

RESULTS 2023

POLIMEX MOSTOSTAL CAPITAL GROUP

The bottom left corner of the slide features a collage of business-related graphics, including a person's face, line charts, and digital data elements like '134:23:459' and 'Business Strat'.

2023 FINANCIAL RESULTS



**Polimex
Mostostal**

CAPITAL GROUP

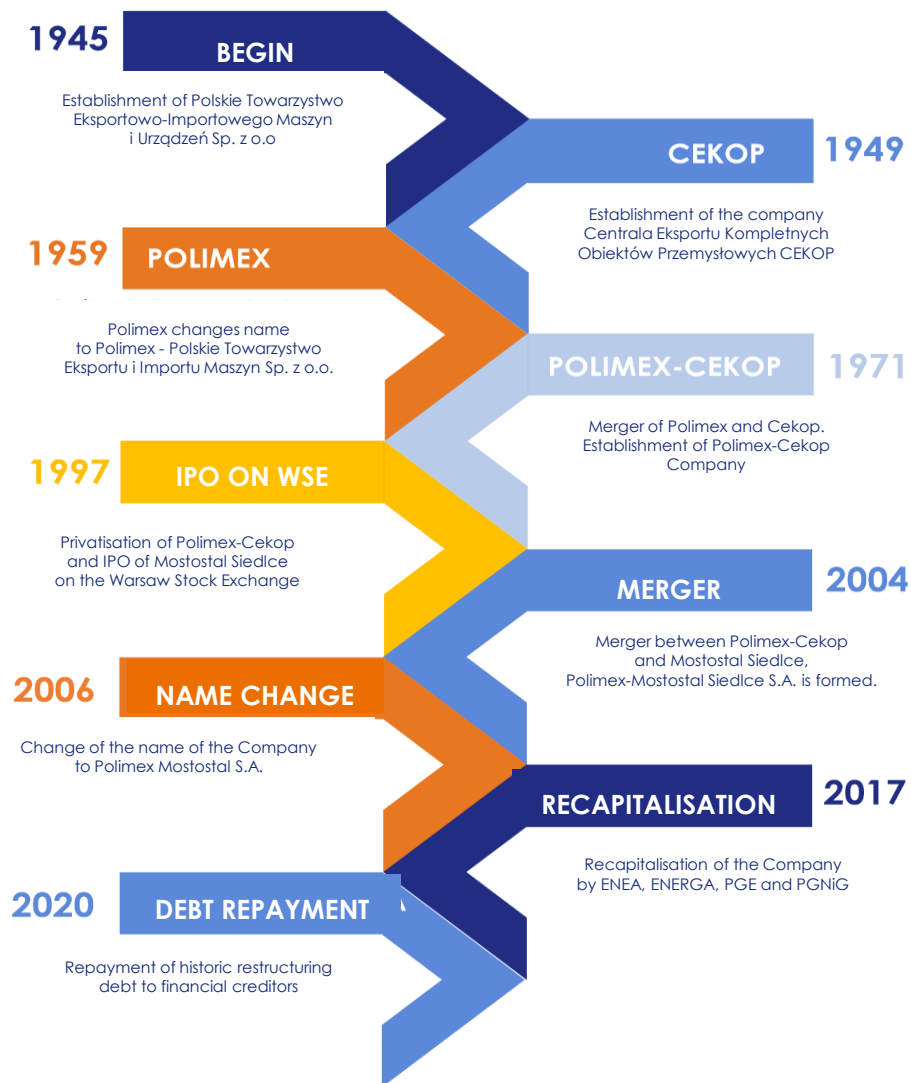
WE BUILD THE FUTURE

The company implements specialised investments in Poland and abroad for the power, oil, gas and environmental protection industries.

It is a manufacturer and exporter of steel structures, gratings, as well as provides services of galvanising and painting of steel structures.



History of the Polimex Mostostal Capital Group

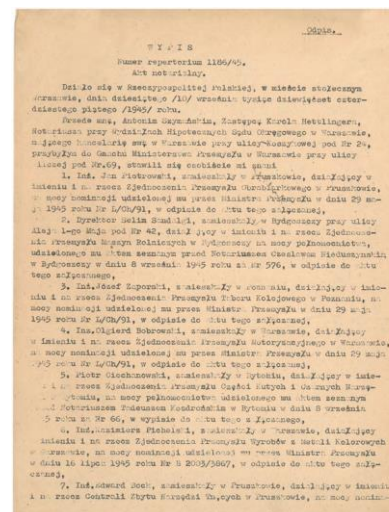


The Polimex Mostostal Capital Group means
78 years of tradition and business activity

Polimex Mostostal is a Company listed on the Warsaw Stock Exchange **since 1997**.

After 1945 we were rebuilding the Polish economy.

Our Company was involved in the implementation of the most important investments in the Polish power engineering, industry, infrastructure and general construction.



Articles of Association

10 September 1945

Business segments of the Polimex Mostostal Capital Group

The Polimex Mostostal Capital Group consists of companies with the following profiles: manufacturing and services, operating in key sectors:



POWER SECTOR AND SERVICE



OIL, CHEMICALS AND GAS



INDUSTRIAL CONSTRUCTION



PRODUCTION



INFRASTRUCTURE



EQUIPMENT BASE



Polimex Mostostal Capital Group employs

5,000 people
highly qualified personnel

● White collar workers
almost 37.3%

● Blue-collar workers:
almost 62.7%

● Presidents and directors
over 2.5%

● **Women - over 15.1%**



- **PLN 3,014 million** revenues from sales in 2023 – compared to PLN 3,784 million in 2022
- **Order portfolio of PLN 9.0 billion** – a record portfolio in recent years (more info slides 17 and 18). Including projects signed since the beginning of 2024 worth **PLN 1.0 billion** net.
- New **strategic contract in the Oil, Chemicals and Gas segment: Olefiny III Project** (Package K-003 of the OSBL expansion package for the Olefins plant). **Value** allocated to Polimex Mostostal Capital Group: **PLN 3.4 billion** net
- New **strategic contract in the Oil, Chemicals and Gas sector for the construction of a modern rapeseed oil pressing plant in Kętrzyn, Warmińsko-Mazurskie Province for Orlen Południe**. Value allocated to Polimex Mostostal Capital Group: **PLN 386.2 million** and **EUR 32.3 million** net.
- New strategic power engineering contract: **882 MW gas-steam unit in Rybnik (value for the entire executive consortium: PLN 3.05 billion net + PLN 0.76 billion net subsequent long-term maintenance)**. Value allocated to Polimex Mostostal Capital Group: **PLN 1.37 billion**
- New offshore project offered in 2023 and signed in January 2024.
: **implementation of the project for the construction of the onshore infrastructure required to derive power from the Baltica 2 project - one of the two phases of the Baltica Offshore Wind Farm**. Value allocated to Polimex Mostostal Capital Group: **PLN 849.0 M net**
- **Partner Awards TotalEnergies Refinery Antwerp prize and distinction for Naftoremont-Naftobudowa** as the best of the companies working on refinery facilities in 2022 for TotalEnergies awarded in March 2023





Selected ongoing projects

DOLNA ODRA PROJECT

Strategic projects: Olefiny (oil, chemicals and gas segment project)

Olefiny



PACKAGE K-003 of the OSBL
expansion package
for the Olefins plant

- Total contract value:
PLN 3,872 M net

Contractors:



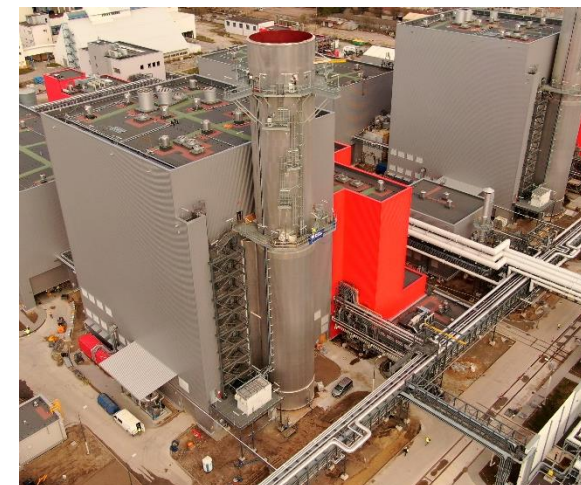
Strategic projects: Dolna Odra (power segment project)

Lower Oder



Two new gas-steam units
at PGE GiEK S.A. Dolna Odra Branch

- Total contract value:
PLN 3,664 M net



Contractors:



Strategic projects: Rybnik (power segment project)

Rybnik



Construction of a gas-steam unit
for Rybnik 2050 - PGE Group company

- **Total contract value:**
PLN 3.05 billion + PLN 0.76 billion net
- **Value of service contract:**
PLN 0.76 billion net

Contractors:



Strategic projects: Czechnica (power segment project)

Siechnice



New Combined Heat and Power
Plant EC Czechnica
at ZEW KOGENERACJA S.A.

- **Total contract value:**
PLN 1,159 M net
- **Value of service contract:**
PLN 118 M

Contractors:



Strategic projects: Puławy (power segment project)

Puławy



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

- Total contract value:
PLN 1,197 M net

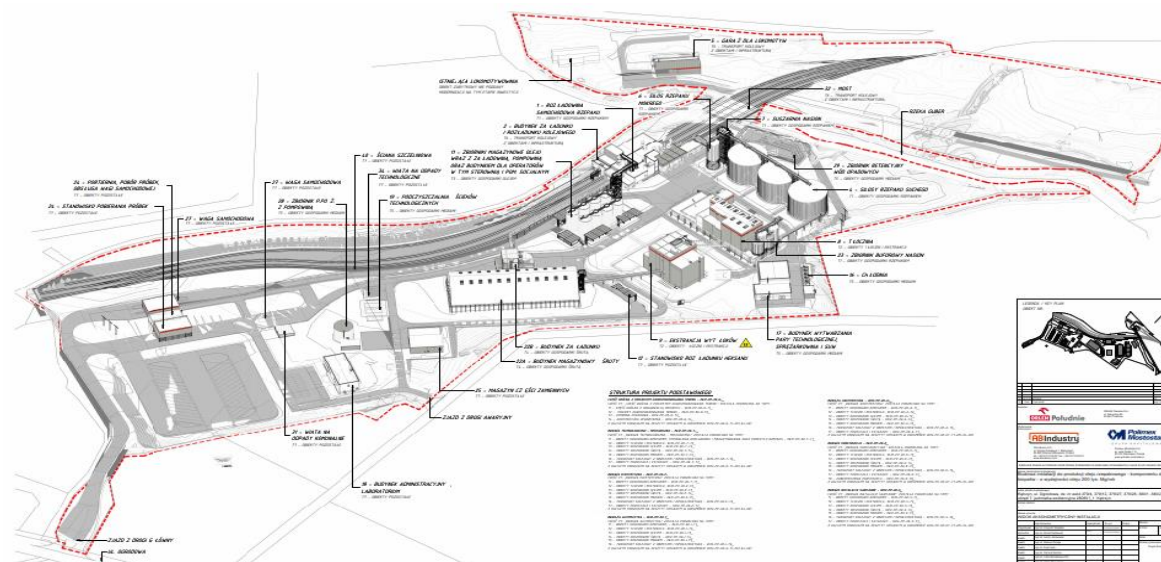


Contractor:



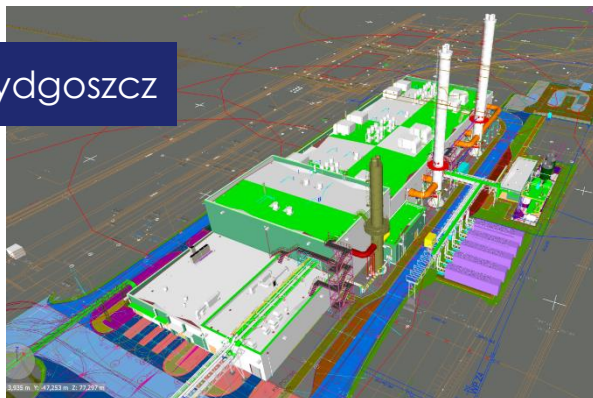


- **Total contract value:**
PLN 706 M net



Strategic projects: Bydgoszcz (power segment project)

Bydgoszcz



Cogeneration unit with a capacity of min. 50 MWe and a heat source at PGE Energia Ciepła S.A.

