



Presentation of
Polimex Mostostal Capital Group's
Financial Results 2017



13 April 2018



Legal Disclaimer



This presentation (the "Presentation") has been prepared by Polimex-Mostostal S.A. ("PxM", the "Company") for investors, the Company's shareholders and market analysts for informational purposes only. By reviewing/acknowledging the content of the presentation, the reader agrees with the reservations set out below.

The information in this presentation has not been verified by independent entities. The Company is not obligated to update or to ensure that the information contained in this presentation will be updated. Any opinions expressed in the presentation are subject to change without notice.

In no case, the information contained in this presentation should be treated as a statement, expressed or implied, made by the Company or persons acting on its behalf. In addition, both the Company and any person acting on its behalf, shall not be liable for any damages that may result from the use of presentation or any information contained herein, nor for the consequences of decisions taken based on the information contained in the presentation. Despite the fact that the Company has made the appropriate efforts in order to ensure that the information contained in this presentation is reliable, accurate and complete, the Company cannot guarantee that the presentation contains forward-looking statements that involve risks, uncertainties and are based on a number of assumptions.

Statements containing the words "anticipates," "intends," "believes," "plans," "assumes," "will," "may", "would", "might", "continue" and similar, of the nature relating to the future imply statements concerning the future. Forward-looking statements include statements about financial results, business strategy, plans and objectives of the Company with respect to its anticipated future operations. All forward-looking statements contained in this presentation relate to issues involving known and unknown risks, issues impossible to predict, and other factors, as a result of which the actual results and the results of operations of the Company may differ materially from those set forth in the statements of the past and the Company's results and achievements in the past. Although the Company believes that the adopted estimates and assumptions are reasonable, they may prove to be incorrect. The information, opinions and forward-looking statements contained in this presentation are valid only on the date of this presentation and are subject to change without notice.

Although the Company believes that all assumptions were reasonable at the time they were adopted, due to their nature, they are subject to important unknown factors and uncertainties, difficult or impossible to predict and are beyond the control of the Company. The Company may not achieve the stated objectives, expectations and/or predictions. The Company point out to the fact that the forward-looking statements do not constitute forecasts of financial results or guarantees of future performance, and that the actual results, financial situation and liquidity, as well as the development of the industry in which it operates may differ materially from those that have been identified in statements regarding the future contained in this presentation. The Company and its respective advisors are not obliged to publish any updates or the information, data and statements contained in the presentation.

The company notes that the only source of reliable data on the current situation of the Company, forecasts, events, financial results and indicators are current and periodic reports published by the Company in the performance of disclosure obligations under Polish law.

This presentation does not constitute, and should not be construed as, the offer to purchase securities of the Company or companies belonging to the Capital Group, and that the presentation does not constitute any recommendation regarding the securities of the Company.

Selected financial data for Q1-Q4 2017 in PLN million

Polimex Mostostal Capital Group

in PLN million	2016	2017
OPERATING REVENUE	2 668	2 421
OPERATING PROFIT	-28	-78
EBITDA	5	142*
GROSS PROFIT	-48	-107
NET PROFIT	-61	-137

COMMENT

- Polimex Mostostal Capital Group's EBITDA in 2017 amounted to PLN 142 million, which represents a PLN 139 million increase in comparison with the previous year (2016). An important factor influencing this change was a significant correction of the gross margin of the Koźienice Project, both in 2017 (PLN 42.3 million increase) and in 2016.
- A key factor affecting the level of the net results in 2017 was a write-off of the permanent loss of company's value in the amount of 191.5 million (one-off, of non-monetary nature). Net profit for 2017 after the write-off amounts to PLN 54 million.

* The issuer presents the reported EBITDA from operating activities adjusted for depreciation but not including the write-off of the loss in the Company value

Wybrane dane finansowe za I-IV Q 2017 r. w mln PLN

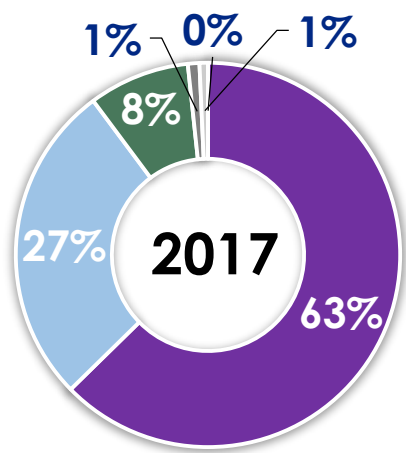
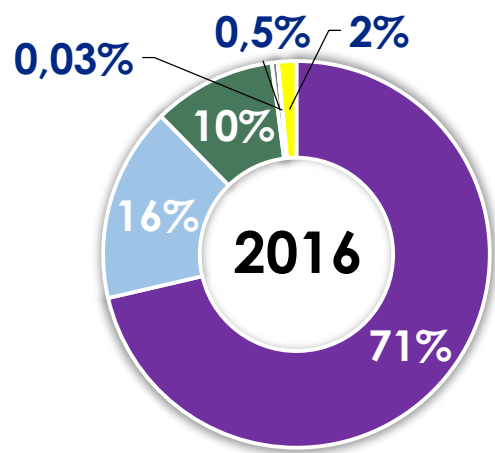
„Polimex-Mostostal” SA

