

7.3 Liabilities to incur expenditures for non-financial non-current assets

Structure of liabilities to incur expenditures for non-financial non-current assets

| | 31/12/2018 | 31/12/2017 |
|---|--------------|-------------|
| Contractual liabilities on account of the acquisition of non-financial non-current assets | 538.4 | 23.9 |
| Total | 538.4 | 23.9 |

As at 31 December 2018, the value of the Group's future investment liabilities included mainly liabilities resulting from:

- a contract entered into with NEWAG S.A. for modernization of 60 SM48 locomotives to be performed by May 2021. The contract is currently underway and as at 31 December 2018 its outstanding contractual value was PLN 260.7 million;
- a contract entered into with Pojazdy Szynowe PESA Bydgoszcz S.A. to conduct level five maintenance repairs of 38 ST44 locomotives with a total value of PLN 176.3 million, to be performed from January 2019 to September 2020.

The remaining part of the Group's investment liabilities consisted mainly of a PLN 47.4 million contract for the purchase of wagons, contracts for repairs and periodic inspections of wagons for PLN 27.6 million and a contract for the expansion of the transhipment terminal in Pasków for PLN 19.7 million.

On 28 January 2019, the Parent Company entered into an annex with a consortium of Siemens Mobility Sp. z o.o. and Siemens Mobility GmbH for the exercise of the option specified in the contract and the Parent Company's right to increase the deliverable by 5 brand new Siemens VECTRON multi-system locomotives with the provision of auxiliary services. 3 locomotives are scheduled to be delivered by July 2019 and 2 locomotives are scheduled to be delivered by January 2020. The total estimated net value of the annex is approx. EUR 26 million, an equivalent of PLN 111.8 million.