Branch Elektrociepłownia Bydgoszcz

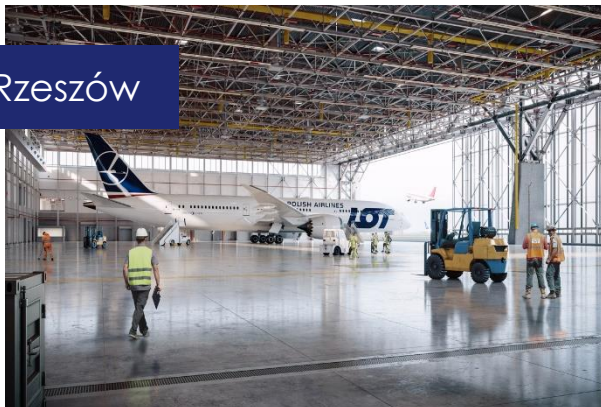
- **Total contract value:**
PLN 359.3 M net
- **Value of service contract:**
PLN 110 M

Contractors:



Strategic projects: Rzeszów-Jasionka (industrial construction segment project)

Rzeszów



Planning and construction
of a LOT AMS aircraft
maintenance base on the area
of the Airport Rzeszów-Jasionka

- **Total contract value:**
PLN 216 M net



Contractors:

Strategic projects: Lesznów (industrial construction segment project)

Lesznów



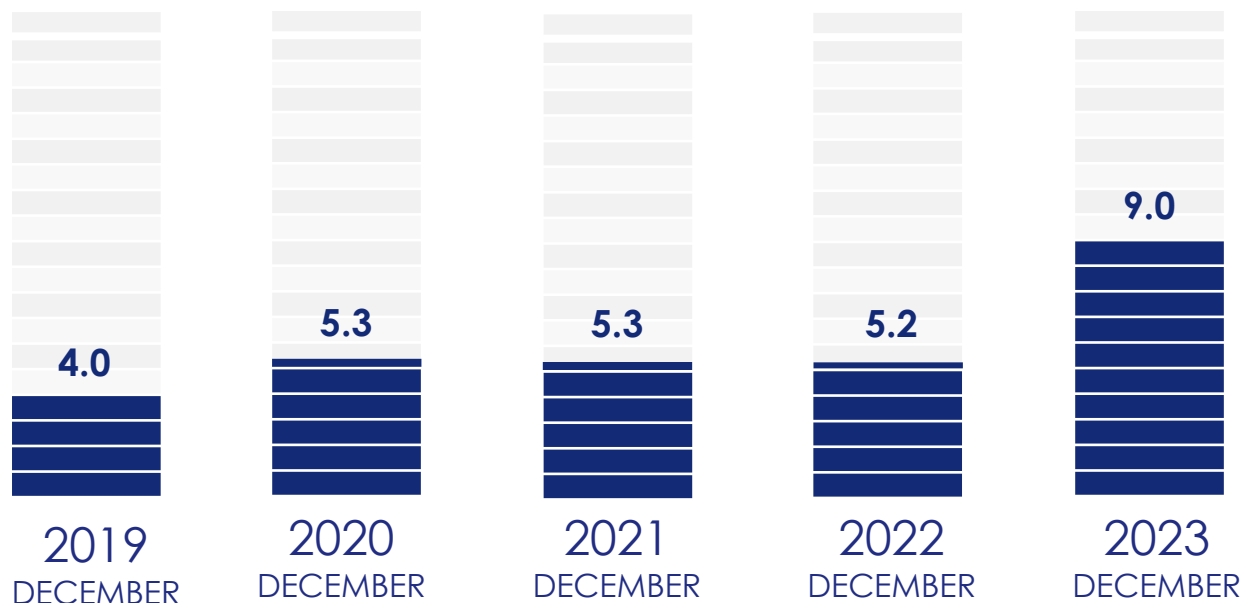
Central Museum Collection Warehouse
with park and necessary infrastructure

- Total contract value:
PLN 117.3 M net

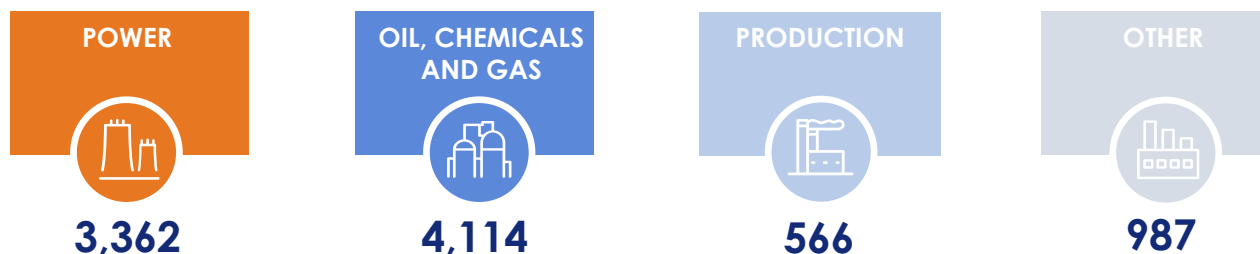
Contractors:



Polimex Mostostal Capital Group order portfolio (in PLN billion)

