



## TORPOL Capital Group

*Conference of the Management Board  
3Q2020*

*23 November 2020*

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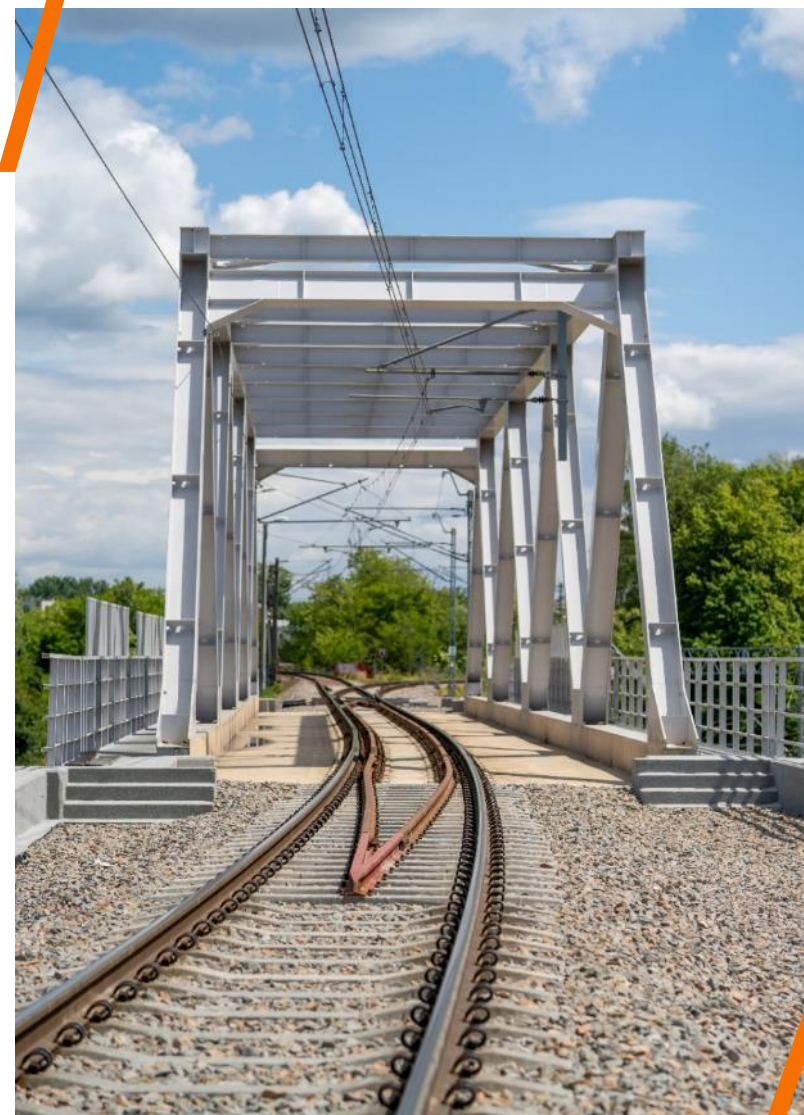
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# Summary of the overall situation of Group(1)



## VERY GOOD FINANCIAL RESULTS FOR 9 MONTHS OF 2020

- Group's revenues at the level of **PLN 986.3 million** (-7.3% yoy);
- Good results at every level of profitability:
  - gross profit on sales of **PLN 60.3 million** (+16,6% yoy);
  - EBITDA of **PLN 51.5 million** (+14,0% yoy);
  - EBIT of **PLN 36.6 million** (+17,4% yoy);
  - gross profit of **PLN 32.8 million** (+18,9% yoy);
  - net profit of **PLN 26.3 million** (+18,8% yoy).
- Satisfactory profitability levels on profit, among others:
  - **6.11%** for gross profit on sales (vs. 4.86% at the end of 09M19),
  - **5.43%** EBITDA, 3.33% for gross profit (vs. 4.42% at the end of 09M2019)
  - **2.67%** for net profit (vs. 2.08% at the end of 09M2019).

