue receivables, for which no revaluation write-offs have been recognized and under deferred charges and accruals from revaluation of contracts – gross amounts due from customers under construction contracts.
- f) Mazowiecki Port Lotniczy Warszawa-Modlin Sp. z o.o. (Claimant)
Date of the claim: 28/08/2017
Value in dispute: PLN 81,579 thousand.
Under the lawsuit, the Claimant demands the payment of penalties for delays in rectifying defects during the period of warranty for the passenger terminal building at the Modlin Airport. The Company questions these claims in entirety and considers them unfounded, mainly for the following reasons: the removal of defects was regulated by a separate agreement, and therefore, the claimant was not entitled to charge contractual penalties. The Claimant adopted incorrect methodology for calculating penalties and the claims are not duly documented. The Company is in the process of preparing a response to the lawsuit.
- g) 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. (in addition to Mostostal, the other defendant is the investor: Energa Kogeneracja Sp. z o.o.). The basis for demanding payment is the claim that the respondent 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.
- h) Korporacja Budowlana DORACO spółka z o.o. with its registered office in Gdańsk (Claimant)
Date of the claim: 23/11/2015
Value in dispute: PLN 10,926 thousand.
The Claimant seeks liquidated damages from Mostostal Warszawa S.A. for withdrawal from the subcontract for construction works under the project "Construction of the Waste Incineration Plant for the Municipal Area of Szczecin". By the virtue of the judgment of 28/04/2017, the Regional Court in Szczecin (court of first instance) allowed the claim in its entirety and ordered the Company to pay the amount of PLN 10,926 thousand to the Claimant. The Company brought an appeal in the case. The Company disputes this claim in its entirety because it is Mostostal Warszawa S.A. who has withdrawn from the Subcontracting Contract first, for the reasons attributable to the Claimant.
- i) 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 10,725 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.

- j) 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.
- k) 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.
- l) 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 their entirety. The statement of defence is currently being prepared. The court set a three-month deadline for Mostostal Warszawa S.A. to file the statement of defence, which expires on 26 May 2018.

21.2 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 judgment and remitted the case for reconsideration. The proceedings are pending before the court of first instance.
- 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 62,170 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 accruals from valuation of contracts – gross amounts due from customers under construction contracts.
- c) Gamma Inwestycje Sp. z o.o. (successor in title of Zielona Italia Sp. z o.o.) (Defendant)
Date of the Claim: 29/03/2013
Value in dispute: PLN 15,953 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 in the group of 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 lodged an appeal against the aforesaid decision, which is pending consideration by the Court. A part of the amount claimed in court is presented under accruals from valuation of contracts – gross amounts due from customers under construction contracts.
- 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 207,530 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. Currently, the current value in dispute is PLN 207,530 thousand. By virtue of the judgment 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 judgment as regards the dismissal of the claim and charging the Claimants with the costs of the proceedings. The defendant also appealed against the abovementioned judgment challenging as regards the allowance of the claim and charging the Defendant with the costs of the proceedings. The date of the appeal hearing has not been set yet. A part of the amounts claimed in court is presented by the Company under trade receivables and other receivables in the group of overdue receivables, for which no revaluation write-offs have been recognized and under deferred charges and accruals from revaluation of contracts – gross amounts due from customers under 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 accruals from valuation of contracts – gross amounts due from customers under 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 accruals from valuation of contracts – gross amounts due from customers under construction contracts.

- h) Gamma Inwestycje Sp. z o.o. (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 in the group of overdue receivables, for which no revaluation write-offs have been recognized and under deferred charges and accruals from revaluation of contracts – gross amounts due from customers under 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 nr 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 judgment, 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 5.10.2012 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 will be further examined by the Court of Arbitration. A part of the amount claimed in court is presented under accruals from valuation of contracts – gross amounts due from customers under construction contracts.
- j) Lubelskie Region Oncology Centre (Defendant)
Date of the Claim: 03/10/2014
Value in dispute: PLN 32.461
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 counterclaim 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 in the group of overdue receivables, for which no revaluation write-offs have been recognized and under deferred charges and accruals from revaluation of contracts – gross amounts due from customers under 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 in the group of overdue receivables, for which no revaluation write-offs have been recognized.
- l) Agencja Rozwoju Miasta S.A. (Defendant)
Date of the Claim: 28/04/2017
Value in dispute: PLN 16,439 thousand

Mostostal Warszawa S.A. filed a counterclaim 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. A part of the amount claimed in court is presented by the Company under trade receivables and other receivables in the group of overdue receivables, for which no revaluation write-offs have been recognized and under deferred charges and accruals from revaluation of contracts – gross amounts due from customers under construction contracts.

