

FY 2020 RESULTS

POLIMEX MOSTOSTAL CAPITAL GROUP

FINANCIAL RESULTS FOR 2020



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.



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



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.





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 aluminium 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

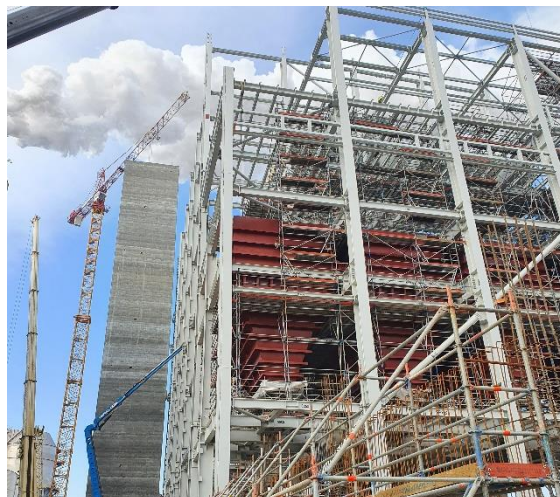
Puławy



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

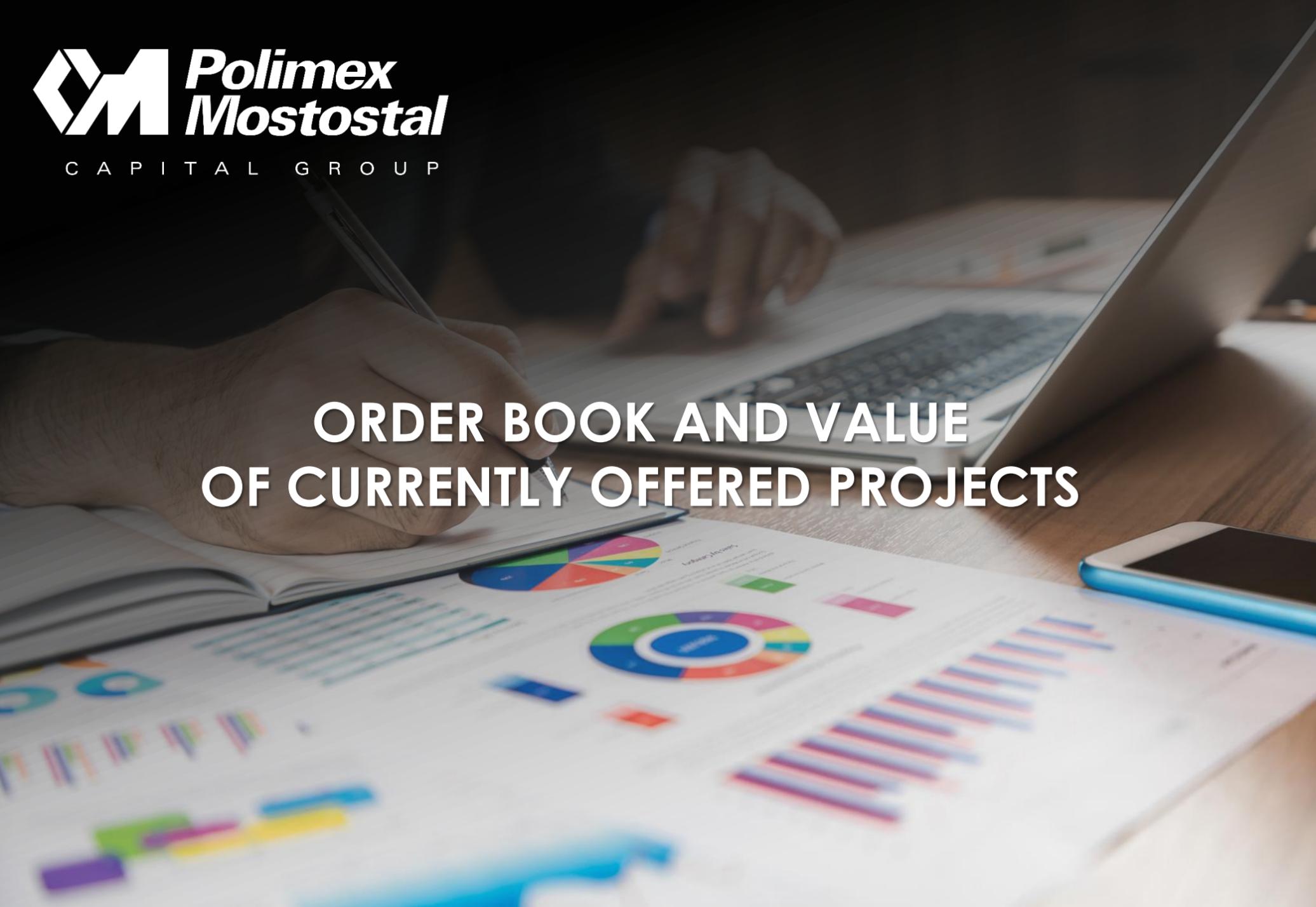


Two new gas and steam power units at PGE
GiEK S.A., Dolna Odra Power Plant Branch

- **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

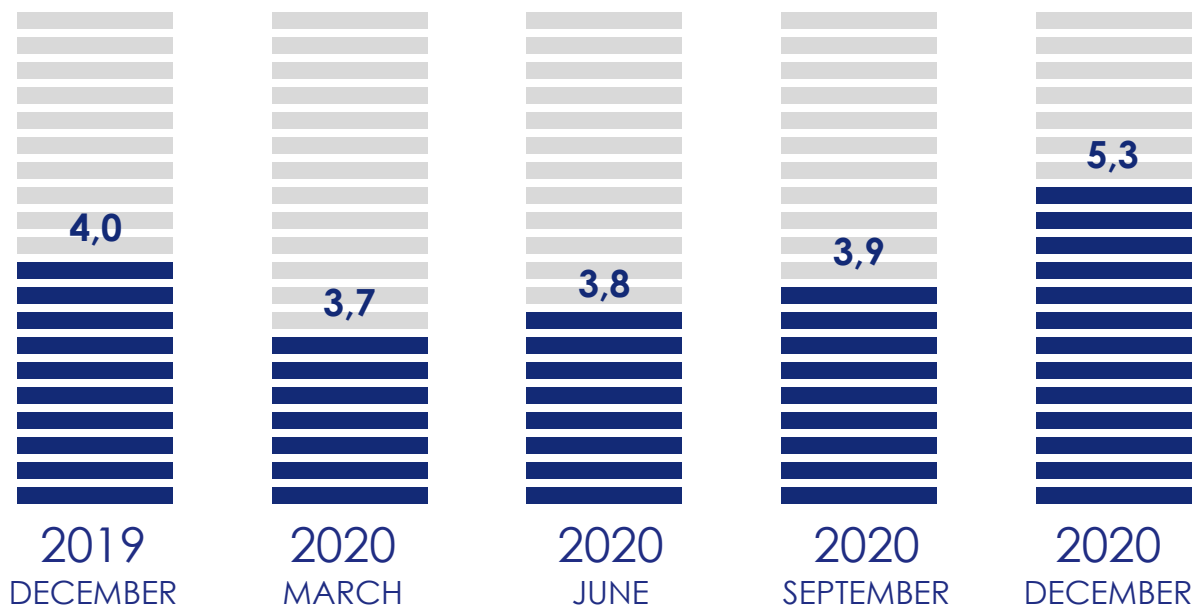
Contractors:





**ORDER BOOK AND VALUE
OF CURRENTLY OFFERED PROJECTS**

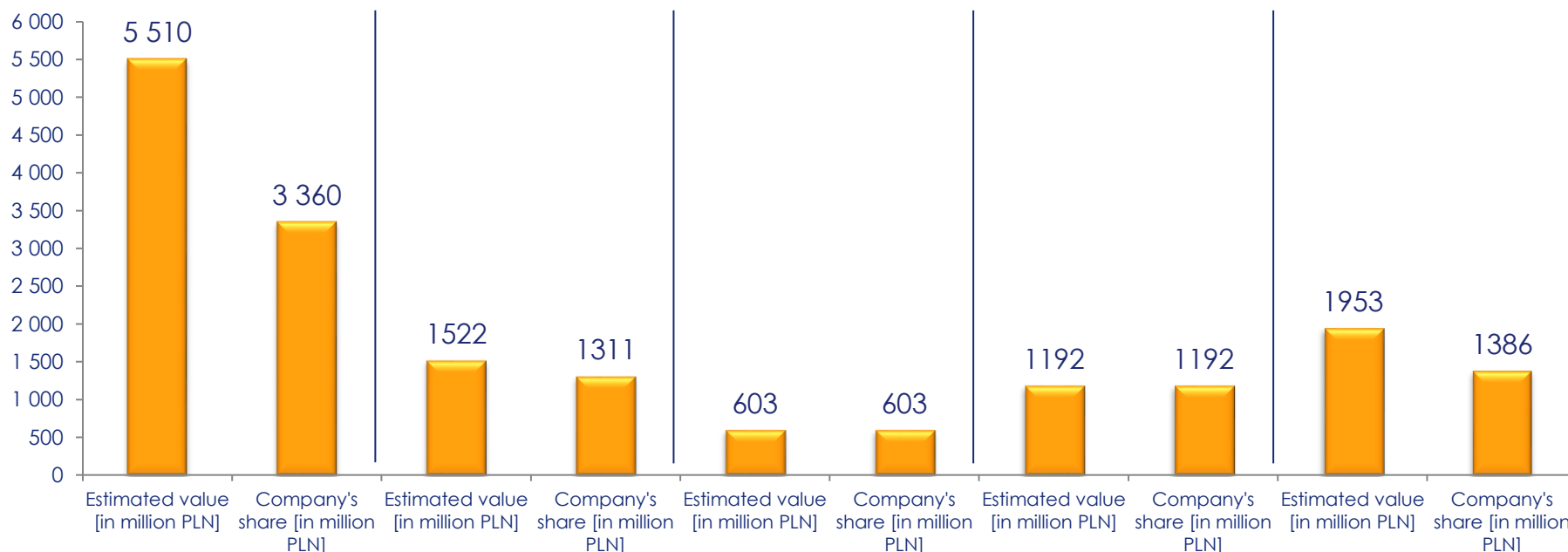
Polimex Mostostal Capital Group Order Book (in billion PLN)



Order portfolio for 2020 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 projects since 1 January 2020 (in million PLN)

- Construction on Turn-key basis of two Gas-Heat blocks in Dolna Odra Power Plant (Contract amount: 3,6 billion PLN including Polimex Mostostal share amounting to PLN 1,5 billion), **Client PGE Górnictwo i Energetyka Konwencjonalna S.A (Poland)**
- Extension of tram lines in Olsztyn (Contract amount: PLN 327.7 million), (Consortium with Trakcja S.A.), **Client: Gmina Olsztyn (Poland)***,
- Overhaul of Olefin II Production Installation (Contract amount PLN 161,9 million), **Client PKN Orlen (Poland)**
- OSBL Installation for Visbreaking – object 100, 200, 210 (Contract amount PLN 119,9 million), **Client: PKN Orlen (Poland)**
- Construction of Peak Load-Reserve Boiler House for natural gas (Contract amount: PLN 91,6 million), **Client: Grupa Azoty Zakłady Azotowe Kędzierzyn (Poland)**
- Construction of Eco-Innovation Center Building with equipment and landscaping (Contract amount: PLN 64,9 million), **Client: Politechnika Gdańska (Poland)***
- Construction of new heat and electric power manufacturing source in a high efficiency gas cogeneration system,(Contract amount PLN 62,9 million), **Client: Engie EC Słupsk Sp. z o.o. (Poland)**,
- Modernization of Marsa-Żołnierska streets section. junction Marsa – town border– stage III, (Contract amount: PLN 46,4 mil), **Client: Zarząd Miejskich Inwestycji Drogowych in Warsaw (Poland)**
- Reconstruction, Extention 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)***,
- Service of equipment (Contract amount PLN 36,9 million), **Client: Engie EC Słupsk Sp. z o.o. (Poland)**,
- Construction of Wind Farm Park Janikowo (Contract amount: PLN 37,4 million), **Client Spółka E&W sp. z o.o. sp. k./Eurowind Energy A/S (Poland)**
- Spring Overhaul 2021-2022 (Contract amount PLN 27,3 million), **Client Grupa Lotos S.A (Poland, Gdańsk)**
- Overhaul of M1 column on Olefiny II installation (Contract amount PLN 22,8 million), **Client: PKN Orlen SA**
- Re-construction of: Kasztanowa, Do Zdroju, Wrzosowa, Maratońska, Św. Ducha and Poznańska and Wojska Polskiego streets in Jarocin (Contract amount PLN 19,9 million). **Client: Gmina Jarocin (Poland)**

