



Q 1 2021 RESULTS

POLIMEX MOSTOSTAL CAPITAL GROUP



FINANCIAL RESULTS FOR Q 1 2021



C A P I T A L G R O U P



WE BUILD THE FUTURE

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**
- **76 YEARS OF MARKET PRESENCE**
- **OVER 70 COUNTRIES**
- **5 CONTINENTS**
- **SAFETY LEADER**

Segments of Polimex Mostostal Capital Group

Polimex Mostostal Capital Group consists companies operating in the following key sectors:



POWER SECTOR AND SERVICE



OIL, GAS AND CHEMICAL



INDUSTRIAL CONSTRUCTION



PRODUCTION



INFRASTRUCTURE



EQUIPMENT BASE



Business segments (1/2)



POWER SECTOR AND SERVICE

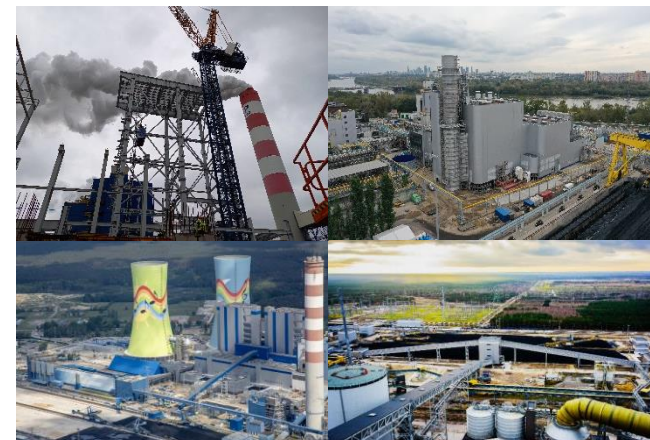


Polimex Energetyka – our excellent industry expertise and knowledge of energy facilities allow us to comprehensively implement organizationally and technically challenging, highly complex turnkey projects in the power sector. We operate both in Poland and the EU providing services for the following:

- 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-Północ Bełchatów S.A. – 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.

Instal-Lublin S.A. is one of the biggest installation service companies in Poland, specialized in works on industrial, housing and utility investments. Scope of the service includes assembly of heat, ventilation, sanitary and technological installations, also external water-pipe network, sewage, heat and gas systems with designing. In GK PxM from April 2021.



PRODUCTION



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

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

Czerwonogradzki Zakład Konstrukcji Stalowych is one of the largest producers of steel structures in Western Ukraine. The production capacity for steel structures alone is 400 tons per month. Most of the production goes to the Ukrainian market.





SELECTED CURRENTLY IMPLEMENTED PROJECTS

Strategic coal project - Puławy

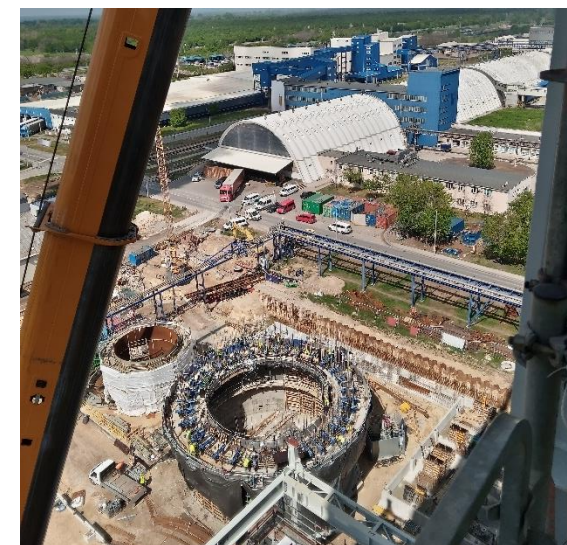
Puławy



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:
10.2019 – 10.2022

Contractor:



Strategic gas project - Żerań

Żerań

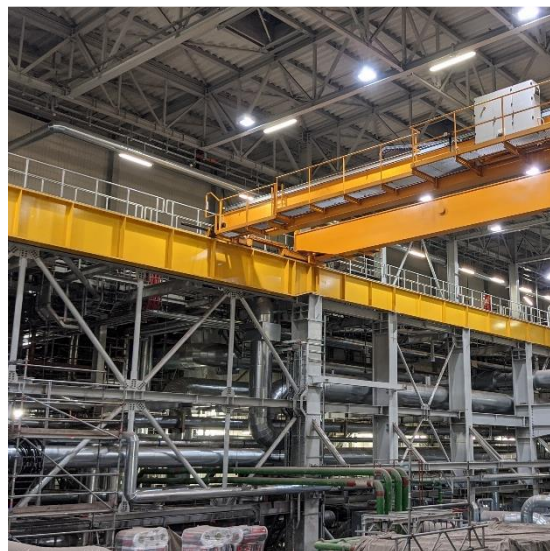


Gas and steam power unit with the capacity of 497 MWe at the Żerań CHP Plant in Warsaw



- Total net value of the contract:
PLN 906 million, EURO 91 million
- Net share of Polimex Mostostal
PLN 350 million
- Time frame for implementation
06.2017 – 09.2021

Contractors:



Strategic gas project - Dolna Odra

Dolna Odra



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 1 506 million
- **Time frame for implementation**
02.2020 – 12.2023

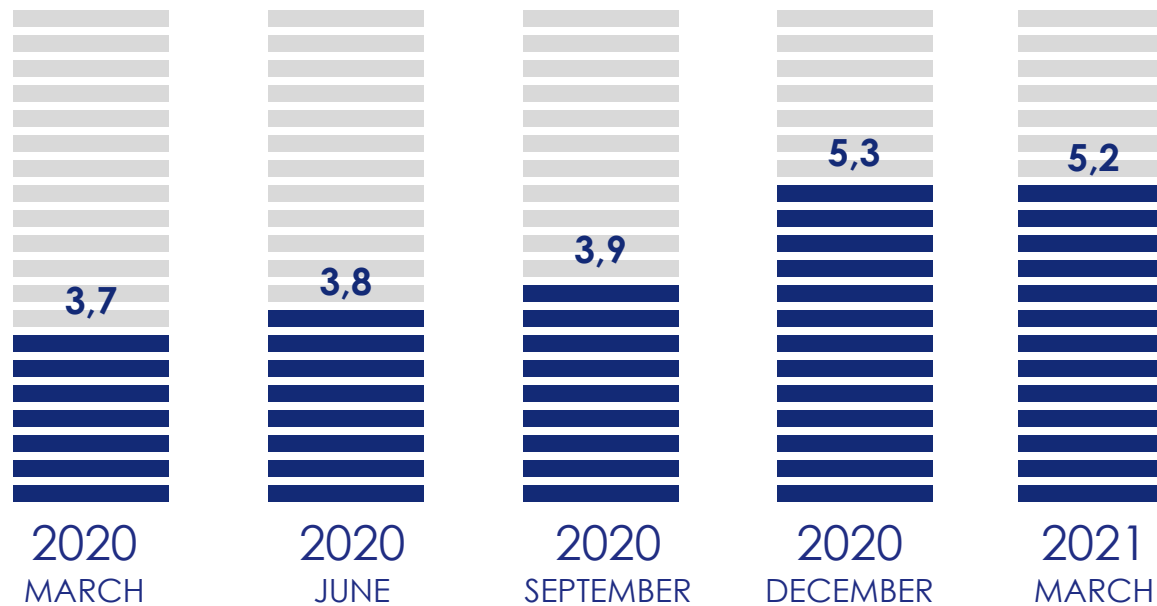
Contractors:



ORDER BOOK AND VALUE OF CURRENTLY OFFERED PROJECTS



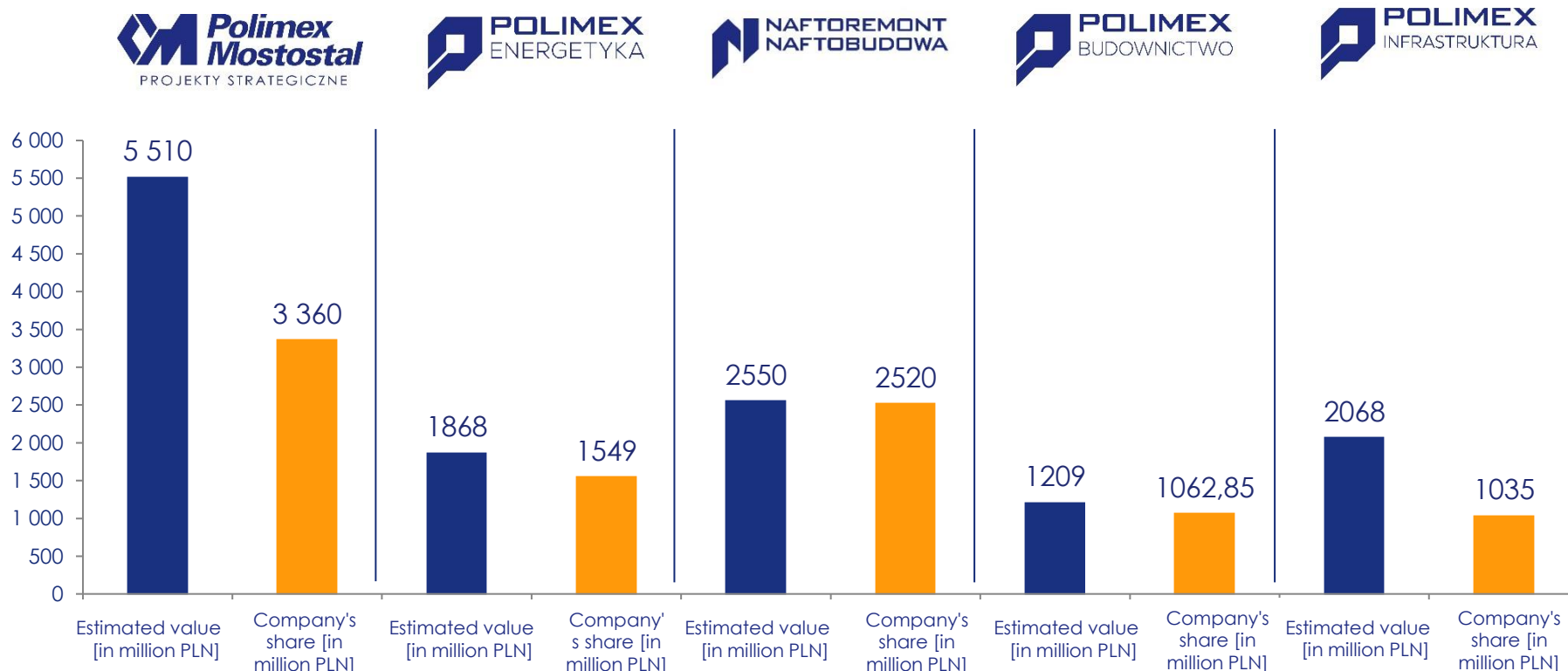
Polimex Mostostal Capital Group Order Book (in billion PLN)



Order portfolio after Q 1 2021 in million PLN



Value of Currently Offered Projects in the Companies (gross)



Priority projects:

- Implementation on Turn-key basis of an Steam and Gas-Heat Power Plant for Kogeneracja S.A. in Siechnice, Poland
- Construction of Hydrogenated Vegetable Oils Unit (HVO) for PKN Orlen S.A.
- Construction of Hydrocracked Base Oil Unit (HBO) for LOTOS S.A.
- Construction of the Second Generation Bioethanol Production Installation in Jedlicze for Orlen Południe S.A.
- Construction of Thermal Waste Treatment Installation in Łódź for Veolia Nowa Energia Sp. z o.o.
- Construction of Thermal Waste Treatment Installation in Rogowiec for PGE GiEK S.A.

