



POLIMEX MOSTOSTAL CAPITAL GROUP



FINANCIAL RESULTS FOR IQ 2020

The company carries out specialized investments in Poland and abroad for the energy, petrochemical, gas and environmental protection industries.

It is a producer and an exporter of steel structures and platform gratings. It also provides services in the galvanizing and painting of steel structures.



- **MARKET LEADER IN CONSTRUCTION**
- **5 000 EMPLOYEES**
- **700 EPC REFERENCES**
- **75 YEARS OF MARKET PRESENCE**
- **OVER 70 COUNTRIES**
- **5 CONTINENTS**
- **SAFETY LEADER**



History of Polimex Mostostal Capital Group



1945

BEGINNINGS

Establishment of the Polish Society for Export and Import of Machinery and Devices Sp. z o. o.

CEKOP

1949

Centre for Export of Complete Industrial Facilities (CEKOP) is established.

1959

POLIMEX

Polimex adopts the name Polimex – Polish Society for Export and Import of Machinery Sp. z o. o.

POLIMEX-CEKOP

1971

Merger of Polimex and Cekop. Polimex-Cekop is established.

1997

DEBUT AT THE WSE

Privatisation of Polimex-Cekop and the debut of Mostostal Siedlce on the Warsaw Stock Exchange.

MERGER

2004

Merger of Polimex-Cekop with Mostostal Siedlce. Polimex – Mostostal Siedlce S.A. is established.

2006

CHANGE IN

Change in the company name to Polimex Mostostal S.A.

RECAPITALIZATION

2017

Recapitalization of the Company by ENEA, ENERGA, PGE i PGNiG

Polimex Mostostal S.A. is a successor of several companies with a legacy of 75 years of market presence (since 1945).

WE CONSTRUCT THE FUTURE

WE CONSTRUCT THE FUTURE



 **Polimex
Mostostal** **75** years
CAPITAL GROUP 1945 – 2020

Strategic Goals of the Capital Group

- Maintaining the position of the EPC leader in the power sector with regards to large-scale energy investments on the Polish market based on our competences, our skilled personnel and our experience from the implemented projects, as well as from the projects currently in progress (inter alia, Koźienice, Opole, Żerań).
- Active acquisition and implementation of international projects after the recovery of business activity post COVID-19 pandemic.
- Further development of activity in the infrastructure and cubature construction.
- Maintaining and improving profitability of the production segment based, inter alia, on the synergy with ongoing EPC projects and operations carried out abroad.
- Diversification of the Capital Group's order portfolio – further increase in the value of non-strategic projects in the structure of revenues.
- Improvement of the project management process.



Segments of Polimex Mostostal Capital Group

Polimex Mostostal Capital Group consists of production and service companies operating in the following key sectors:



**POWER SECTOR
AND SERVICE**



**OIL, GAS
AND CHEMICAL**



PRODUCTION



**INDUSTRIAL
CONSTRUCTION**



INFRASTRUCTURE



**EQUIPMENT
BASE**



*acquisition of control in October 2019

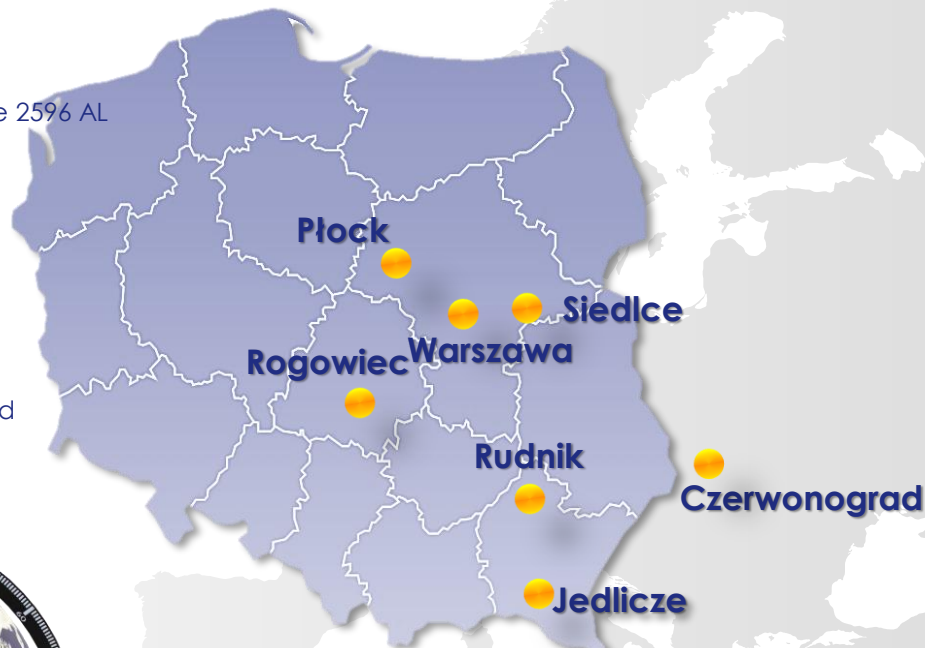
Locations of the Capital Group Companies