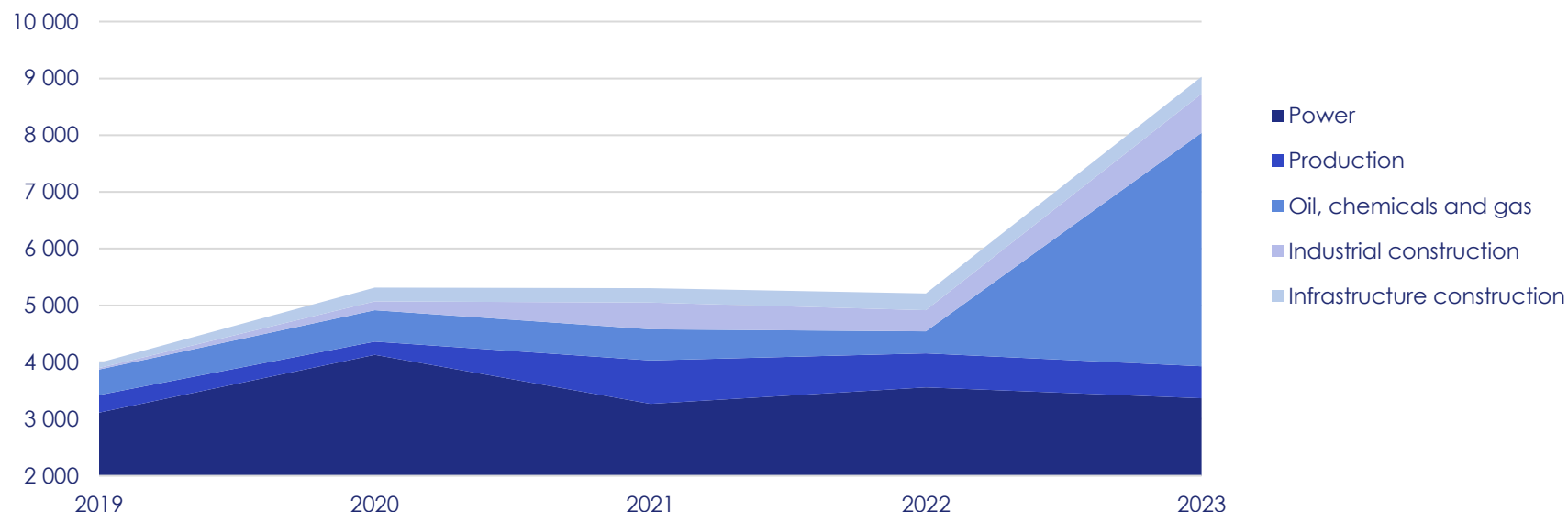


Order portfolio after completion in 2023 in PLN million



Polimex Mostostal Capital Group order portfolio Structure (in PLN million)

Contract portfolio 2019-2023



- The GK.PXM Portfolio was further diversified, in accordance with the directions stated by the Management Board. Currently, the largest share, comparable (order of value) to Power (37%), belongs to the Oil, Chemicals and Gas segment (46%) in the Portfolio.
- This is primarily due to two new contracts signed during 2023 – construction of the Olefiny III plant in Płock (PLN 3.4 billion revenue for GK.PXM) and construction of the Oil Pressing Plant in Kętrzyn (PLN 0.5 billion revenue for GK.PXM)
- Positive result of portfolio diversification includes not only higher and more stable revenues from various sources, but also a potential increase in GK.PXM margins – the Oil, chemicals and gas segment recorded higher EBITDA margins compared to the Power segment for the first time in history.
- With the current Contract Portfolio we can ensure 3 whole future years at the level of throughput (revenue), assuming an even distribution of revenue

New projects from 01.01.2023.

net amounts in PLN shown as share of Polimex Mostostal Capital Group

- Multi-discipline works within EPC Package K-003; development of the Olefiny III oil complex (value: PLN 3.43 billion) Employer: **Orlen S.A. (Poland)**
- Construction of 882 MW gas-steam unit in Rybnik and subsequent long-term maintenance (value: PLN 1.37 billion net), Employer: **Rybnik 2050 sp. z o.o. (Poland)**
- Baltica 2 onshore connection (value: PLN 849.0 million) Employer: **Baltica 2 Wind Power Plant (Poland)**
- Kętrzyn Pressing Plant – design, supply and turnkey construction, commissioning, start-up and handover of an extraction press with a capacity of 200,000 tonnes of oil per year, as well as rapeseed, oil and meal warehouses, together including associated facilities and the necessary rail and road infrastructure in Kętrzyn (value: PLN 540.0 M, Employer: **Orlen Południe S.A. (Poland)**
- Aircraft maintenance base at Rzeszów-Jasionka Airport (value: PLN 216.1 M, Employer: **LOT Aircraft Maintenance Services sp. z o.o. (Poland)**
- Construction of a new production plant in Dąbrowa Górnicza (value: PLN 204.9 M, Employer: **Brembo Poland Manufacturing sp. z o.o. (Poland)**
- Construction of a bypass of Ciechanowiec along provincial road No. 690 (value: PLN 105.1 M, Employer: **Podlaski Zarząd Dróg Wojewódzkich w Białymstoku (Poland)**
- Construction of a road system in the area of the Northern Port in Gdańsk, (value: PLN 56.8 M, Employer: **Municipality of the City of Gdańsk (Poland)**



New projects from 01.01.2023. net amounts in PLN shown as share of Polimex Mostostal Capital Group