New projects since 1 January 2020 (in million PLN)

- Delivery and erection of steel structures of Boiler House Chalampe (Contract amount 16,2 mil PLN), **Client: Standardkessel Baumgarte GmbH (France)**
- Construction of 3 tanks V=5000 cu. m. Olefin II (Contract amount: 16,2 mil PLN) **Client: Orlen Projekt S.A. (Poland)**
- Overhaul of installation on BASF refinery Framework Agreement for 2020-2023 (for 2020 Contract amount **: 15,7 mil PLN), **Client: BASF (Belgium)**
- Construction of Military headquarters Building – basic state with roof covering in Siedlce (Contract amount 14,2 mil PLN), **Client: AMW SINEVIA Sp. z o.o. (Poland)**
- Delivery and erection of steel structures – Stapelfeld (Contract amount: 13,6 mil PLN), **Client: LAB GmbH**
- Delivery and erection of steel structures of cable routes (Contract amount: 13,5 mil PLN), **Client: Tata Steel Jmuiden B.V. (Netherlands)**
- Boiler Modernization on Block 8 in ENEA Wytwarzanie in Swierże Górne in 2021, (Contract amount: 12,3 mil PLN), **Client: ENEA Wytwarzanie sp. z o.o. (Poland),**
- Prefabrication and erection of pipelines and kiln structures (Estimated Contract amount 11,57 mil PLN), **CLIENT: NYNAS (Sweden)**
- Delivery and erection of steel structures Bellegarde (Contract amount: 11,4 mil PLN), **Client: Hitachi Zosen Inova AG (France)**
- Erection of steel structures and equipment Horizon (Contract amount 11,2 mil PLN), **Client: KT Kinetics Technology S.p.A. (France)**
- Bertsch Delivery and erection of pipelines Kemsley (Contract amount 10,4 mil PLN), **Client: Bertsch GmbH (England)**
- Re-construction of community roads in Jarocin, Cielcza, Golina, Mieszków, Radlin, Siedlemin, Wilkowyja, Witaszyce – Community Jarocin, (Contract amount: 11,1 mil PLN), **Client: Gmina Jarocin (Poland)**

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

** Estimated amount

SELECTED FINANCIAL DATA FOR 2020



Selected financial data for 2020

Polimex Mostostal Capital Group

in mln PLN	FY 2019	FY 2020	
OPERATING INCOME	1 589	1 615	↑
OPERATING PROFIT	60	90	↑
EBITDA	96	127	↑
GROSS INCOME	51	63	↑

NOTES

- The operating income of Polimex Mostostal Capital Group (the "Capital Group") for the 2020 was PLN 1.615 million and it is higher than the operating income in the 2019 by PLN 26 million, i.e. 1,6%.
- EBITDA of the Capital Group amounted to PLN 127 million in 2020 and is higher by PLN 31 million compared to 2019.
- The Group's 2020 net result of PLN 63 million is PLN 12 million higher than the 2019 result and represents 3.9% of operating income.

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

Data in mln PLN	Power Engineering */	Production	Oil, gas, chemicals	Industrial Engineering	Infrastructure Engineering	Other Activities	Exclusions	Total
SALES TO EXTERNAL CUSTOMERS (EXCLUDING SALES BETWEEN SEGMENTS)	603	529	346	75	60	2		1 615
TOTAL SEGMENT REVENUE (INCLUDING SALES BETWEEN SEGMENTS)	610	592	348	144	69	38	-186	1 615
SEGMENT OPERATING ACTIVITIES RESULTS	31	29	28	15	18	-31		90
BALANCE OF FINANCIAL INCOMES AND EXPENSES	-1	0	3	0	0	-13		-11
SEGMENT GROSS RESULTS	30	29	31	15	19	-45		79
EBITDA	36	49	30	15	19	-22		127