Polimex Mostostal B.V.
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Netherlands

Haga ●

Dortmund ●

Polimex Mostostal GmbH
Ruhrallee 9, 44139 Dortmund
Germany



MOSTOSTAL SIEDLCE SP. Z O.O. SP. K.
ul. Terespolska 12
08-110 Siedlce

WORKSHOP RUDNIK
ul. Stalowa 5
37-420 Rudnik

NAFTOREMONT-NAFTOBUDOWA SP. Z O.O.
ul. Zglenickiego 46
09-411 Płock

WORKSHOP JEDLICZE
ul. Sikorskiego 17
38-460, Jedlicze

POLIMEX OPERATOR SP. Z O.O. SP. K.
al. Jana Pawła II 12
00-124, Warszawa

EQUIPMENT BASE OF POLIMEX OPERATOR
ul. Augustyna Kordeckiego 25
09-411, Biała, Płock

POLIMEX BUDOWNICTWO SP. Z O.O. SP. K.
ul. Terespolska 12
08-110, Siedlce

ENERGOMONTAŻ - PÓŁNOC BĘŁCHATÓW SP. Z O.O.
ul. Montażowa 2
97-427, Rogowiec

**HEAD OFFICE
POLIMEX MOSTOSTAL S.A.**
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00-124 Warszawa

CZERWONOGRAZKI ZAKŁAD KONSTRUKCJI STALOWYCH
ul. Lviv, 53, Czerwonograd, region Lwów, 80100, Ukraina

Business Segments (1/2)



POWER SECTOR AND SERVICE



Polimex Energetyka - our excellent industry expertise and knowledge of energy facilities allow us to comprehensively implement organizationally and technically challenging, highly complex turnkey projects in the power sector. We operate both in Poland and the EU providing services for the following:

- CHP plants,
- power plants,
- heating plants,
- environmental protection facilities.

We deliver high-quality services with a special focus on safety and environmental protection. We apply customized solutions devised to comply with the requirements of specific projects.

Energomontaż – Pólnoc Belchatów Sp. z o.o. – acquisition of control by the Group in October 2019. It is a leading construction company specializing in the manufacturing and assembly of steel structures, power equipment and in the comprehensive implementation of industrial facilities.



OIL, GAS AND CHEMICALS



Naftoremont-Naftobudowa – we operate in a wide variety of industries, ranging from refinery, petrochemical, chemical, power, coke oven and environmental protection in Poland and the European Union.

We specialize in the construction and modernization of production facilities and installations in Poland and abroad for the following:

- chemical plants,
- kerosene refineries,
- biodiesel and bioethanol plants,
- liquid fuel storage facilities,
- gas terminals.





INDUSTRIAL & INFRASTRUCTURAL CONSTRUCTION



Polimex Budownictwo & Polimex Infrastruktura – we offer comprehensive services in the segment of industrial, infrastructural and general construction in the formula of a General Contractor (GC). The Company's offer is based on the following pillars:

Industrial construction

- production facilities,
- warehouses and logistics centres,
- sewage treatment plants and other environmental protection facilities.

General construction

- infrastructure and large-scale construction,
- office buildings, shopping centres and multiplexes,
- performance and sports halls and educational and sports facilities,
- government buildings,
- sports stadiums,
- power plants, CHP plants and heat plants
- distributed energy, environment protection.