- Reconstruction of a section of DW 218 - ul. Kielnieńska from the S6 bypass to the railway viaduct at the junction of the Trójmiasto Bypass and the Metropolitan Bypass Stage I (value: PLN 51.6 M, Employer: **Municipality of the City of Gdańsk (Poland)**)
- Multi-family residential building "B" with a garage hall in the underground storey and commercial services on the ground floor and multi-family residential building "A" with a garage hall in the underground storey (value: PLN 57.8 M, Employer: **TDG 22 Sp. z o.o. HALLERA sp. k. (Poland)**)
- Prefabrication and mechanical work on process plants at the TotalEnergies Refinery in Antwerp; (value: PLN 49.7 million), Employer: **TotalEnergies (Belgium)**
- Design and comprehensive performance of construction and electrical works in the scope of PV Installations project with associated infrastructure and power derivation - PV Żółtańce 1 with a capacity of up to 5 MW, Żółtańce 2 with a capacity of up to 5 MW, Żółtańce 3 with a capacity of up to 5 MW, (value: PLN 46.1 million), Employer: **PGE Energia Odnawialna S.A. (Poland)**
- Construction of Railport cargo terminal (value: PLN 39.9 M, Employer: **DB CARGO SPEDKOL sp. z o.o. (Poland)**)
- Construction of steel structure for the sheet metal processing line - expansion of Big River Steel mill in Arkansas, USA (value: PLN 31.1 M, Employer: **SMS Group GmbH (Germany)**)
- Prefabrication and mechanical work on process plants; (value: PLN 29.3 M, Employer: **Rafinerii Nynas (Sweden)**)



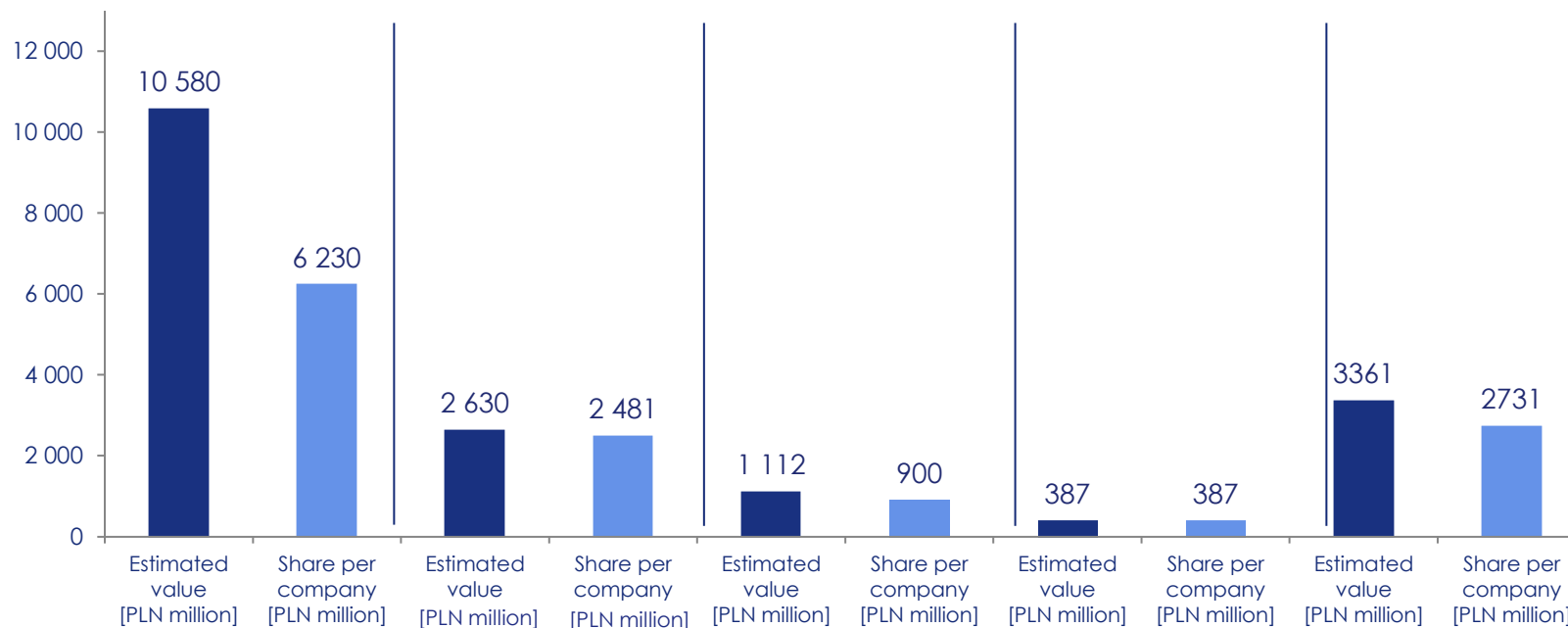
New projects from 01.01.2023.

net amounts in PLN shown as share of Polimex Mostostal Capital Group

- Construction of a road to project areas in Golina (value: PLN 22.4 M, Employer: **Jarocin Municipality (Poland)**)
- Prefabrication, assembly and disassembly of pipelines. Replacement of equipment and fittings at BASF Antwerp Belgium, (value: PLN 24.5 M, Employer: **BASF Antwerp (Belgium)**)
- NDT testing and wall thickness measurements of process plants (value: PLN 24.0 M, Employer: **Orlen S.A. (Poland)**)
- Modernisation of buildings 13 and 61 for the technical protection of the Marine Training Department in Gdańsk Westerplatte (value: PLN 21.5 M, Employer: **Rejonowy Zarząd Infrastruktury in Gdynia (Poland)**)
- Prefabrication during renovation (value: PLN 20.4 M, Employer: **BP (Belgium)**)
- Construction works for furnaces H101 and H102 (value: PLN 17.6 M, Employer: **Axens S.A.**)
- Replacement of Pirogas coolers, (value: PLN 11.8 million), Employer: **Orlen S. A. (Poland)**
- Mechanical and piping services for the process plant during the TAR 2023 refurbishment at the BP Gelsenkirchen refinery site; (value: PLN 10.6 M, Employer: **BP (Germany)**)



Value of currently tendered projects in companies (gross)



