



POLIMEX MOSTOSTAL CAPITAL GROUP



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**



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

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

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

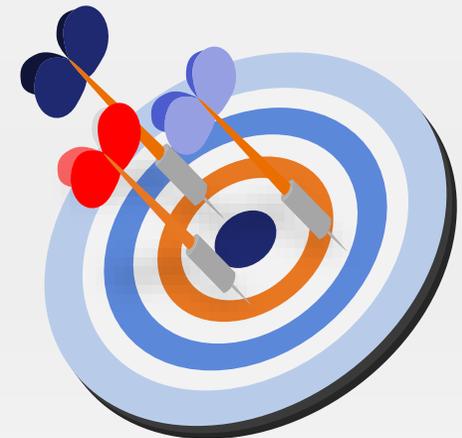


EQUIPMENT BASE



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, Puławy, Dolna Odra).
- 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.





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 – Północ Belchatów Sp. z o.o. – a leading construction company specializing in the manufacturing and assembly of steel structures, power equipment and in the comprehensive implementation of industrial facilities. The acquisition of control of the company by the Capital Group took place in October 2019.



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 are the undisputed leader in the construction of liquid fuel tanks.

We specialize in the construction, service 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.



Business segments (2/2)



INDUSTRIAL AND INFRASTRUCTURE CONSTRUCTION



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

Industrial and cubature construction

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

Infrastructure and general construction

- design and construction of road, bridge and hydrological facilities,
- design and construction of cubature structures,
- office buildings, shopping centres and multiplexes,
- performance and sports halls, educational and sports facilities and stadiums,
- government buildings,
- 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 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 the efficiency of work and workplace safety. In 2017 Mostostal Siedlce launched a robotic station for welding stair treads from platform gratings.

Stalfa Sp. z o.o. is a Polish manufacturer of steel and aluminium products widely used in the construction industry, most notably in infrastructure, telecommunications, energy and road engineering.



Strategic coal projects – Opole and Puławy

Opole



Project ended in
September 2019.

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 was finalized in September 2019**

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 Contractors:



Żerań CHP Plant



Gas and steam power unit with the capacity of 497 MWe at the Żerań CHP Plant in Warsaw

- **Total net value of the contract:**
PLN 860 million, EUR 91 million
- **Net share of Polimex Mostostal:**
PLN 337 million
- **Time frame for implementation:**
June 2017 – April 2021

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

Contractors:









SELECTED FINANCIAL DATA FOR IH 2020

Polimex Mostostal Capital Group

in mln PLN	IH 2019	IH 2020
OPERATING INCOME	750	724
OPERATING PROFIT	-4	31
EBITDA	13	50
GROSS INCOME	-12	24



NOTES

- The operating income of Polimex Mostostal Capital Group (the "Capital Group") for the first half of 2020 was PLN 724 million and it is slightly lower than the operating income in the first half of 2019.
- The EBITDA of the Capital Group for the first half of 2020 was PLN 50 million (which constitutes an EBITDA margin at the level of 6.9%) and is higher by PLN 37 million compared to the corresponding result in the 2019.
- The net income of the Capital Group for the first half of 2020 is higher by PLN 36 million compared to the corresponding result in 2019 and it constitutes 3.4% of the operating income.



Segments of the Capital Group in IH 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	212	268	181	18	42	3		724
TOTAL INCOME PER SECTOR INCLUDING SALES REVENUE BETWEEN THE SECTORS	217	296	182	45	43	20	-79	724
OPERATING RESULT PER SECTOR	6	9	15	6	10	-15		31
BALANCE ON INCOME AND FINANCIAL COSTS	-1	2	1	-1	0	-4		-3
GROSS INCOME PER SECTOR	4	11	17	5	10	-19		28
EBITDA	8	20	16	6	10	-10		50
SALES REVENUE - POLAND	193	107	121	45	43	17	-78	448
SALES REVENUE - ABROAD	24	189	61	0	0	3	-1	276

The income from transactions between the segments has been excluded.