PRODUCTION



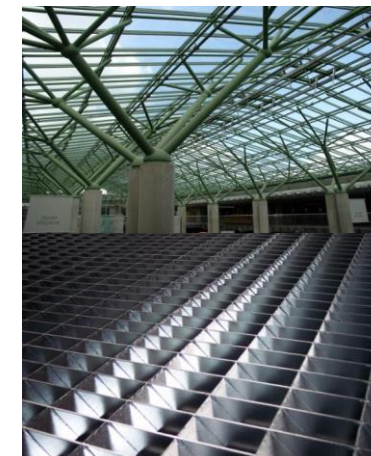
Mostostal Siedlce – one of the leading European producers of steel structures.

Mostostal Siedlce specializes in the production of steel structures and platform gratings, as well as in the corrosion protection of steel structures, in particular using the hot-dip galvanization method.

The company has also a considerable market share in the sales of shipping pallets, pallets for storing gas cylinders, pallets for construction materials, various types of containers, racks, frames and other small structures

The production capacity for steel structures alone is **3,000 tons per month**. Over 50% of production is intended for export.

Mostostal Siedlce invests in new production capacities and in innovative solutions that increase efficiency of work and workplace safety. In 2017 Mostostal Siedlce launched a robotic station for welding stair treads from platform gratings.



Opole



Two new power units 5 and 6 with the capacity of 900 MW each

- Total net value of the contract (basic) – PLN 9,382 million.
- Net share of Polimex Opole – PLN 3,894 million.
- Contract ended in September 2019

General Contractors:



Mostostal
WARSZAWA



Puławy



New power unit with the capacity of 100 MWe and 300 MWt

- Total net value of the contract – PLN 1,160 million.
- Net share of Polimex Mostostal and Polimex Energetyka – PLN 1,150 million.
- Time frame for implementation: October 2019 – October 2022

General Contractor:



Żerań CHP Plant



497 MWe gas and steam power unit
at the Żerań CHP Plant in Warsaw

- Total net value of the contract –
PLN 830 million, EUR 91 million
- Share of Polimex Mostostal –
PLN 317 million
- Time frame for implementation:
June 2017 – November 2020

General Contractors:



Dolna Odra Power Plant



Two new gas and steam power units
at PGE GiEK S.A., Dolna Odra Power
Plant Branch

- Total value of the contract –
PLN 3,650 million
- Net share of Polimex Mostostal –
PLN 1,515 million.
- Time frame for implementation:
February 2020 – December 2023

General Contractors:





SELECTED FINANCIAL DATA FOR IQ 2020

Polimex Mostostal Capital Group

In mln PLN	IQ 2019	IQ 2020
OPERATING INCOME	353	351
OPERATING PROFIT	-12	7
EBITDA	-3	17
GROSS INCOME	-18	9



NOTES

- The operating income of Polimex Mostostal Capital Group (the “Capital Group”) for IQ 2020 was PLN 351 million and it is slightly lower than the operating income in IQ 2019.
- The EBITDA of the Capital Group for the IQ 2020 was PLN 17 million (which constitutes an EBITDA margin at the level of 4,8%) and is higher by PLN 20 million compared to the corresponding result in 2019.
- The net financial result of the Capital Group for the IQ 2020 is higher by 27 mln PLN than compared to the corresponding result in 2019 and represents 2.6% of operating income.



Segments of the Capital Group in 1Q 2020 (in mln PLN)

in mln PLN	Power */	Production	Oil, gas, chemicals	Industrial construction	Infrastructure construction	Other activities	Exclusions	Total
SALES TO EXTERNAL CUSTOMERS EXCLUDING SALES REVENUE BETWEEN THE SECTORS	93	148	88	6	14	2		351
TOTAL INCOME PER SECTOR INCLUDING SALES REVENUE BETWEEN THE SECTORS	97	163	88	20	15	8	-40	351
OPERATING RESULT PER SECTOR	0	6	1	3	4	-7		7
BALANCE ON INCOME AND FINANCIAL COSTS	-1	4	1	1	0	-3		2
GROSS INCOME PER SECTOR	-1	10	3	4	4	-11		9
EBITDA	1	11	2	3	4	-4		17
SALES REVENUE - POLAND	86	61	47	20	15	6	-39	196
SALES REVENUE - ABROAD	11	102	41	0	0	2	-1	155