SALES REVENUE - COUNTRY	561	243	205	144	69	34	-184	1 072
SALES REVENUE - ABROAD	49	349	143	0	0	4	-2	543

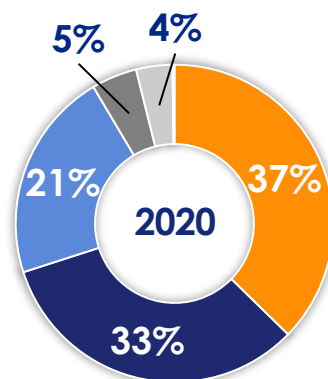
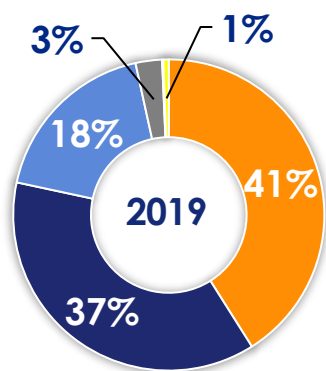
The income from transactions between the segments has been excluded.

*/ Operating profit in the Power Sector includes the share in the profit of an associated entity in the amount of PLN 0,4 million

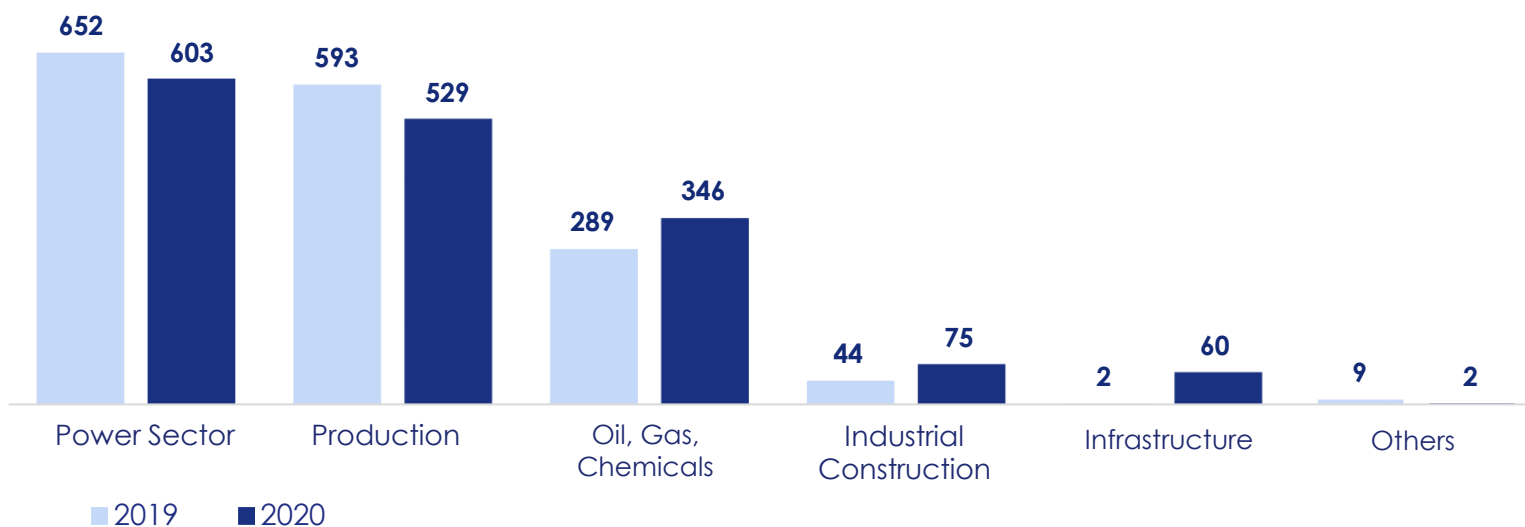
NOTES

- The highest sales revenues were generated by Production and the Power Sector – 70% total.
- The best financial results in 2020 were generated by Production (EBITDA) and Oil, Gas and Chemicals (gross profit)
- Revenues from international sales amounted to PLN 543 million and they constitute 34% of the total sales revenues of the Capital Group.