New project as from 01.01.2021 (net amounts in PLN)

- Extension of tram lines in Olsztyn (Contract amount: PLN 327.7 million), (Consortium with Trakcja S.A.), **Client: Gmina Olsztyn (Poland)***,
- Construction of Eco-Innovation Center Building with equipment and landscaping (Contract amount: PLN 64,9 million), **Client: Politechnika Gdańska (Poland)**,
- Modernization of Marsa-Żołnierska streets section. junction Marsa – town border– stage III, (Contract amount: PLN 46,4 million), **Client: Zarząd Miejskich Inwestycji Drogowych in Warsaw (Poland)**,
- Reconstruction, Extension and Superstructure of office building with underground garage and landscaping by Pory 80 street in Warsaw (Contract amount: PLN 44,9 million), **Client Innogy Stoen Operator Sp. z o.o. (Poland)**,
- Delivery and erection of steel structures of Boiler House Chalampe (Contract amount 16,2 million PLN), **Client Standardkessel Baumgarte GmbH (France)**,
- Construction of Military headquarters Building – basic state with roof covering in Siedlce (Contract amount 14,2 million PLN), **Client: AMW SINEVIA Sp. z o.o. (Poland)**,
- Boiler Modernization on Block 8 in ENEA Wytwarzanie in Swierże Górne in 2021, (Contract amount: 12,3 million PLN), **Client: ENEA Wytwarzanie sp. z o.o. (Poland)**,
- Erection of steel structures and equipment Horizon (Contract amount 11,2 million PLN), **Client KT Kinetics Technology S.p.A. (France)**.

**Proposal of Polimex Mostostal Capital Group companies with lowest price (Proposals opening) tender procedure in progress without final Contract amount



SELECTED FINANCIAL DATA FOR Q 1 2021



Selected financial data for Q 1 2021

Polimex Mostostal Capital Group

in million PLN	Q 1 2020	Q 1 2021
OPERATING INCOME	351	409
OPERATING PROFIT	7	8
EBITDA	17	16
GROSS INCOME	9	3



NOTES

- The operating income of Polimex Mostostal Capital Group (the "Capital Group") for the Q 1 2021 was PLN 409 million PLN and it is higher than the operating income in the Q 1 2020 by PLN 58 million, i.e. 14%.
- EBITDA of the Capital Group amounted to PLN 16 million in Q 1 2021 (which represents an EBITDA margin of 4.0%) and is lower by PLN 1 million compared to the first quarter of 2020.
- The net result of the Capital Group for Q1 2021 is PLN 6 million lower than the result for Q1 2020 and represents 0.6% of operating income.

Segments of the Capital Group in Q 1 2021 (in million PLN)

Data in mln PLN	Power Engineering */	Production	Oil, gas, chemicals	Industrial construction	Infrastructure construction	Other Activities	Exclusions	Total
SALES TO EXTERNAL CUSTOMERS <i>(EXCLUDING SALES BETWEEN SEGMENTS)</i>	191	147	53	12	5	1		409
TOTAL SEGMENT REVENUE <i>(INCLUDING SALES BETWEEN SEGMENTS)</i>	191	153	56	27	9	10	-37	409
SEGMENT OPERATING ACTIVITIES RESULTS	5	7	0	-1	1	-4		8
BALANCE OF FINANCIAL INCOMES AND EXPENSES	-1	0	0	0	0	-2		-3
SEGMENT GROSS RESULTS	4	6	1	-1	1	-6		5
EBITDA	6	12	1	-1	1	-3		16
SALES REVENUE - COUNTRY	182	57	43	27	9	9	-37	290
SALES REVENUE - ABROAD	9	96	13	0	0	1	0	119