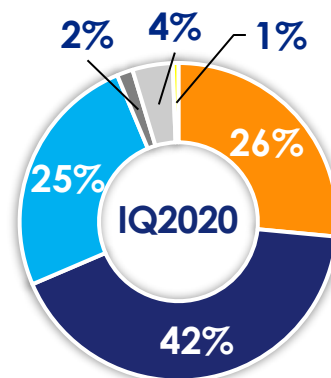
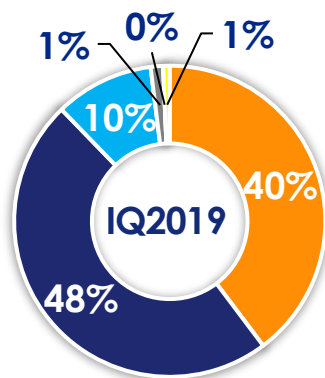
The income from transactions between the segments has been excluded.

* / The operating profit of the Power Sector segment includes the share in the profit of an associated entity in the amount of PLN 0.1 million

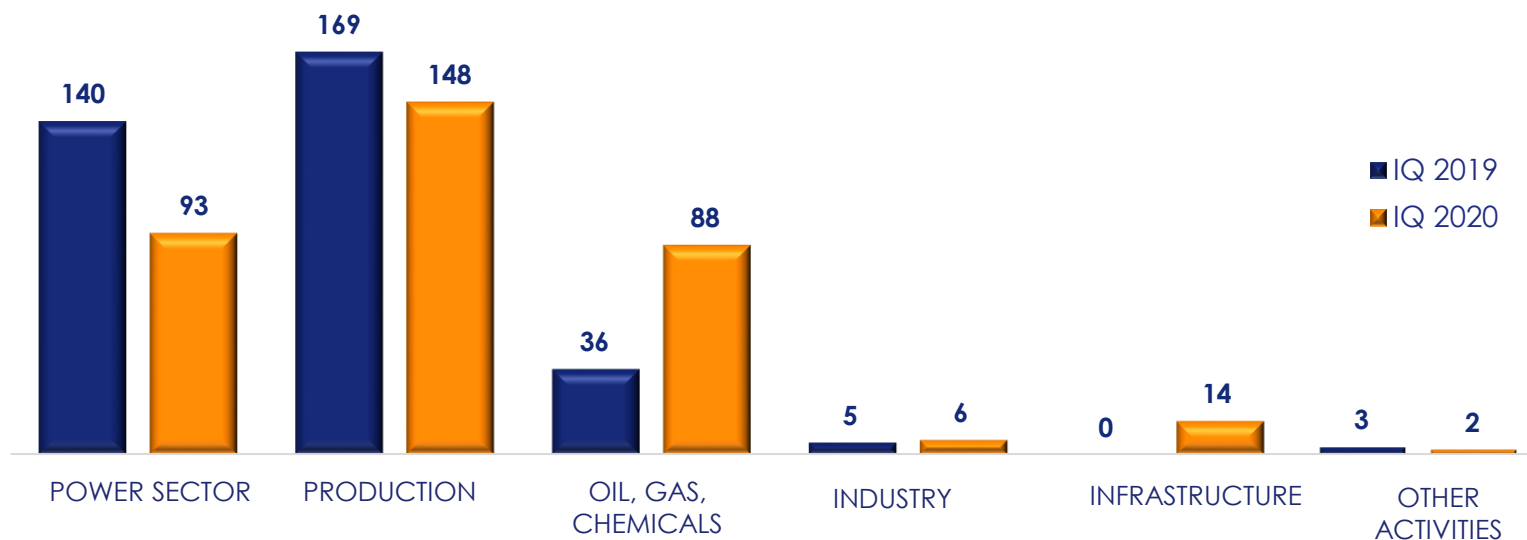
NOTE

- The highest sales revenues were generated by Production and the Power Sector – approximately 69% in total.
- The best financial results in 1Q 2020 were generated by the Production segment (EBITDA) and Infrastructural Construction (gross income).
- Revenues from international sales amount to PLN 155 million and they constitute 44% of the total sales revenues.