- m) Gamma Inwestycje Sp. z o.o. (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. The judgment is not final. The amount claimed in court is presented by the Company under trade receivables and other receivables in the group of 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 accruals from valuation of contracts – gross amounts due from customers under 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.
- 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.

- 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 court has set an additional time limit for the Defendant to submit the statement of defence, which expires on 22 May 2018.

- 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. The court has set a time limit for the Defendant to submit the statement of defence, which expires on 19 May 2018.

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 information and explanatory notes to the condensed interim separate financial statements for the period from 01/01/2018 to 31/03/2018.

22. Information on incurred and terminated credits and loans in the 1st quarter of 2018

The balance of loans payable as of 31/03/2018 amounted to PLN 196,718 thousand (the balance of loans payable as of 31/12/2017 amounted to PLN 193,703 thousand). The increase in the balance of loans payable is mainly due to the accrual of foreign exchange losses from the balance sheet valuation.

In the reporting period, the Company used the overdraft amounting to PLN 9,924 thousand as at the balance sheet date (the balance of loans as at 31/12/2017 amounted to PLN 6,443 thousand).

Bank	Type of loan	Amount of loan in thousands of PLN	Amount used as at 31/03/2018 in thousands of PLN	Maturity	Interest rate
Societe Generale S.A. Branch in Poland	Current account overdraft	10,000	9.924	31/03/2018*	WIBOR 1M + Bank's mark-up

* The Company and Societe Generale S.A. Branch in Poland executed an annex to the overdraft facility contract, whereby the time limit for repayment was extended until 31 May 2018.

In the first quarter of 2018, no loan agreement was terminated.

23. Information on transactions with affiliated entities

The transactions concluded with affiliated entities in the 1st quarter of 2018 were typical and routine transactions, and were concluded according to market principles.

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

Company name	31/03/2018	31/12/2017	31/03/2017
Acciona Nieruchomości Wilanów Sp. z o.o.	2,523	3,082	2,059
Mostostal Power Development Sp. z o.o.	448	458	703
Mostostal Kielce S.A.	204	221	371
Mostostal Płock S.A.	199	234	0
Acciona Construcción S.A.	184	184	171
Acciona Facility Services Poland Sp. z o.o.	70	115	0
Acciona Construcción S.A. Branch in Poland	3	3	7
AMK Kraków S.A.	2	15	0
Towarowa Park Sp. z o.o.	0	0	20
Total	3,633	4,312	3,331

Receivables from advance payments for construction works provided to related entities amounted to (in thousands of PLN):

Company name	31/03/2018	31/12/2017	31/03/2017
Mostostal Power Development Sp. z o.o.	12,830	12,830	41,752

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

Company name	31/03/2018	31/12/2017	31/03/2017
Mostostal Power Development Sp. z o.o.	43,782	62,157	174,021
Acciona Construcción S.A.	14,132	14,024	13,897
Acciona Construcción S.A. Branch in Poland	4,358	4,368	4,712
W.M.B. Miękinia Sp. z o.o.	0	0	4,450
MPB Mielec S.A.	100	100	100
Acciona Nieruchomości Wilanów Sp. z o.o.	120	18	0
Mostostal Kielce S.A.	1,724	4,281	97
Mostostal Płock S.A.	36	1	0
Total	64,252	84,949	197,277

As at 31/01/2017, the Company received bank or insurance guarantees under the guarantee limits of Acciona Construcción S.A. in the total amount of PLN 261,078 thousand (cf. 265,378 thousand as at 31/12/2017 and PLN 275,652 thousand at 31/03/2018).

As at 31/03/2018, the Company recognized liabilities arising from the loans from Acciona Construcción S.A. with its registered office in Madrid in the amount of PLN 196,621 thousand (as at 31/12/2017, the value of loans was PLN 193,510 thousand; as at 31/03/2017, the value of loans was PLN 191,634 thousand).