in PLN million	2016	2017	
OPERATING REVENUE	1 994	1 342	↓
OPERATING PROFIT	-96	60	↑
EBITDA	-81	66	↑
GROSS PROFIT	4	113	↑
NET PROFIT	1	83	↑

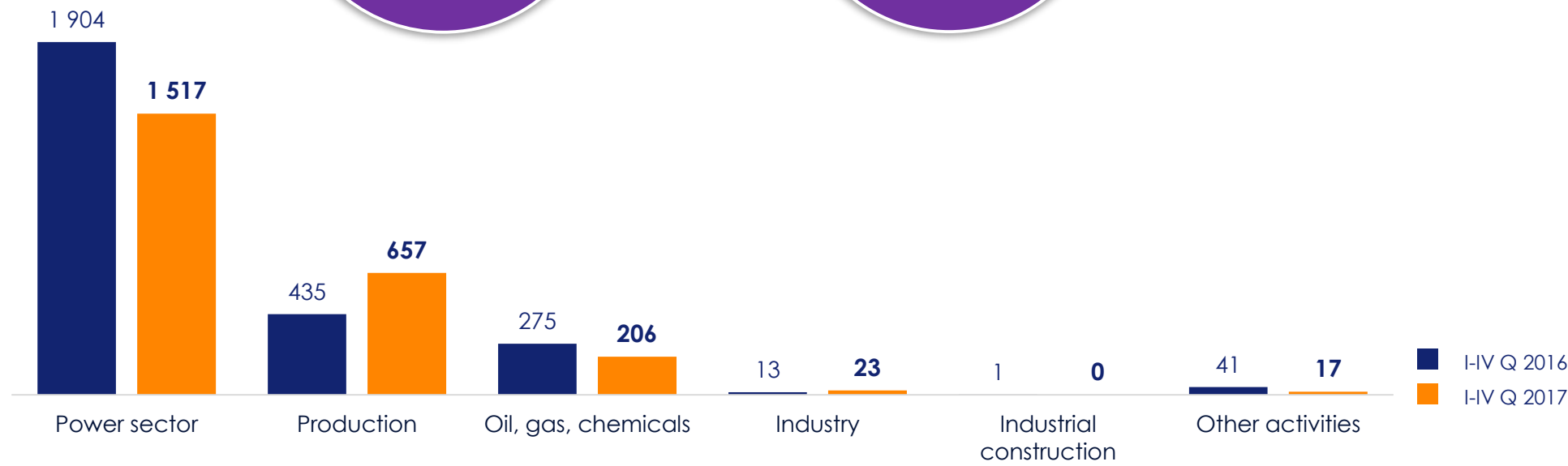
COMMENT

- „Polimex Mostostal” SA's EBITDA in 2017 amounted to PLN 66 million, which represents a PLN 147 million increase in comparison with the previous year (2016). An important factor influencing this change was a significant correction of the gross margin of the Kozienice Project, both in 2017 (PLN 42.3 million increase) and in 2016.