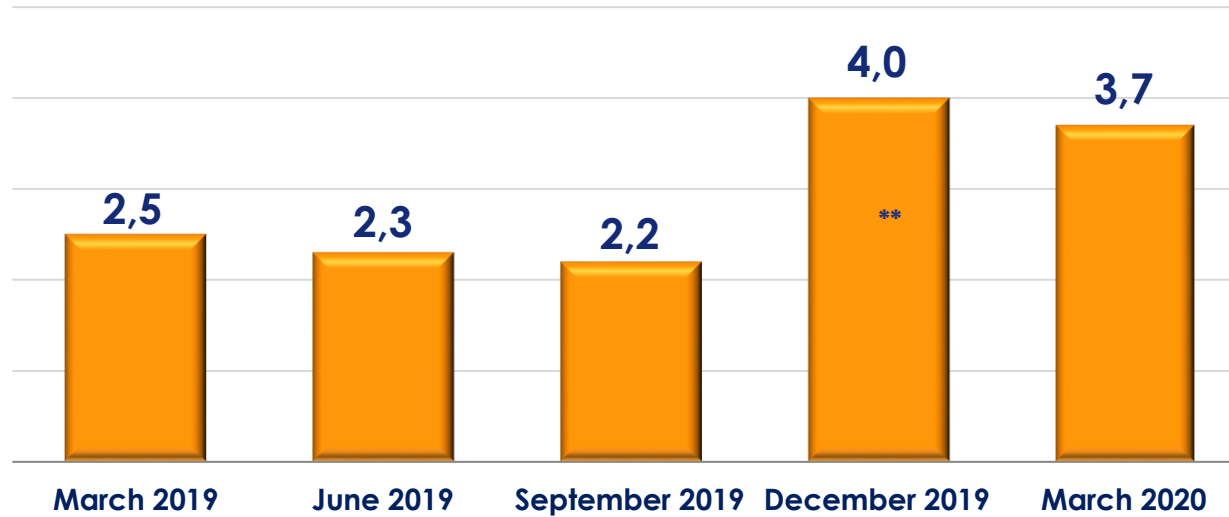
Polimex Mostostal Capital Group - Revenues in IQ 2020 (in mln PLN)



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



Polimex Mostostal Capital Group Order Book (in billion PLN)



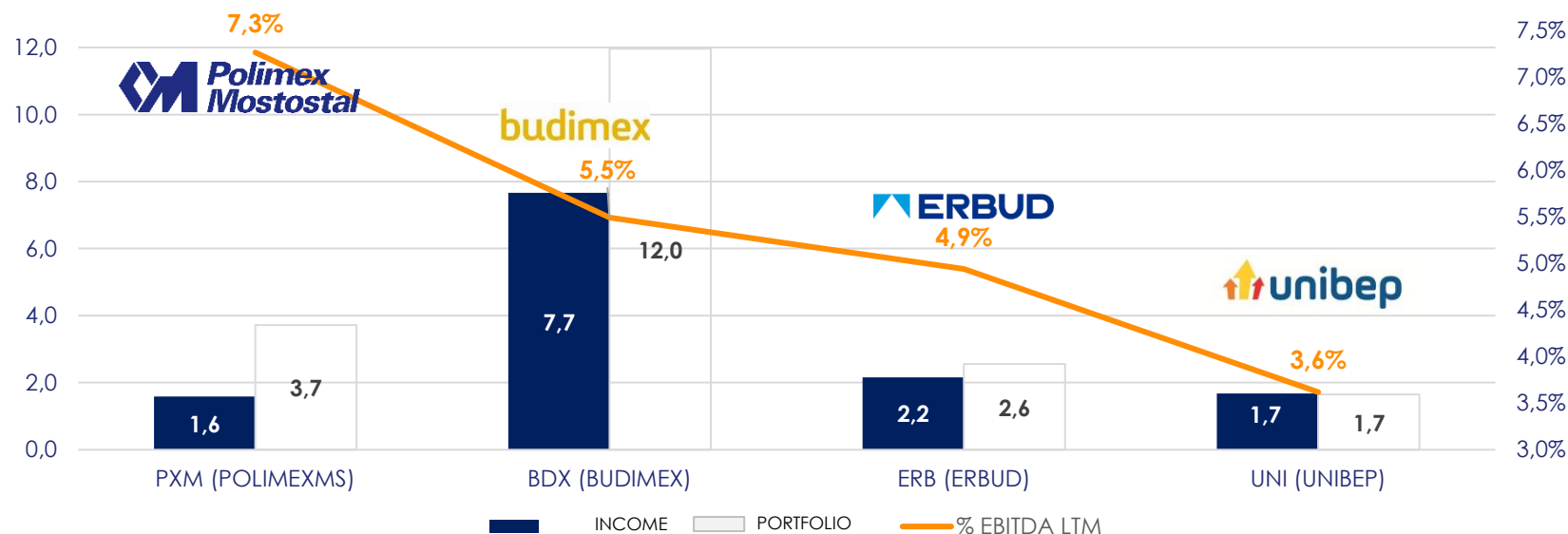
Order portfolio after IQ 2020 in million PLN