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

Company name	3-month period ended 31/03/2018	3-month period ended 31/03/2017
Acciona Nieruchomości Wilanów Sp. z o.o.	7,096	4,217
Mostostal Power Development Sp. z o.o.	338	375
Mostostal Kielce S.A.	0	66
Towarowa Park Sp. z o.o.	0	48
Acciona Facility Services Poland Sp. z o.o.	57	0
Mostostal Płock S.A.	33	1
Acciona Construcción S.A. Branch in Poland	8	8
AMK Kraków S.A.	2	0
Acciona Nieruchomości Żoliborz Sp. z o.o.	0	1
Total	7,534	4,716

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

Company name	3-month period ended 31/03/2018	3-month period ended 31/03/2017
Mostostal Power Development Sp. z o.o.	39,593	98,735
Mostostal Kielce S.A.	2,112	
Total	41,705	98,735

Interest on the loans received

Company name	3-month period ended 31/03/2018	3-month period ended 31/03/2017
Acciona Construcción S.A.	1,361	1,320

In the first quarter of 2018, the total remuneration of the Management Board members amounted to PLN 839 thousand. The remuneration of the Supervisory Board in the reporting period amounted to PLN 75 thousand.

24. Reporting by market segment

The Company is organised and managed by segment, as appropriate for the types of product offered. The tables below present data from the profit and loss account for the Company's individual reporting segments for the 3-month period ended on 31 March 2018.

The following segments exist within continuing business:

1. The engineering/industrial segment, which includes activities connected with the construction of roads and bridges, industrial and power engineering facilities.
2. The general construction segment, which includes activities connected with constructing residential buildings and public utilities.

Profit and loss account for individual reporting segments:

3-month period ending on 31 March 2018	<i>Continuing operations</i>			
	<i>Engineering and industrial segment</i>	<i>General construction segment</i>	<i>Unallocated revenue, costs</i>	<i>Total</i>
Revenue from sales				
Sales to external customers	75,553	82,070	475	158,098
Sales between segments	0	0	0	0
Total revenue from segment	75,553	82,070	475	158,098
Profit (loss) of segment (taking into account operating costs and revenue)	16,797	2,087	-36	18,848
Unallocated costs (administrative costs and sales costs)	-	-	12,020	12,020
Profit (loss) on operating activities	16,797	2,087	-12,056	6,828
Financial revenue	0	1	58	59
Financing costs	264	19	3,628	3,911
Gross profit (loss)	16,533	2,069	-15,626	2,976
Income tax			1,673	1,673
Net profit (loss) on continuing operations	16,533	2,069	-17,299	1,303
Discontinued operations				0
Net profit / (loss)	16,533	2,069	-17,299	1,303

3 month period ending on 31 March 2017	Continuing operations			
	<i>Engineering and industrial segment</i>	<i>General construction segment</i>	<i>Unallocated revenue, costs</i>	<i>Total</i>
Revenue from sales				
Sales to external customers	151,540	83,902	435	235,877
Sales between segments	0	0	0	0
Total revenue from segment	151,540	83,902	435	235,877
Result				
Profit (loss) of segment (taking into account operating costs and revenue)	22,216	-1,807	-741	19,668
Unallocated costs (administrative costs and sales costs)	-	-	11,738	11,738
Profit (loss) on operating activities	22,216	-1,807	-12,479	7,930
Financial revenue	1,255	55	9,660	10,970
Financing costs	235	61	1,631	1,927
Gross profit (loss)	23,236	-1,813	-4,450	16,973
Income tax			4,993	4,993
Net profit (loss) on continuing operations	23,236	-1,813	-9,443	11,980
Discontinued operations				0
Net profit / (loss)	23,236	-1,813	-9,443	11,980

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. Revenues and costs are allocated to the individual segments in accordance with the implemented projects. Assets are analysed on the level of the entire Company. Gross result on sales adjusted by other revenues and operational costs constitutes a key indicator of segment result.

Both in the first quarter of 2018 and in the first quarter of 2017, the Company conducted all of its activities in Poland.