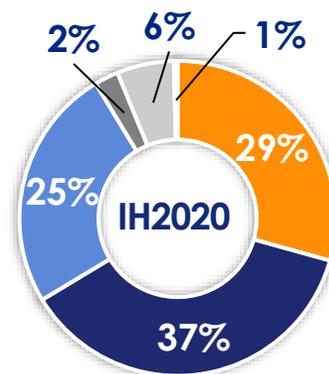
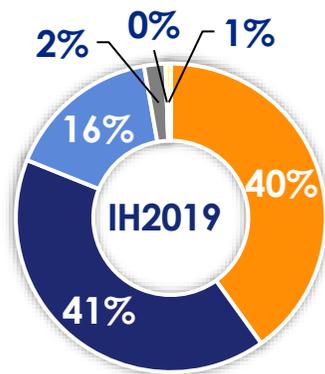
*/ Operating profit in the Power Sector includes the share in the profit of an associated entity in the amount of PLN 0,2 million

NOTES

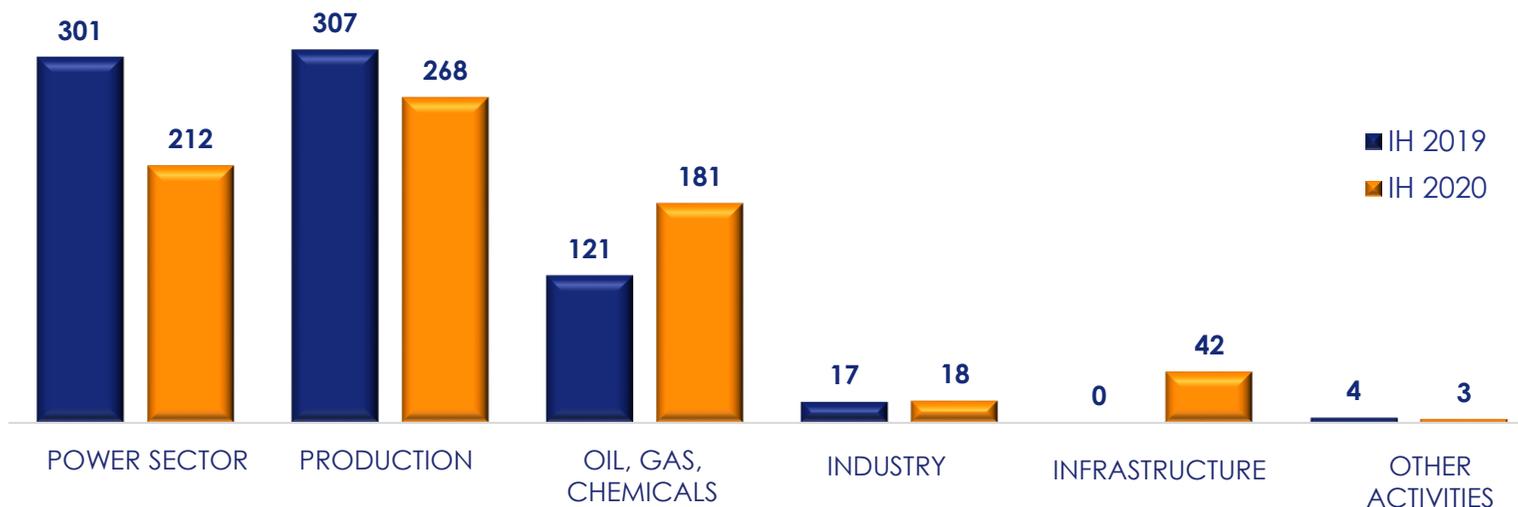
- The highest sales revenues were generated by Production and the Power Sector – 66 % in total.
- The best financial results in the first half of 2020 were generated by Production (EBITDA) and Oil, Gas and Chemicals.
- Revenues from international sales amounted to PLN 276 million and they constitute 38 % of the total sales revenues of the Capital Group.