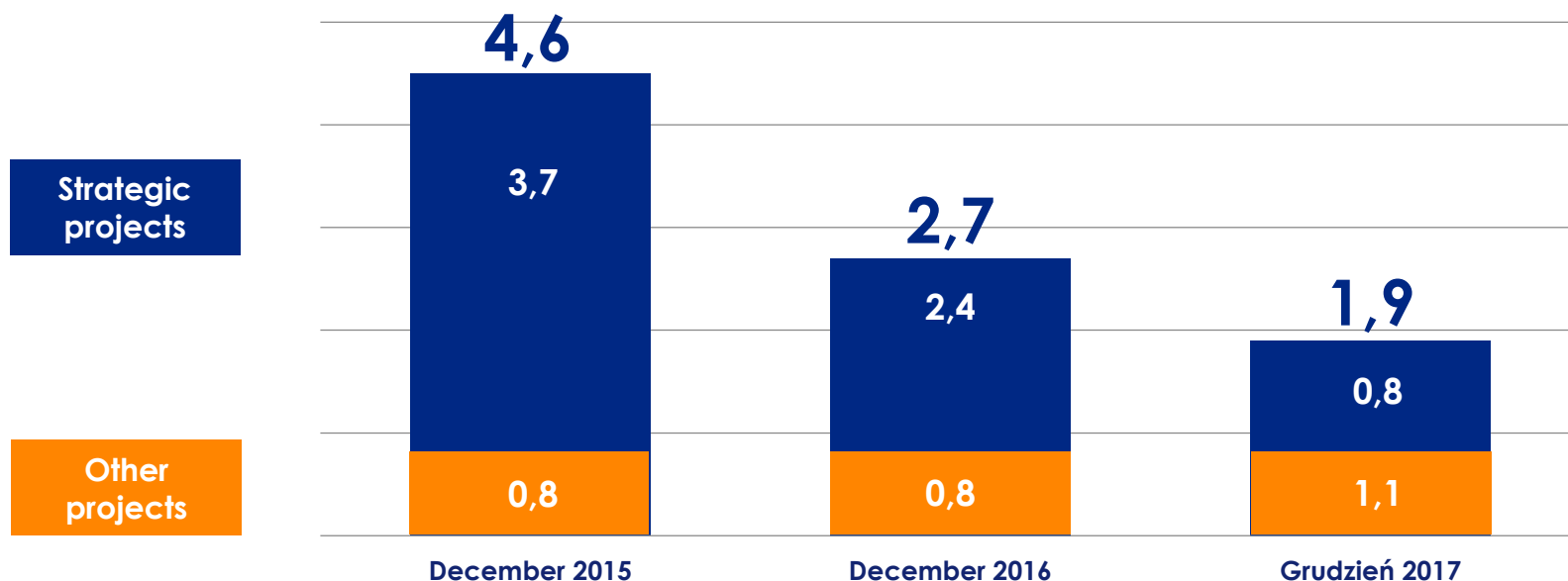
Polimex Mostostal Capital Group's revenues in Q1-Q4 2017 (million PLN)



- POWER SECTOR
- PRODUCTION
- OIL, GAS, CHEMICALS
- INDUSTRY
- INDUSTIAL CONSTRUCTION
- OTHER ACTIVITIES



Polimex Mostostal Capital Group's order portfolio (in billion PLN)



The order portfolio as of the end of 2017 (in million PLN)



* Includes strategic projects

- **Acquiring strategic investors and recapitalization of the Company in the amount of PLN 300 million.**
- **Improvement in the financing terms and conditions of the Polimex Mostostal Capital Group.**
- **Regaining access to bank and insurance guarantees.**
- **Approval and implementation of the Polimex Mostostal Capital Group's Development Plan.**
- **Preparation of the Development Plan's operationalization.**
- **Winning new contracts/projects for the Capital Group using the full potential of the Companies that form part of the Group.**
- **Transfer to operation of the Unit 11 in the Koźienice power plant in accordance with the project's schedule - December 2017.**

- **Implementation of the initiatives of the Polimex Mostostal Capital Group's Development Plan.**
- **Continuation of the operationalization stage of the Polimex Mostostal Capital Group's Development Plan.**
- **Building the Company's value through the acquisition and implementation of high-margin projects (oil, chemical and gas, power, manufacturing and industrial construction sectors).**
- **Acquisition of projects for the Group, especially in the EPC formula.**
- **Group's order portfolio diversification – further increase in the value of non-strategic projects in the revenue structure.**
- **Expansion of the Group's activities in foreign markets.**
- **MoU with the General Directorate for National Roads and Motorways.**
- **Implementation of the Opole and Żerań projects in accordance with the current schedule.**

Detailed financial data for Q1-Q4 2017 in PLN million

Polimex Mostostal Capital Group

in PLN million	2016 r.	2017 r.
OPERATING REVENUE	2 668,2	2 421,0
OWN SALES COSTS	-2 635,7	-2 260,1
GROSS SALES PROFITS	32,5	160,9
SALES COSTS	-22,3	-25,5
GENERAL MANAGEMENT COSTS	-65,6	-63,3
OTHER OPERATING REVENUES	38,4	48,7
OTHER OPERATING COSTS	-10,9	-7,1
LOSS OF GOODWILL	0,0	-191,5
OPERATING RESULTS	-27,9	-77,8
FINANCIAL REVENUES	13,9	18,4
FINANCIAL COSTS	-30,7	-37,9
SHARE IN THE PROFIT OF AN AFFILIATE	-3,6	-9,9
GROSS RESULTS	-48,3	-107,2
INCOME TAX	-12,4	-29,8
NET PROFIT	-60,7	-137,0
EBITDA	4,6	142,2