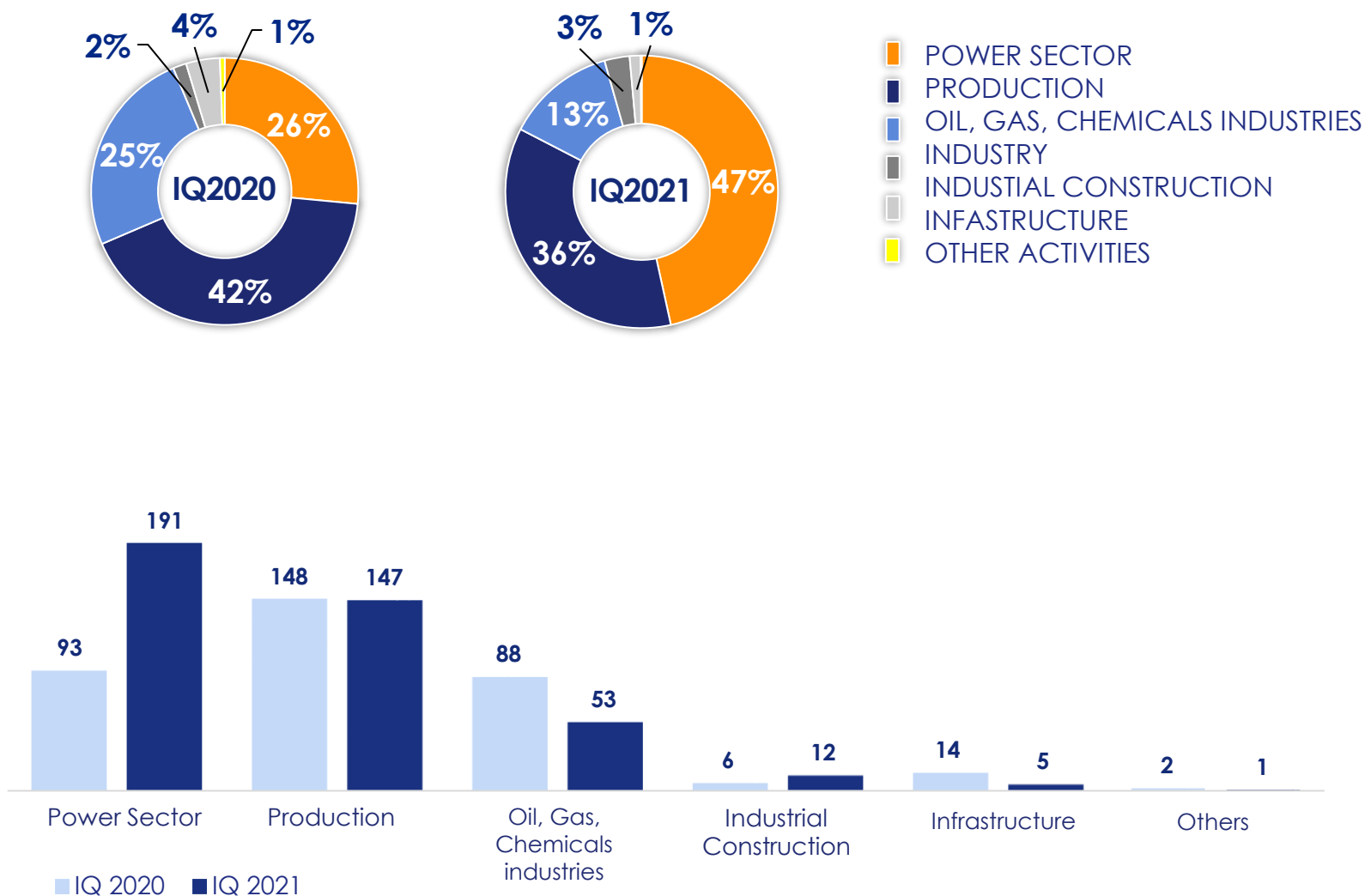
The income from transactions between the segments has been excluded.

*/ Operating profit in the Power Sector includes the share in the profit of an associated entity in the amount of PLN 0,1 mln