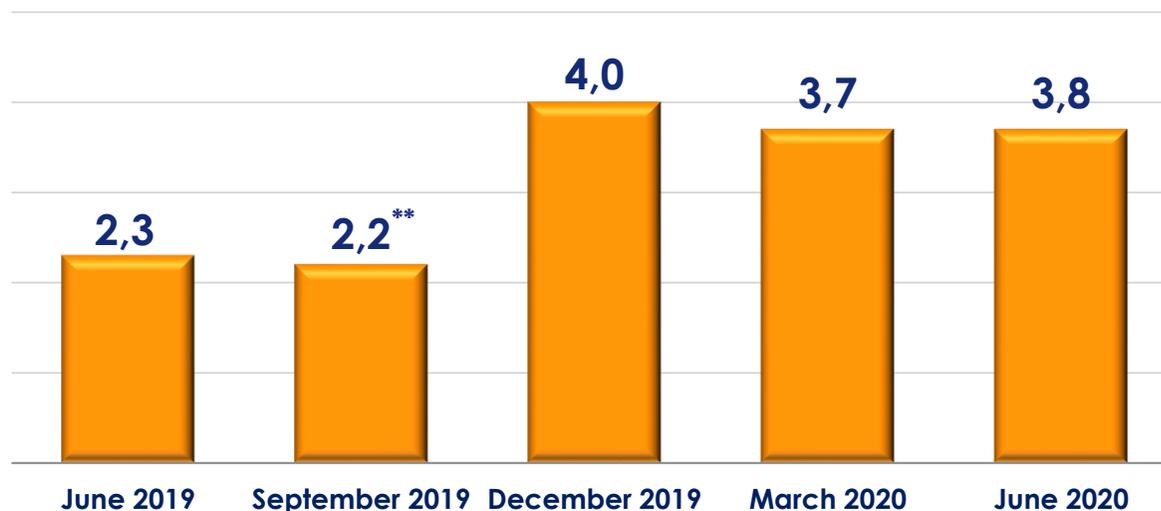
Polimex Mostostal Capital Group - Revenues in IH 2020

(in mln PLN)