* including strategic projects
 ** The Group's order portfolio in September 2019 included the offer by Nafforemont-Naftobudowa Sp. z o.o. and Agat S.A. selected by PERN S.A. in the tender procedure for the construction of storage tanks in Mataszewicze and Emilianów. The share of Nafforemont in this project is circa PLN 55.8 million, whereas the total value of the offer amounts to PLN 107 million.



Financial Results of Polimex Mostostal Capital Group compared with the companies listed in WIG-BUD in billion PLN



NOT

- The EBITDA margin of Pxm Capital Group in 12 months (LTM) was at the level of 7,3 % and it was the best result percentage-wise among all listed companies.
- The order portfolio of Pxm CG currently amounts to PLN 3,7 billion. This will ensure a stable source of revenue for the Group over the next two financial years (the ratio Portfolio / Revenue for Pxm CG is 2.3).
- The same ratio for other companies listed in WIG-BUD are as follows:
 - Budimex: 1.6
 - Erbud: 1.2
 - Unibep: 1.0

ASSUMPTIONS:

- Selected companies similar in size in terms of revenue who published their financial data for the IQ 2020 by 15 May 2020 (the publication of the financial data for IQ 2020 by Pxm CG).
- If EBITDA, was not provided in the company's financial information, it was calculated as EBIT (operating result) increased by depreciation.
- The value of order portfolio of selected companies based on current reports, company updates and comments regarding the financial situation in IQ 2020.