25. Financial Instruments - Fair values

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

Item	<i>Carrying value</i>		<i>Fair value</i>	
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
<i>Financial assets</i>				
1) Financial assets held to maturity (measured at amortized cost)	-	-	-	-
2) Financial instruments - hedge of future cash flows	-	-	-	-
3) Financial instruments - measured at fair value through profit or loss	-	-	-	-
4) Loans granted and receivables	700,312	722,023	*	*
- Long-term trade receivables and other receivables*	1,870	1,590	*	*
- Short-term trade receivables and other receivables*	280,252	311,211	*	*
- Cash and cash equivalents	33,574	76,244	33,574	76,244
- Accruals and deferred income from measurement of contracts*	384,616	332,978	*	*
4) Long-term financial assets held for sale	-	-	-	-

* Fair value is approximate to the balance sheet value

Item	Carrying value		Fair value	
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
<i>Financial liabilities</i>				
1) Financial liabilities - financial instruments measured at fair value through profit or loss	-	-	-	-
2) Other financial liabilities - financial instruments - hedge of future cash flows	-	-	-	-
3) Liabilities (measured at amortized cost)	265,371	282,882	*	*
Trade liabilities and other liabilities (short-term) *	232,871	249,891	*	*
Long-term trade liabilities and other long-term liabilities *	32,500	32,991	*	*
4) Other financial liabilities (measured at amortized cost)	208,428	201,974	*	*
- Interest-bearing bank credits and loans *	59,319	193,121	*	*
- Current portion of interest-bearing bank credits and loans*	147,323	7,025	*	*
- Short-term and long-term liabilities from lease agreements*	1,786	1,828	*	*

* Fair value is approximate to the balance sheet value

Financial instruments are divided into 3 categories:

- **Level 1** includes financial instruments, whose fair value is estimated based on the quoted market prices at each balance sheet date. As at 31/03/2018 and as at 31/12/2017, the Company did not hold financial instruments in this category.
- **Level 2** includes financial instruments, whose fair value is determined based on various valuation methods using the available data on current market conditions as at the balance sheet date. The Company includes currency futures contracts in this category of instruments. The fair value of currency futures contracts is determined based on valuations performed by the banks. As at 31/03/2018 and as at 31/12/2017, the Company did not hold financial instruments in this category.
- **Level 3** the fair value of unlisted derivatives is estimated by the Company using various valuation methods based on the assumptions of the company and its own data. As at 31/03/2018 and as at 31/12/2017, the Company did not hold financial instruments in this category.

As at 31/03/2018, the Company did not have any financial instruments used for hedge accounting.

**Other information
to the condensed interim separate
financial statements
for the period from 01/01/2018 to 31/03/2018**

1. Selected financial data

SELECTED FINANCIAL DATA	PLN		EUR	
	1st quarter of 2018, incrementally, for the period from 01/01/2018 to 31/03/2018	1st quarter of 2017, incrementally, for the period from 01/01/2017 to 31/03/2017	1st quarter of 2018, incrementally, for the period from 01/01/2018 to 31/03/2018	1st quarter of 2017, incrementally, for the period from 01/01/2017 to 31/03/2017
Revenue from sales	158,098	235,877	37,837	54,995
Gross profit (loss) on sales	18,237	28,073	4,365	6,545
Profit (loss) on operating activities	6,828	7,930	1,634	1,849
Gross profit (loss)	2,976	16,973	712	3,957
Net profit (loss) on continuing operations	1,303	11,980	312	2,793
Net profit / (loss)	1,303	11,980	312	2,793
Net cash from operating activities	-45,533	-66,883	-10,897	-15,594
Net cash from investing activities	-216	2,863	-52	668
Net cash from financing activities	3,079	-4,374	737	-1,020
Closing balance of cash	33,574	85,172	7,978	20,184
Net profit / (loss)	1,303	11,980	312	2,793
Average-weighted number of ordinary shares	20,000,000	20,000,000	20,000,000	20,000,000
Net profit (loss) per ordinary share in PLN	0.07	0.60	0.02	0.14

	PLN		EUR	
	as at 31/03/2018	as at 31/12/2017	as at 31/03/2018	as at 31/12/2017
Total assets	826,226	848,103	196,323	203,338
Long term liabilities	109,239	244,147	25,957	58,536
Short term liabilities	621,135	509,407	147,591	122,134
Total liabilities	730,374	753,554	173,547	180,669
Total equity capital	95,852	94,549	22,776	22,669
Stated capital	44,801	44,801	10,645	10,741
Number of shares	20,000,000	20,000,000	20,000,000	20,000,000

2. Description of major achievements and setbacks and major events in the 1st quarter of 2018 and an assessment of the management of financial resources.

