

Current report No 7/2018

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Abbreviated name of the issuer: POLIMEX-MOSTOSTAL

Subject: Information on the decrease of costs in connection with construction of a 1,075 MW hypercritical parameters power plant Unit in Elektrownia Kozienice.

Legal basis: Article. 17(1) of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

In connection with the current report No 32/2016 of 1 June 2016, the Management Board of Polimex-Mostostal S.A. with its registered office in Warsaw (the "**Company**") announces that, as a result of actions related to the implementation of the construction of a 1075 MW hypercritical parameters power plant unit in the "Kozienice" power plant ("**Kozienice Project**"), under which previously diagnosed technical risks were partially limited, purchasing processes were optimized and verification and settlement processes with subcontractors and suppliers were improved; and in connection with the signing of the take over of the unit to operation certificate on 19 December 2017, the Management Board of the Company, after carrying out the analysis of the process of closing of the Company's books for the year 2017, on 21 February 2018, adopted a resolution on reducing the total costs of the Kozienice Project in the amount of PLN 42.3 million, which will lead to the increase in the Company's net financial result in the same amount.

At the same time, the Company indicates that the updated Kozienice project budget will be subject to an audit by an expert auditor in the framework of the examination of the Company's financial statements for 2017.