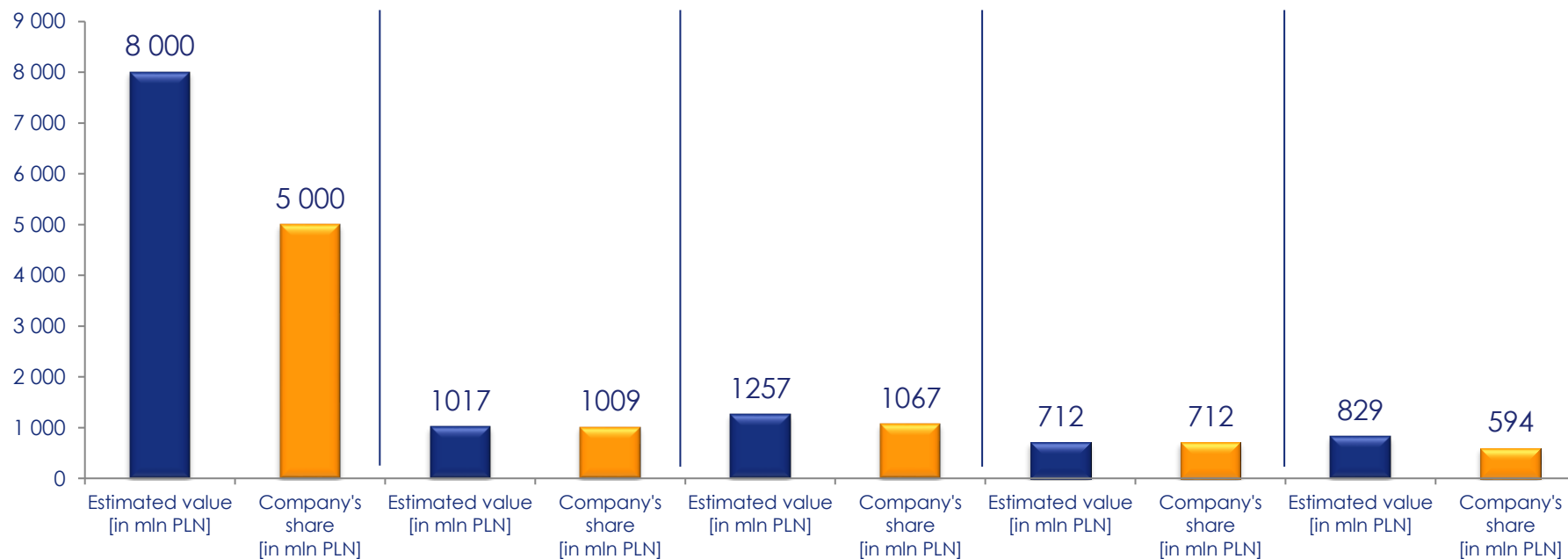


Value of Currently Offered Projects

Polimex Mostostal 75 years
CAPITAL GROUP 1945 - 2020



Estimated Value of Currently Offered Projects in the Group



Priority projects:

- Expansion of the LNG Terminal in Świnoujście
- Construction of a 450-750 MWe gas and steam power unit in Grudziądz
- Turnkey implementation of a gas and steam CHP plant for Kogeneracja S.A. in Siechnice
- Construction of a coal gas-fired power unit for IGCC Łęczna

- Turnkey construction of two gas and steam power units in Dolna Odra (contract value: PLN 3.6 billion, of which the share of PxM is PLN 1.5 billion, **Client: PGE Górnictwo i Energetyka Konwencjonalna (Poland)**)
- Performance of works on the Visbreaking installation – Object OSBL 100/200/210 (contract value: PLN 119.9 million), **Client: PKN Orlen (Poland)**
- Construction of the basic status of the residential complex – Warsaw, Ordona Street (1 Step) (contract value: PLN 37,9 million), **Client: Projekt ECHO-136 (Polska)**
- Heat Accumulation System in EC Karolin Veolia Poznań (contract value: PLN 35,9 million), **Client: VEOLIA EP (Poland)**
- Construction of storage tanks $V=5000\text{ m}^3$ Olefiny (contract value: PLN 14,39 million) **Client: Orlen Project (Poland)**
- Renovations on the installations at the BASF refinery – a framework agreement for the period between 2020-2023 (estimated contract value for 2020 is PLN 13.4 million), **Client: BASF (Belgium)**
- Delivery, prefabrication and erection of pipelines and installation of equipment for Kemsley (contract value: PLN 9,8 million) **Client: Bertsch GmbH (England)**
- Renovations project (contract value PLN 7,83 million PLN) **Client: PKN Orlen (Poland)**
- Prefabrication of two cylindrical furnaces with a joint convection and a chimney along with the accompanying AXENS steel structure (contract value: PLN 3.21 million), **Client: NYNAS (Sweden)**
- Modernization of the existing fire protection system at the Koziencice Power Plant in Świerże Górne to adapt the system to the current regulations (contract value: PLN 1.66 million), **Client: ENEA Wytwarzanie (Poland)**
- Construction of an industrial water system on the carburation installations as part of the modernization of the existing fire protection system at the Koziencice Power Plant in Świerże Górne to adapt the system to the current regulations (contract value: PLN 0.60 million), **Client: ENEA Wytwarzanie (Poland)**

Clients



Partners



International Markets – Our Clients



NESTE OIL



Oiltanking



ABB



Donges
STEELTEC



uni
per



THI
TULSA
HEATERS
INC.



Saipem



Ruhrkühlturm



International Markets – Our Partners



BILFINGER



Leader of Safety



The primary goal of Polimex Mostostal Capital Group is to implement projects that fulfil the expectations of our Clients, while adhering to the highest international quality, environmental protection and occupational health and safety standards, with due regard for corporate ethics.

Polimex Mostostal Capital Group has once again been granted the highest distinction in the area of workplace safety – the Golden Card of the Workplace Safety Leader for the years 2020-2021. The prize has been awarded by the Central Institute for Labour Protection – National Research Institute (CIOP-PIB).

In recognition of the extraordinary results by the Group in applying science and technology for the improvement of working conditions, safety and protection of an individual in the workplace, the Commission for the Selection of the Workplace Safety Leaders within the Central Institute for Labour Protection – National Research Institute (CIOP-PIB) has once again granted Polimex Mostostal Capital Group the Golden Card of the Workplace Safety Leader for the years 2020-2021. The Golden Card was presented on 14 November 2019 during the gala following the 22nd Forum of Workplace Safety Leaders in Warsaw.



**Porozumienie
dla Bezpieczeństwa
w Budownictwie**



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