## VIABLE PORTFOLIO OF ORDERS

- backlog at the level of about **PLN 1.98 billion** net without the participation of consortium members ensuring work until 2022 inclusive;
- within the order portfolio about 10% of the value are contracts from 2016-2017;
- weighted average, long-term gross profitability of the order portfolio above **5.5%**;
- timeliness of the works carried out within the projects and close monitoring of the quality of works and the costs of implementation and operational risks;
- securing prices for basic materials and supplies for the execution of the order portfolio;
- advance payment by PKP PLK up to 10% gross of most contracts;
- comprehensive and highly specialized machinery;
- effectiveness in managing contract claims and reporting additional works.

# Summary of the overall situation of Group(2)



## STABLE FINANCIAL AND LIQUIDITY SITUATION

- high level of cash in the amount of **PLN 354.2 million** (with capitalization of PLN 243.3 million (18.11.2020);
- **no net debt**;
- **net cash of PLN 170.2 million**;
- access to credit facilities and loans in the amount of **PLN 90 million**;
- **PLN 207.2 million** cash from operating activities;
- the level of guarantee limits – **about PLN 1.44 billion** (of which slightly more than PLN 1.14 billion is used).

## TORPOL AS A DIVIDEND COMPANY

- On 20 May 2020, the Management Board recommended that a part of the company's net profit for 2019 should be allocated to the payment of dividends of **PLN 20.7 million**, i.e. **PLN 0.90 per share**;
- the dividend paid out is **74.6% of the Company's unconsolidated profit**;
- DY% – **9.13%**, one of the best ratios among WIG-Budownictwo in 2020;
- dividend payment date 30 October 2020.

# Summary of the overall situation of Group(3)



## MARKET OUTLOOK

- NRP (National Railway Program) - **PLN 75.7 billion** by 2023 for the development of railroad infrastructure, of which about PLN 7.5 billion can still be obtained under the program;
- Maintenance Program - **PLN 23.8 billion** by 2023 to renovate the existing railroad infrastructure;;
- Initial allocation of funds for Poland for 2021-2027 under the cohesion policy is to be about **EUR 66.8 billion**, of which **EUR 27.5 billion** is planned for the development of transport under the CEF;
- The Station Investments Program - **PLN 1.4 billion** includes modernization of 188 railroad stations, a strong increase in PKP S.A. activity in this area;
- The Program Rail+ - **PLN 6.6 billion** is aimed at supplementing the railroad network with rail connections in small towns;
- Central Communication Port (CPK) project - railroad investments of **PLN 8-9 billion**;
- Train Stop Program - **PLN 1 billion** - a program related to the construction and modernization of train stops and accompanying infrastructure;
- good prospects for development of the oil&gas market and increase in the scale of TOG's operations.

# Summary of the overall situation of Group(4)



## PROTECTION AGAINST COVID 19

- implementation of the principles of sanitary regime and health and safety at work from 16 March 2020;
- the principle of the so-called "closed door" - limiting employee meetings and external meetings to the necessary minimum, in favour of remote communication;
- introduction of a system of remote work and rotational work;
- free access to protective measures and disinfectants for employees (on construction sites, offices and head-office);
- introduction of non-contact temperature measurement for employees, subcontractors;
- development of simplified rules of cooperation in a state of epidemic with the ordering party concerning partial acceptance certificates, site inspections, electronic signing of documents.

## SO FAR (23 November 2020):

- The Company is currently analyzing the risks associated with the negative impact of a possible further spread of coronavirus on the Group's operations;
- no significant direct impact on the Group's operations;
- all contracts are performed without significant disruption;
- continuity of the supply chain is maintained, timely delivery;
- Continued activity in tendering procedures;
- no cases of subcontractors leaving construction sites.