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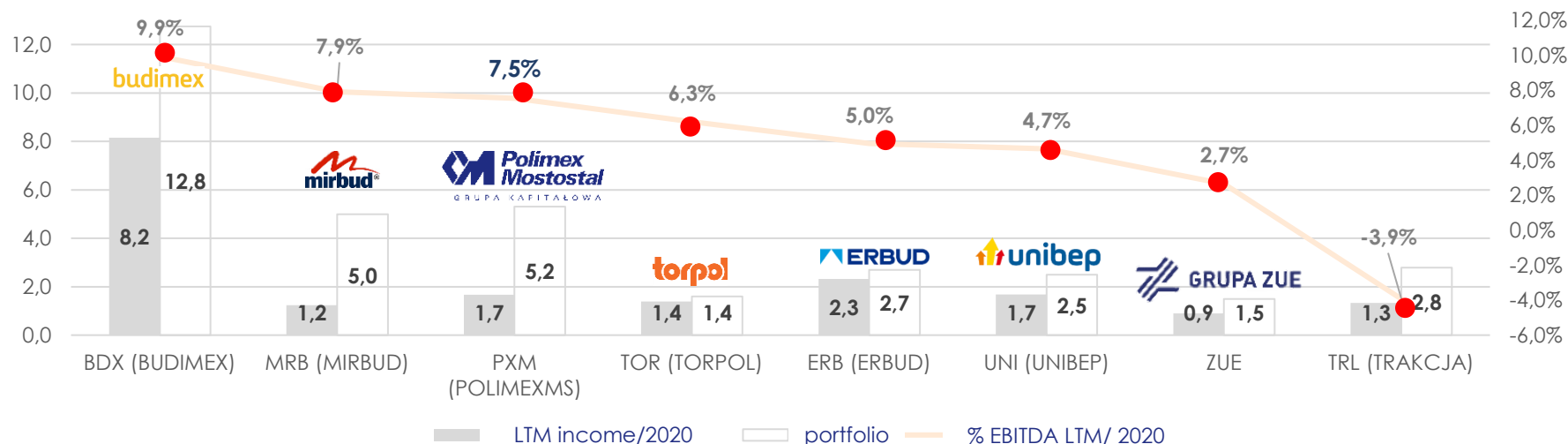
- The highest sales revenues were generated by Production and the Power Sector – 83% total.
- The best financial results in Q1 2021 were generated by Production (EBITDA and gross profit)
- Revenues from international sales amounted to PLN 119 million and they constitute 29% of the total sales revenues of the Capital Group

Polimex Mostostal Capital Group - Revenues in Q 1 2021 (in million PLN)



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

Comparative analysis to WIG-BUD listed companies



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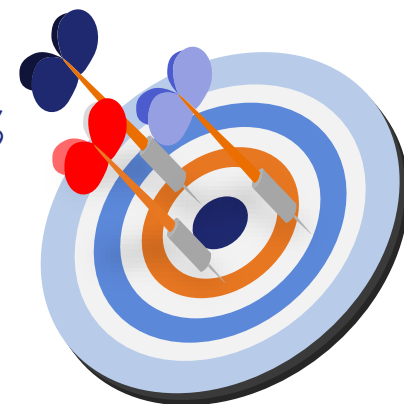
- Capital Group Polimex Mostostal (GK PxM) reached 7,5%* EBITDA margin in Q1.2021
- Portfolio of GK PxM contracts currently amounts to 5,2 billion PLN. It ensures a stable income for Capital Group for a period, that is longer than three financial years. Capital Group's Portfolio/ Income ratio is equal to 3,2. In the case of the compared companies, these ratios are as follows:
 - Budimex: 1,6
 - Mirbud: 4,0
 - Torpol 1,0
 - Unibep: 1,5
 - Erbud: 1,2
 - ZUE: 1,7
 - Trakcja 2,1

ASSUMPTIONS:

- Among the above-mentioned companies, the WSE report for the first quarter of 2021: Budimex, Erbud, Torpol. Other company data presented for the full year 2020.
- EBITDA, if it is not stated directly in the financial information of a given company, calculated as EBIT (operating result) increased by depreciation.
- Value of the portfolio signed on the basis of current information, news and comments on the financial situation of the mentioned companies

Strategic Goals of the Capital Group in 2021

- Realisation of the initiatives from the Development Plan of Polimex Mostostal 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, Żerań, Puławy and Dolna Odra).
- Further development of activity in the Infrastructure and Cubature Construction Sectors.
- Active acquisition and implementation of international projects after the recovery of business activity in, post COVID-19 pandemic, Europe.
- Maintaining and improving profitability of the production segment based, inter alia, on the synergy with ongoing EPC projects and operations carried out abroad.
- Continuation of the construction of a coal-fired unit at Zakłady Azotowe Puławy and construction of power units at the Dolna Odra power plant.
- Diversification of the Capital Group's order portfolio – further increase in the value of non-strategic projects in the structure of revenues.
- Keeping the continuity of the Company's activities, despite the difficult epidemic situation, and above all the administrative restrictions resulting from the high incidence of COVID-19 throughout Europe.





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



**Porozumienie
dla Bezpieczeństwa
w Budownictwie**



Domestic Market – Our Clients & Partners

Clients



Partners



International Markets – Our Clients



NESTE OIL



Ruhrkühlturm



VATTENFALL



International Markets – Our Partners



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