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





Order portfolio for IH 2020 in million PLN

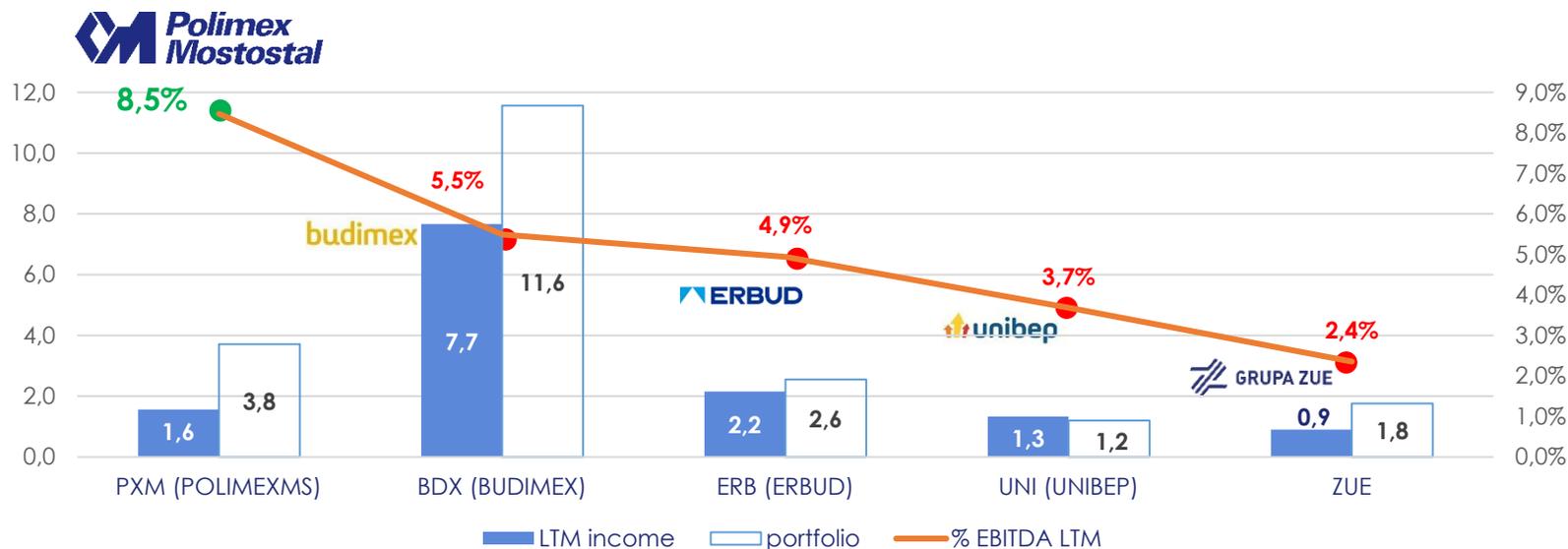


* including strategic projects

** The Group's order portfolio in September 2019 included the offer by Naftoremont-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 Małaszewicze and Emilianów. The share of Naftoremont 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



NOTES

- In the last 12 months Polimex Mostostal Capital Group (GK PxM) has generated the EBITDA margin at the level of 8.5%, which constitutes the highest ratio among the compared companies.
- The order portfolio of Polimex Mostostal Capital Group currently amounts to circa PLN 3.8 billion. This will ensure a stable source of revenue for the Group over the next two financial years (the LTM ratio Portfolio / Revenue for PxM CG is 2.4).
- The corresponding ratio for other companies listed in WIG-BUD are as follows:
 - Budimex: 1.5
 - Erbud: 1.2
 - Unibep: 1.0
 - ZUE: 2.0

ASSUMPTIONS:

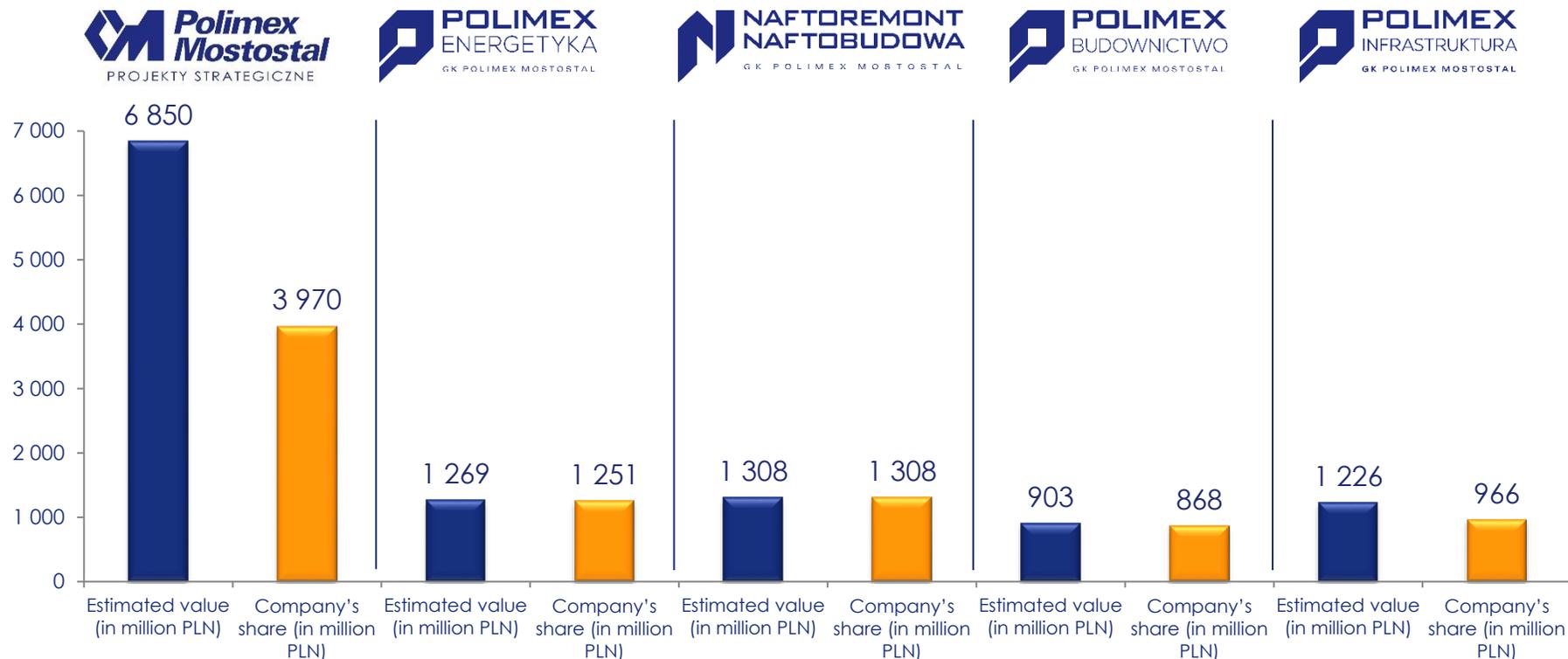
- Of the above-mentioned construction companies the WSE report for the first half of 2020 has been insofar published by ZUE. For the remaining companies (BDX, ERB, UNI) the publication of the financial data will take place after 24 August 2020.
- If EBITDA, was not provided in the company's financial information, it was calculated as EBIT (operating result) increased by depreciation.
- Annual LTM (Last Twelve Months) data is calculated as the sum of the financial data published in the last four quarters
- The values of the order portfolios of selected companies is based on current reports, company updates and comments regarding the financial situation of these companies