Sales revenue in the first quarter of 2018 amounted to PLN 158,098 thousand and decreased by 33 % compared to the same period of the previous year. The decrease in revenue in the first quarter of 2018, as compared to the first quarter of 2017, was caused by the declining throughputs at the construction of power units in Opole in line with the schedule as well as lower than expected volume of contracts.

Gross profit on sales amounted to PLN 18,237 thousand (gross profit on sales in the same period of 2017 amounted to PLN 28,073 thousand). In the 1st quarter of 2018, the Company generated the net profit of PLN 1,303 thousand (in the 1st quarter of 2017, the net profit amounted to PLN 11,980 thousand). Due to the increase in prices of materials and subcontractors' services, the profitability of contracts has decreased.

The value of the Company's backlog amounts to PLN 1.437.696 thousand. The Company participates in a number of tender procedures, which should result in the acquisition of new contracts in the near future.

The value of short-term trade receivables and other receivables as at 31/03/2018 amounted to PLN 280,252 thousand and compared to figures as at 31/12/2017 declined by PLN 30,959 thousand.

The value of deferred charges from valuation of long-term contracts as at 31/03/2018 amounted to PLN 384,616 thousand and was higher as compared to the value as at 31/12/2017 by PLN 51,638 thousand.

The value of cash as at 31/03/2018 amounted to PLN 33,574 thousand and compared to the figures as at 31/12/2017 decreased by PLN 42,670 thousand. The decrease results mainly from the settlements of liabilities towards subcontractors. In the 1st quarter of 2018, the Company was using overdraft facilities and loans, the value of which as at 31/03/2018 amounted to PLN 206,642 thousand and compared to the figures as at 31/12/2017 increased by PLN 6,496 thousand. In the opinion of the Management Board, the management of financial resources in the first quarter of 2018 was adequate to the Company's situation. The Management Board monitors the liquidity of the Company on the on-going basis, based on the expected cash flows. Given the existing involvement of the related party granting loans and execution of the contract for the construction of the power units in Opole, in the opinion of the Board, there is no significant risk to the liquidity of Mostostal Warszawa S.A. The Management Board believes that the Company has the ability to settle their liabilities and the liquidity position of the Company is stable.

Long-term liabilities in the first quarter of 2018 decreased by PLN 134,908 thousand, mainly due to the reclassification of long-term loans from Acciona Construcción S.A. as short-term loans in accordance with their repayment dates. Short-term trade payables as at the end of the first quarter of 2018 amounted to PLN 192,610 thousand and compared to the figures as at 31/12/2017 were lower by PLN 26,296 thousand.

During the reporting period i.e. from 01/01/2018 to 31/03/2018, the following events significant for the Mostostal Warszawa S.A. took place:

On 03 January 2018, the Company and the City of Łódź – the Management of Municipal Investments located at ul. Piotrkowska 175, 90-447 Łódź (“Employer”), the subject of which is the “Revitalization of the Centre of Łódź – Project 3 – Reconstruction, development, extension and change of the intended use of the buildings based on the Functional Plan as well as land development and construction of necessary technical infrastructure and the exit in Łódź at ul. Tuwima 46, in the Design and Build System”. The deadline for completion of the project is 13 December 2019. The Contractor's gross remuneration will be PLN 28,840 thousand.

On 17 January 2018, the Company represented by a legal representative, filed with the Regional Court in Szczecin, 8th Commercial Division, a claim against Zakład Unieszkodliwiania Odpadów Sp. z o.o. with its registered office in Szczecin (“Defendant”) for payment of PLN 90,141 thousand plus statutory interest for delay, accrued from 28 November 2016 until the date of payment. The claim concerns the payment of remuneration for works, deliverables, designs and other benefits under the Contract No. ZUO/5/2012 for the Construction of the Waste Incineration Plant for the Municipal Area of Szczecin, for which the Claimant has not received payment from the Defendant.