Detailed financial data for Q1-Q4 2017 in PLN million

„Polimex-Mostostal” SA

in PLN million	2016 r.	2017 r.
OPERATING REVENUE	1 993,9	1 341,8
OWN SALES COSTS	-2 079,0	-1 289,0
GROSS SALES PROFITS	-85,1	52,8
SALES COSTS	-4,7	-1,1
GENERAL MANAGEMENT COSTS	-24,5	-26,4
OTHER OPERATING REVENUES	22,1	39,9
OTHER OPERATING COSTS	-4,3	-5,5
OPERATING RESULTS	-96,5	59,7
FINANCIAL REVENUES	127,1	79,7
FINANCIAL COSTS	-26,2	-26,8
GROSS RESULTS	4,4	112,6
INCOME TAX	-3,4	-30,0
NET PROFIT	1,0	82,6
EBITDA	-80,8	65,8

Polimex Mostostal Capital Group's structure



Polimex Mostostal Capital Group consists of companies with the following profiles: manufacturing, services in the oil, chemical and gas; energy sector; industrial construction and manufacturing.



Polimex Mostostal Capital Group's mission



„As the largest construction company with Polish capital we are here to pursue strategic industrial construction projects important for the Polish economy, using the latest technology, while maintaining the highest standards of quality and respect for the environment.”

***Przemysław Janiszewski
acting President of „Polimex-Mostostal” S.A.’s Management Board***



Polimex Mostostal Capital Group's strategic projects



Kozienice project for CG ENEA



Project
completed



Opole project for GK PGE



PGE Górnictwo i Energetyka
Konwencjonalna SA



Żerań project for GK PGNiG

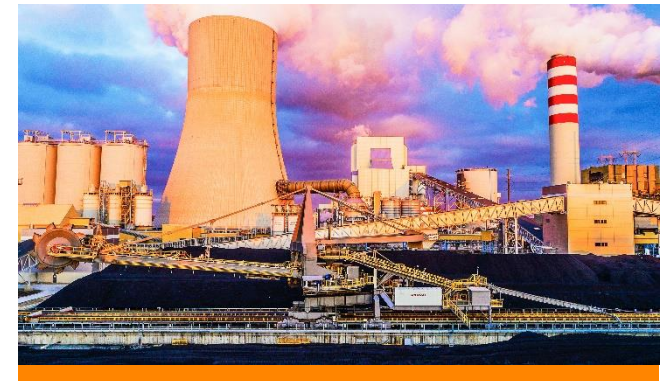


Strategic projects- Unit 11 in the Kozenice power plant

On 19 December 2017 Unit 11 in the Kozenice power plant - one of the most important investment projects on the Polish energy market has taken place. The project, implemented in the EPC-formula (Engineering, Procurement, Construction) by Polimex-Mostostal, involved the construction of a new 1,075 MW coal-powered unit, operating on supercritical steam parameters, at Enea's power plant in Kozenice. This is the largest and the most modern facility of this type in Europe. The value of the contract is PLN 5.1 billion gross, with 42.6% Polimex-Mostostal share..

The main scope of Polimex Mostostal works includes:

- civil works including general construction works of all building structures
- cooling water system including a cooling tower, a water treatment station, raw water pumping station,
- coal handling, ash removal, slag removal, oil management systems, along with rail track network,
- 110 KV and 400 KV power transmission system, LV electrical part, I&C for the above-mentioned process systems and structures,
- assembly of boiler house and turbine hall process equipment, with the exception of turbogenerator



Strategic projects- Units 5 and 6 in the Opole power plant

Polimex-Mostostal is carrying out construction works on two new 900MW units in the Opole power plant.

The value of the contract is PLN 11.5 billion gross, with 42% Polimex-Mostostal share. This is the largest and most critical investment in the history of the Polish energy sector.

Gross power of each of the units is 900 MWe

The main scope of Polimex Mostostal works includes:

- complete turbine Islands,
- the two cooling towers along with cooling-water system
- electrical installations, including I&C,
- rail track network,
- internal roads within the plant.



Strategic projects - CCGT at EC Żerań

Construction of a gas and steam unit for the Żerań heat and power plant that belongs to PGNiG TERMIKA is a strategic energy industry investment for the Warsaw metropolitan area. This will be the second-largest gas and steam unit in Poland.

Electrical power output of approximately 497 MWe net

Thermal power output of approximately 326 MWt

The main scope of Polimex Mostostal works includes:

- basic engineering and Detail engineering – PxM's scope/Civil part,
- erection and supplies:
- GT and generator erection,
- HRSG erection,
- transformer station assembly,
- BOP equipment and system erection/installation,
- HP/HT piping erection,
- carrying out all civil/construction works (in PxM's scope),
- preparing and managing construction site,
- BOP equipment and system erection/installation.





CONTACT

Polimex Mostostal Group

al. Jana Pawła II 12

00-124 Warszawa

Tel: +48 22 829 71 00 to 09

Email: relacje@polimex.pl

www.polimex-mostostal.pl