Value of Currently Offered Projects

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



Value of Currently Offered Projects in the Companies (gross)



Priority projects:

- 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
- Modernization of the coke oven battery No 4 in Dąbrowa Górnicza for JSW KOKS S.A.

New projects since 1 January 2020

- 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 S.A (Poland)**
- Performance of works on the Visbreaking installation – Object OSBL 100/200/210 (contract value: PLN 119.95 million), **Client: PKN Orlen (Poland)**
- Expansion of the heating system in Słupsk through the construction of a highly efficient gas source in cogeneration with the capacity of up to 20 MW within the “Słupsk Bioenergy Cluster” implemented by ENGIE EC Słupsk Sp. z o.o. in Słupsk* (contract value: PLN 99.8 million), **Client: ENGIE EC Słupsk Sp. z o.o.**
- Construction of a peak load boiler for natural gas with a capacity of 150 Mg of steam per hour at Grupa Azoty Zakłady Azotowe Kędzierzyn* (contract value: PLN 91.6 million), **Client: Zakłady Azotowe Kędzierzyn**
- Construction of the connection between the Paderewski street with the Wyzwolenia street in Konin in relation to the modernization of the E-20 railway line (contract value: PLN 53 million), **Client: City of Konin (Poland)**
- Construction of a shell of a residential complex on the Ordonia street in Warsaw (Stage 1) (contract value: PLN 37.9 million), **Client: Projekt ECHO-136 (Poland)**
- Janikowo Wind Park (contract value: PLN 35 million), **Client: E&W (Poland)**
- Construction of a heat accumulation system at the Karolin CHP Plant in Poznań (contract value: PLN 35.9 million) **Client: VEOLIA EP (Poland)**
- Reconstruction of the following streets: Kasztanowa, Do Zdroju, Wrzosowa, Maratońska, Św. Ducha, Poznańska and Wojska Polskiego in Jarocin (contract value: PLN 19.9 million), **Client: City of Jarocin (Poland)**
- Construction of three V = 5000 m³ tanks at Olefina II (contract value: PLN 14.39 million), **Client: Orlen Projekt (Poland)**
- Renovation works 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 and assembly of Kemsley pipelines (contract value: PLN 9.18 million), **Client: Bertsch (England)**
- Renovation works (contracts value: PLN 7.83 million), **Client: PKN Orlen (Poland)**
- Prefabrication of the Heurtey furnace with two radiations – HF-510-01 and HF-510-02, (contract value: PLN 3.21 million), **Client: NYNAS (Sweden)**

* selection of the offer from Polimex Mostostal



**Polimex
Mostostal**

CAPITAL GROUP

75 years
1945 - 2020



TECHNICAL SAFETY LEADER

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**



Klienci



Partnerzy



International Markets – Our Clients



NESTE OIL



Oiltanking



ABB



Donges
STEELTEC



uni
per



THI
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Saipem



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International Markets – Our Partners



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