

Current report No 23/2019

Date of issue: 20 August 2019

Issuer short name: POLIMEX MOSTOSTAL

Subject: Reversal of impairment losses on assets

Legal basis: Article 17(1) of the Market Abuse Regulation (MAR) – confidential information.

Content of the report:

The Management Board of Polimex Mostostal S.A. with the registered office in Warsaw (the “Company”, the “Issuer”) informs that during the preparation of the separate financial statements for the first half of 2019 the Board has determined to reverse the impairment losses of the shares held by the Issuer in the Company’s subsidiary Naftoremont-Naftobudowa sp. z o.o. with the registered office in Płock, in which the Company retains 100% of the stakes in the share capital (the “Reversal of Impairment Losses”). The total amount of reversed impairment losses is approximately PLN 34.5 million. This will increase the Company's net financial results for the first half of 2019, at the same time it will not affect the consolidated net financial results of Polimex Mostostal Capital Group for the same period. The Reversal of Impairment Losses is the consequence of the reassessment by the Company of the recoverable amount of the above-mentioned shares. The reassessment was preceded by an analysis, the results of which have found that the premises for the impairment losses of the above shares, on the basis of which the impairment losses were recognized in the previous years, have ceased to exist.

The Company's financial statements for the first half of 2019 are currently under review by a statutory auditor, therefore the final amount of reversed impairment losses is subject to change.