On 24 January 2018, Mostostal Warszawa S.A. (“Company”) and a consortium partner (“Claimants”), jointly represented by a legal representative, filed a lawsuit with the Regional Court in Warsaw against the State Treasury, General Director of National Roads and Motorways (“Defendant”), for payment of the amount of PLN 98,585 thousand plus the statutory interest accrued from 31 December 2014 to 31 December 2015 and the statutory interest accrued from 01 January 2016 until the date of payment. Claimants demand the Defendant to pay the claims, which arose in the years 2010-2012 in the course of construction of the section Rzeszów Centralny – Rzeszów Wschód of A-4 highway, due to obstacles encountered by the Claimants in the course of construction, for which the Defendant is responsible.

On 26 January 2018, the Company filed a lawsuit with the Regional Court in Gdańsk against Energa Kogeneracja Sp. z o.o. (“Defendant”) for payment of PLN 26,274 thousand plus statutory interest accrued from the date of the claim until the date of payment. Claimants demand that the Defendant shall pay the remuneration for construction works under the contract “Construction of the 20 MWe biomass-fired power block for Energa Kogeneracja Sp. z o.o.” referred to in the Current Report No. 15/2011.

On 30 January 2018, the Consortium of Mostostal Warszawa SA (“Partner”) and Mostostal Płock SA (“Leader”) signed the Contract with PERN SA (“Employer”) for comprehensive performance of the project in the general contracting system as part of the task under the name “EXTENSION OF THE RESERVOIR PARK IN GDAŃSK BASE” No. SAP: 1-10/004. The completion of the contract will take place within 25 months from the date of its commencement i.e. from the date of handover of the construction site. The net value of the contract is PLN 142,950 thousand.

On 05 February 2018, Mostostal Warszawa S.A. (“Company”, “Defendant”) received from the Regional Court in Białystok, First Civil Department, a lawsuit filed by the University of Białystok represented by the General Prosecutor's Office of Poland (“Claimant”) against Mostostal Warszawa S.A. The Claimant demands that Mostostal Warszawa S.A. shall pay the amount of PLN 204,100 thousand to the University of Białystok plus statutory interest for delays, as accrued from 12 January 2018 until the date of payment. The Claimant demands payment of the contractual penalty for delays in the Defendant's removal of defects under the contracts for ‘Construction of the Institute of Biology and the Faculty of Mathematics and Computer Science’ and ‘Construction of the Faculty of Physics and the Institute of Chemistry’ at the University of Białystok. Having analysed the claims, the Company disputes the legitimacy of the claims made by the Claimant in its entirety.

On 15 February 2018, Mostostal Warszawa S.A. (“Company”) and Mondelez International RD&Q Sp. z o.o. ul. Czekoladowa 1A, 55-040 Bielany Wrocławskie (“Employer”) concluded the contract under the project “Expansion of

the research and development centre for Mondelez International RD&Q". The net value of the contract is PLN 12,350 thousand. Time limit for completion: 22 August 2018

On 22 February 2018, the Management Board of Mostostal Warszawa S.A. with its registered office in Warsaw ("Company") informed that as a result of consultations within the Consortium composed of the Company, Polimex-Mostostal S.A. and Rafako S.A. ("Consortium") and GE Power, which is the general designer and the Consortium Leader managing the performance of the contract and the conducted analyses, new deadlines for commissioning Blocks No. 5 and 6 at Opole Power Plant have been scheduled. The revised commissioning dates are 31 May 2019 for Block No. 5 and 30 September 2019 for Block No. 6. The currently conducted negotiations between the Consortium and GE Power and PGE Górnictwo i Energetyka Konwencjonalna SA ("Employer") have not yet been finished.

On 09 March 2018, the Company and Zielona Góra Property Sp. z o.o. ("Employer") concluded the Contract for the extension and reconstruction of the shopping centre Focus Mall Zielona Góra. The value of the contract amounts to: net PLN 199,900 thousand. Time limit for completion: February 2020.

On 15 March 2018, the Company and ETAC Poland Sp. z o.o. concluded the Contract for preparation of a detailed design and construction of ETAC Production Plant in Tczew. The latest ETAC production plant will be designed and built in accordance with the principles of sustainable construction and will be certified by DGNB (German Sustainable Building Council) at the Gold level. Value of the contract: gross PLN 56,150 thousand. Time limit for completion: 21 December 2018

On 21 March 2018, the Supervisory Board of the Company appointed Radosław Antoni Gronet, as Member of the Management Board of the eighth term. The Resolution of the Supervisory Board became effective upon its adoption.