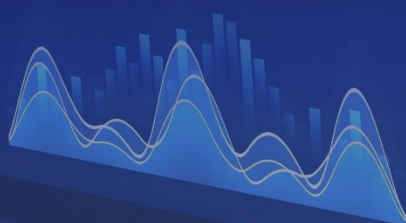
Priority projects:

Turnkey construction of a combined heat and power plant based on gas turbines for Unipetrol

Turnkey construction of a combined heat and power plant based on gas turbines for Vattenfall Wärme Berlin Aktiengesellschaft

Selected financial data 2023

TOTAL EARNINGS +2.5%
+15.56%
Last week: 23,687 +2.33%
Last month: 32,567 +3.95%
Feb 2022



Sales

\$98.346 ▲21%
Compared to \$86,211 last year

Dynamics
Customer

3,678 ▲+340

Purchase

\$34.677 ▲11%
Compared to \$12,546 last year

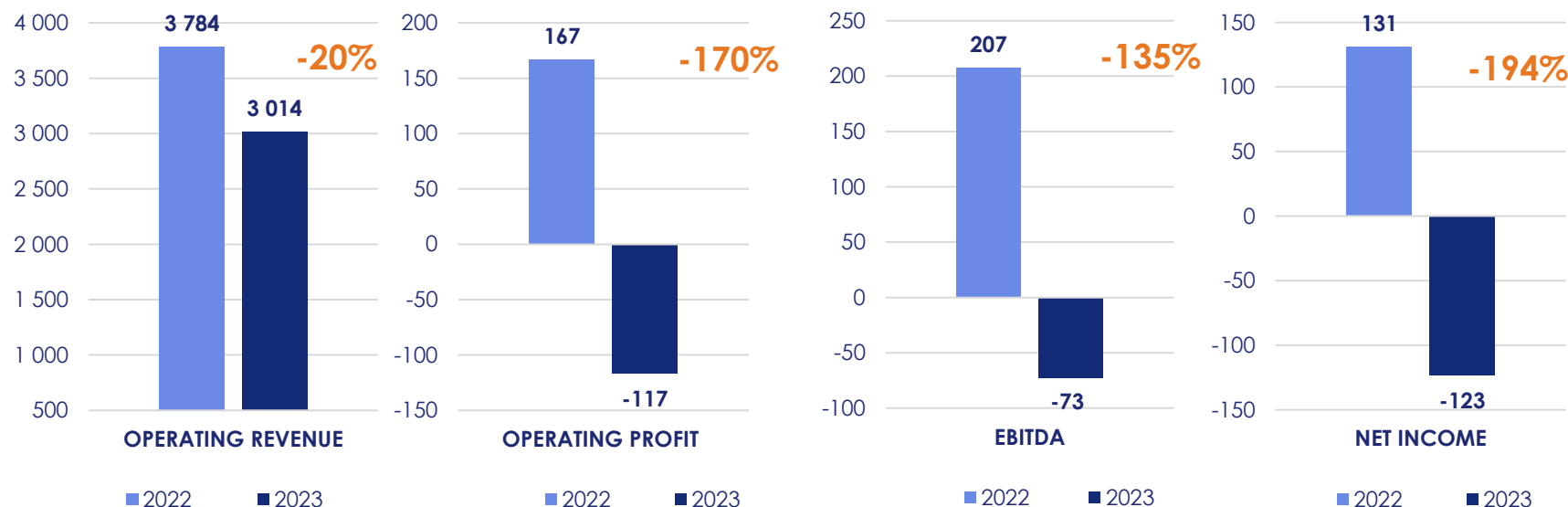


Sales
Users
Products

2023 financial results of the Polimex Mostostal Capital Group

Selected financial data (PLN million)

Polimex Mostostal Capital Group



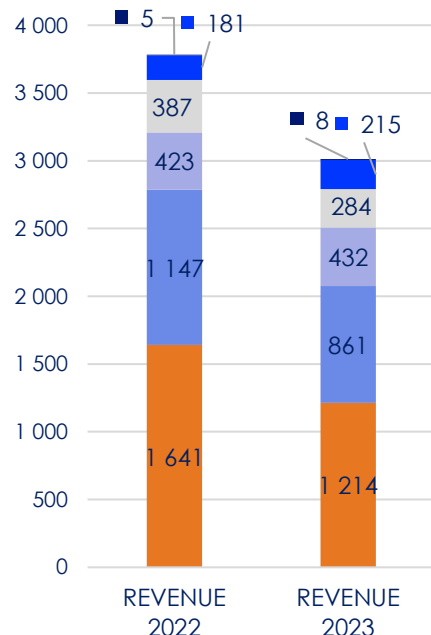
NOTE

- Operating revenues of the Polimex Mostostal Capital Group in 2023 amounted to PLN 3,014 million and are lower than the operating revenues in 2022 by PLN 770 million (-20%)
- EBITDA of the Capital Group in 2023 amounted to PLN -73 million (-2.4%) and is lower by PLN 280 million compared to the 2022 result (mainly due to lower EBITDA generated in the Power segment - see next slide)
- Operating profit decreased by 170% compared to the result for the corresponding period in 2022.
- The Group's net result in 2023 is lower by PLN 254 million compared with the 2022 result and represents a margin of -4.1% (The reason is mainly the lower result of the Power segment and higher financial costs, resulting mainly from exchange rate differences)

2023 financial results of the Polimex Mostostal Capital Group

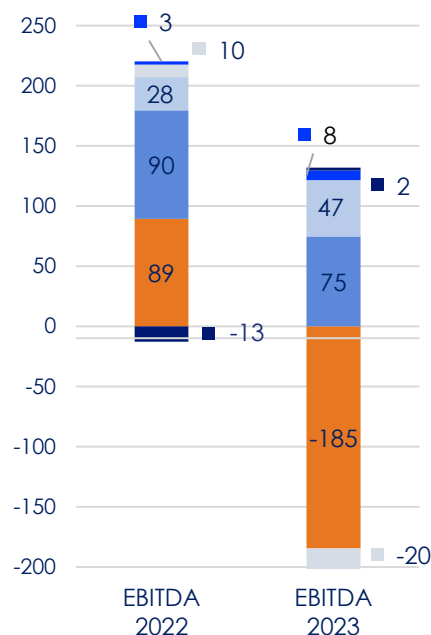
Selected results of the segments (in PLN million)