Polimex Mostostal Capital Group - Revenues in 2020 (in million PLN)

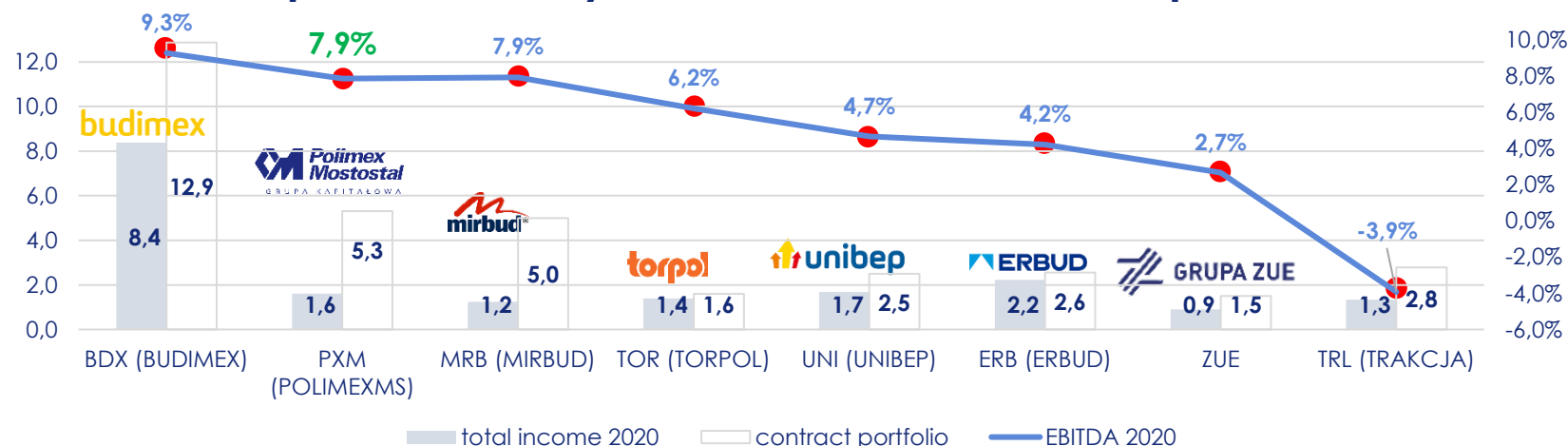


- POWER SECTOR
- PRODUCTION
- OIL, GAS, CHEMICALS
- INDUSTRY
- INDUSTRIAL CONSTRUCTION
- INFRASTRUCTURE
- OTHER ACTIVITIES



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



NOTES

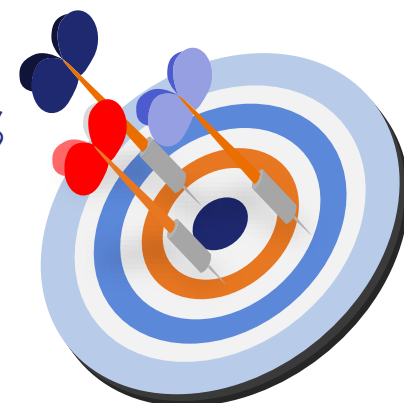
- Capital Group Polimex Mostostal (GK PxM) reached 7.9% EBITDA margin in 2020.
- Portfolio of GK PxM contracts currently amounts to 5.3 billion PLN. It ensures a stable income for Capital Group for a period, that is longer than three financial years. Capital Group's Portfolio/ Income ratio is equal to 3.3. In the case of the compared companies, these ratios are as follows:
 - Budimex: 1.5
 - Mirbud: 4.0
 - Torpol: 1.1
 - Unibep: 1.5
 - Erbud: 1.1
 - ZUE: 1.7
 - Trakcja: 2.1

ASSUMPTIONS:

- All of the above-mentioned companies published the GPW 2020 annual report.
- 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

- 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.
- Kontynuacja realizacji budowy bloku węglowego w Zakładach Azotowych Puławy i budowy bloków energetycznych w Elektrowni Dolna Odra.
- 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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