On 29 March 2018, the District Court in Szczecin, 8th Commercial Division, issued a judgment in the case brought by Mostostal Warszawa S.A. against Zakład Unieszkodliwiania Odpadów Sp. z o.o. (VIII GC 57/17) in Szczecin ("ZUO"), whereby the court ruled that ZUO shall pay to the Company the amount of PLN 33,770 thousand, including statutory interest for late payment, accrued on the amount of PLN 33,311 thousand from 13 February 2017 to the payment date and on the amount of PLN 460,000 from 14 March 2017 until the payment date. The dispute concerned the refund to the Company of the amounts withdrawn unduly under the performance guarantees for the Contract No. ZUO/5/2012 for the construction of the Construction of the Waste Incineration Plant for the Municipal Area of Szczecin (the "Contract"), which the Company terminated on 14 June 2016 (Current Report No. 20/2016).

The Company claimed that as of the date of the request for payment of funds under the guarantee (i.e. as at 16/06/2016), ZUO did not have any claims against the Company regarding non-performance (improper performance) of the Contract and filed a claim for the refund of the unduly withdrawn amount of PLN 33,770 thousand.

In the oral motives of the ruling, the Court indicated that the legal basis for the decision was Article 405 of the Civil Code. In particular, the court stressed that the bank guarantee agreement was of an abstract nature, while the construction contract concluded between the claimant and the defendant was not. The court confirmed that as at the date of payment under the guarantee, there were no claims that would entitle ZUO to demand payment. The defendant did not prove that they were entitled to any claims, including recourse claims, that they could satisfy with the guarantee.

3. A description of factors and events, particularly of extraordinary nature, which affect the financial results achieved

In the first quarter of 2017, the financial result was significantly affected by the weakening of the Polish currency against euro compared to the situation as at 31/12/2017, as a result of which the company recognized foreign exchange losses from the balance sheet valuation of loans in the amount of PLN 1,751 thousand.

4. Information on organizational and capital ties

The Mostostal Warszawa Group consists of the following subsidiaries:

Name of the entity	Percentage of share capital owned as at 31/03/2018	Consolidation
Mostostal Kielce S.A.	100.00	yes
AMK Kraków S.A.	60.00	yes
MPB Mielec S.A.	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 50,09 % of shares of Mostostal Warszawa S.A. as at 31/03/2018.

5. Results forecast

The Company did not publish financial performance forecasts for 2018.

6. Key shareholders of the Company

List of shareholders with at least 5% of votes at the General Meeting of Shareholders of Mostostal Warszawa S.A. as at 14 May 2018:

Shareholder	Number of shares	Number of voting rights	Share in share capital	Share of total voting rights in General Shareholders' Meeting
Acciona S.A.	10,018,733	10,018,733	50.09%	50.09%
Otwarty Fundusz Emerytalny PZU Złota Jesień (pension fund)	3.666.000	3.666.000	18.33%	18.33%
AVIVA Powszechne Towarzystwo Emerytalne AVIVA BZ WBK S.A. (pension fund)	1.166.701	1.166.701	5.83%	5.83%

7. Mostostal Warszawa S.A. shares held by Members of the Management Board and the Supervisory Board as at 14 May 2018.

In the period from 24/03/2018 i.e. from the publication of the financial statements for the year 2017 until 14 May 2018, there were no changes in the Issuer's shares held by members of the management and supervisory bodies.

8. Information on 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 information and explanatory notes to the condensed interim separate financial statements for the period from 01/01/2018 to 31/03/2018.

9. Information on transactions with related parties

Information on transactions with related parties is presented in Note 23 of the Additional information and explanatory notes to the condensed interim separate financial statements for the period from 01/01/2018 to 31/03/2018.

10. Information about loan or credit sureties granted by Mostostal Warszawa S.A. or warranties issued (over 10% of the value of the Issuer's equity capital)

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 01/01/2018 to 31/03/2018 and other sections of the additional information to the separate financial statements for the period from 01/01/2018 to 31/03/2018.

12. Factors which will affect the results achieved in view of the next quarter or longer.

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 construction/assembly service market,

Warsaw, 14 May 2018

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