**GK.PxM revenues
Segments**



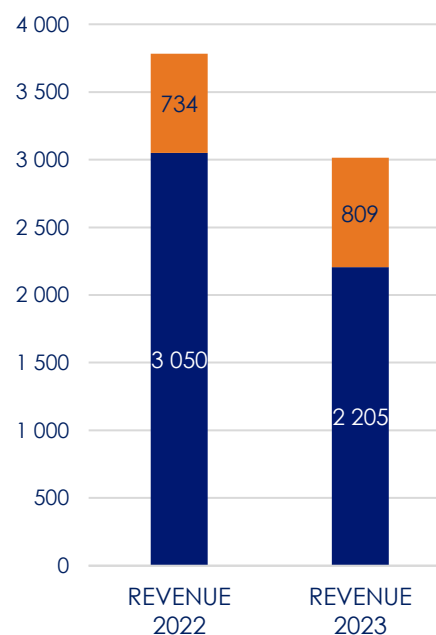
■ Other activities
■ Infrastructure construction
■ Industrial construction
■ Oil, gas, chemicals
■ Production
■ Power

**EBITDA GK.PxM
Segments**



■ Other activities
■ Infrastructure construction
■ Industrial construction
■ Oil, chemicals and gas
■ Production
■ Power

**GK.PxM revenues
National/international**



■ National
■ International

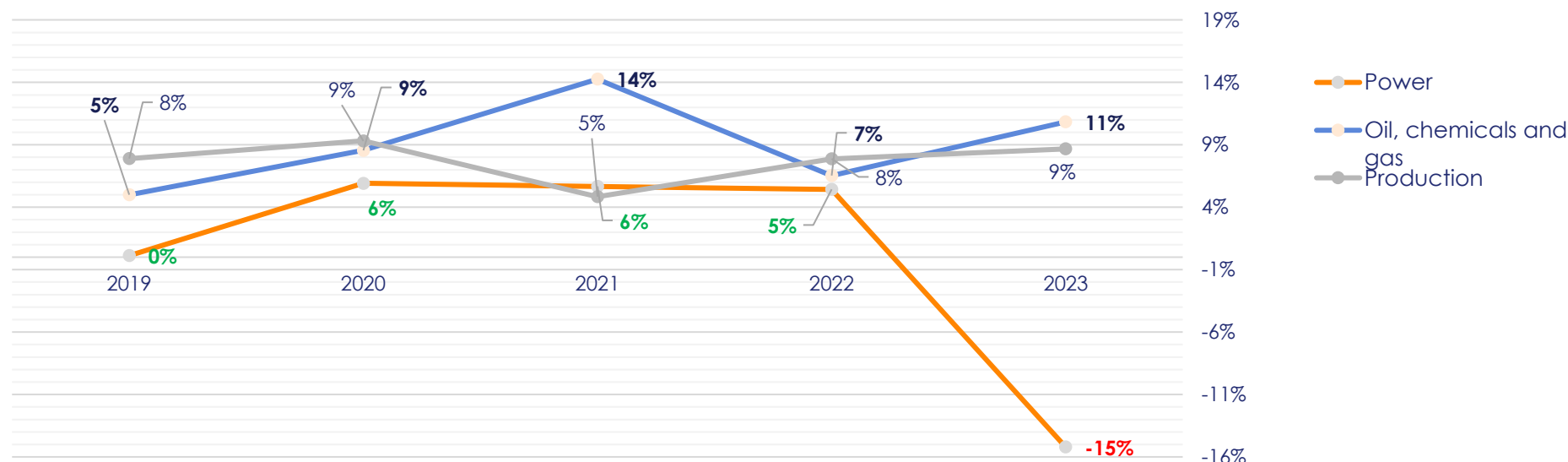
NOTE

- The highest sales revenues were achieved in the Production and Power Generation Segments – the two segments accounted for 69% of revenues in total.
- In 2023 and 2022, the highest results were generated by the Production Segment (EBITDA).
- Foreign sales revenue amounted to PLN 809 million and accounted for 27% of the total revenue of the Capital Group. In 2022, it was a share of 19%.
- The negative EBITDA margin of the Power segment is mainly due to the revaluations of the Dolna Odra and Czechnica projects, which were offered and valued before the start of the conflict in Ukraine.

2023 financial results of the Polimex Mostostal Capital Group

Selected results of the dominant segments 2019-2023 (in PLN million)

EBITDA margins by segment in 2019-2023



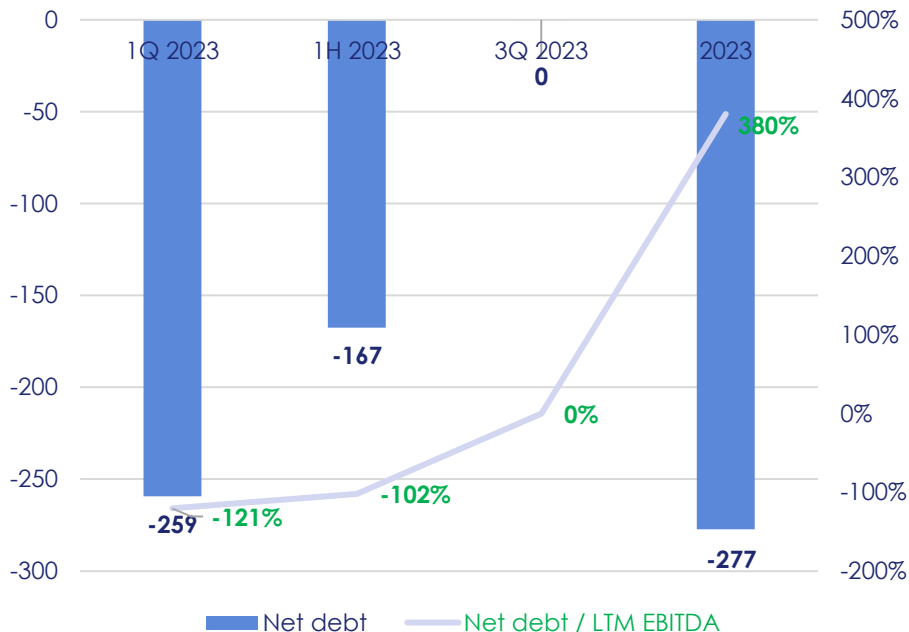
NOTE

- GK.PXM's EBITDA margin for 2023 (-2%) is virtually entirely due to a margin reduction in the Power segment (-15% in 2023) – this was due to the required revaluation of the budgets of the Dolna Odra (PLN -124 million increase in the cost budget) and Czechnica (PLN -102 million increase in the cost budget) strategic projects, which, due to accounting principles, is recognised in the reported financial year (cumulative impact). In 2023 and 2022, the highest results were generated by the Production Segment (EBITDA).
- The segment with the most profitable EBITDA margin in 2023 was the Oil, Chemicals and Gas segment (11%), which at the same time has the largest share in the Contract Portfolio (47%) implemented after 31.12.2023 (contracts already signed). This makes the future years, from 2024 onwards (the Olefiny III project will enter the construction phase in May/June 2024, among other things), optimistic.
- The second most profitable segment (9% EBITDA margin for 2023) is the Production segment, which makes us optimistic about the financial forecasts for the following years. At the same time, we should bear in mind the stability of the Project Portfolio in the Production Segment – inter alia, due to its characteristics (Portfolio is rather short-term, with a rather significant dispersion).

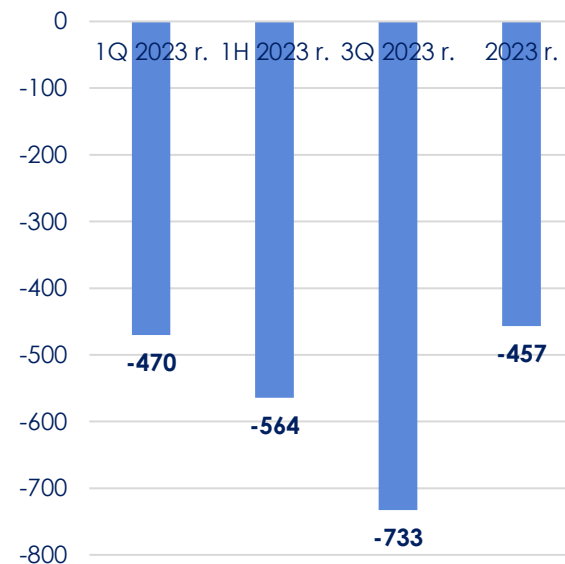
2023 financial results of the Polimex Mostostal Capital Group

Financial flows and debt (in PLN million)

Net debt* to LTM EBITDA



Net cash flow**



NOTE

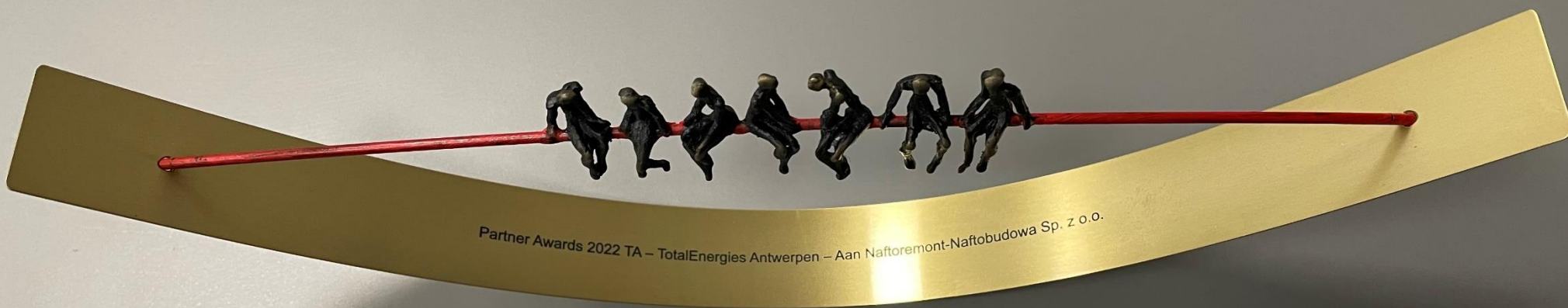
- At the end of 2023, the cash balance exceeded interest-bearing debt by PLN 277 million.
- Net cash flow in 2023 – negative level was related, among other things, to the implementation of strategic projects (execution of planned flows) as well as to the proceeded contract price adjustments

* **Net debt** – sum of loans and bonds (short-term and long-term) obligations less cash and cash equivalents

** **Net cash flow** – cumulative cash flow for the accounting year

Naftoremont-Naftobudowa sp. z o.o., a Polimex Mostostal Group company, was doubly recognised by TotalEnergies and ranked:

- 1.1. place "Categorie TA big B/C > 20.000 uren" – Turn Around (plant renovation as part of a planned shutdown), and
2. place "Categorie medium B/C – 25.000-50.000 uren" – Tank Maintenance (renovation of storage tanks)



The top award in TotalEnergies Refinery Antwerp's most prestigious Partner Awards category is a summary of the overall collaboration to date, in particular in particular the project **TA2022** - Mechanical and piping works U72 PLF, U72 CCR, U74 DHT2 completed in December 2022.

Domestic market – Our customers and partners

Customers



Partners



International projects – Our Customers



NESTE OIL



Ruhrkühlturm



International projects – Our Partners





LEADER IN TECHNICAL SAFETY

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