# The financial situation – consolidated income statement



<i>Data in PLN thousand</i>	9M20	9M19	Change %/pp
<b>Sales revenue</b>	<b>986 260</b>	<b>1 063 886</b>	-7,3%
<i>Cost of sales</i>	926 005	1 012 199	-8,5%
<b>Gross profit on sales</b>	<b>60 255</b>	<b>51 687</b>	16,6%
<i>Percentage of gross profit on sales</i>	6,1%	4,9%	+1,2 pp
<b>Overhead and sales costs</b>	<b>23 728</b>	<b>20 456</b>	16,0%
<b>Sales profit</b>	<b>36 527</b>	<b>31 231</b>	17,0%
<i>Percentage of net profit on sales</i>	3,7%	2,9%	+0,8 pp
<b>Profit on operating activities</b>	<b>36 652</b>	<b>31 233</b>	17,4%
<i>EBT (in per cent)</i>	3,7%	2,9%	+0,8 pp
<b>Gross profit</b>	<b>32 807</b>	<b>27 588</b>	18,9%
<i>PBT (in per cent)</i>	3,3%	2,6%	+0,7 pp
<b>Net result from continuing operations</b>	<b>26 302</b>	<b>22 592</b>	16,4%
<i>Net result from continuing operations (in per cent)</i>	2,7%	2,1%	+0,6 pp
<b>Net profit for the period</b>	<b>26 302</b>	<b>22 148</b>	18,8%
<i>Net profit (in per cent)</i>	2,7%	2,1%	+0,6 pp
<b>EBITDA</b>	<b>53 547</b>	<b>46 977</b>	14,0%
<i>EBITDA (in per cent)</i>	5,4%	4,4%	+1,0 pp

The scale of the Group's sales is determined by the lower volume of its own sales on contracts resulting from the agreed schedules, execution of works and suspension of works for the Ostrołęka Power Plant. Moreover, the pace of construction works was also influenced by the disturbances caused by the state of the epidemic, introduced and effective in Poland since 20 March this year.

A proportionally lower cost of sales of the Group results from a growing volume of contracts characterized by higher profitability than the average margin on gross sales from the portfolio of orders in the reporting period. As a result, the gross profit on sales amounted to about PLN 60.3 million, which is an increase of 16.6% yoy.

The sum of overheads and sales costs amounted to PLN 23.7 million, which is an increase of 16.0% yoy. The most significant impact on the level of indirect costs was extraneous services, including costs incurred in connection with the implementation of the new IFS management system, as well as salaries and social security, which are mainly due to the increase in employment.



# The financial situation – consolidated balance sheet



IN PLN THOUSAND	30.09.2020	31.12.2019	Change %
<b>Balance sheet total</b>	<b>1 093 956</b>	<b>1 283 698</b>	<b>-14,8%</b>
Fixed assets	211 019	206 969	2,0%
<b>Current assets</b>	<b>882 937</b>	<b>1 076 729</b>	<b>-18,0%</b>
Inventory	53 516	44 759	19,6%
<b>Cash</b>	<b>354 243</b>	<b>200 855</b>	<b>76,4%</b>
Equity	228 380	222 859	2,5%
<b>Total liabilities</b>	<b>865 576</b>	<b>1 060 839</b>	<b>-18,4%</b>
Net debt	-170 150	-2 909	nd.

High level of cash (PLN 354.2 million compared to PLN 200.9 million at the beginning of 2020) – due to the collection of receivables and advances paid from the Company's main Client.

The value of current assets amounted to PLN 882.9 million, which is a decrease of 18% mainly due to changes in working capital (outflow of trade receivables and cash flow).

The Group has no net financial debt – the net cash level at the end of the reporting period was PLN 170.15 million (compared to PLN 2.9 million at the end of 2019).

Currently, the Group's liquidity situation remains stable and provides a safety buffer in case of a significant impact of negative events related to the coronavirus epidemic on its operations.



# The financial situation – consolidated CF

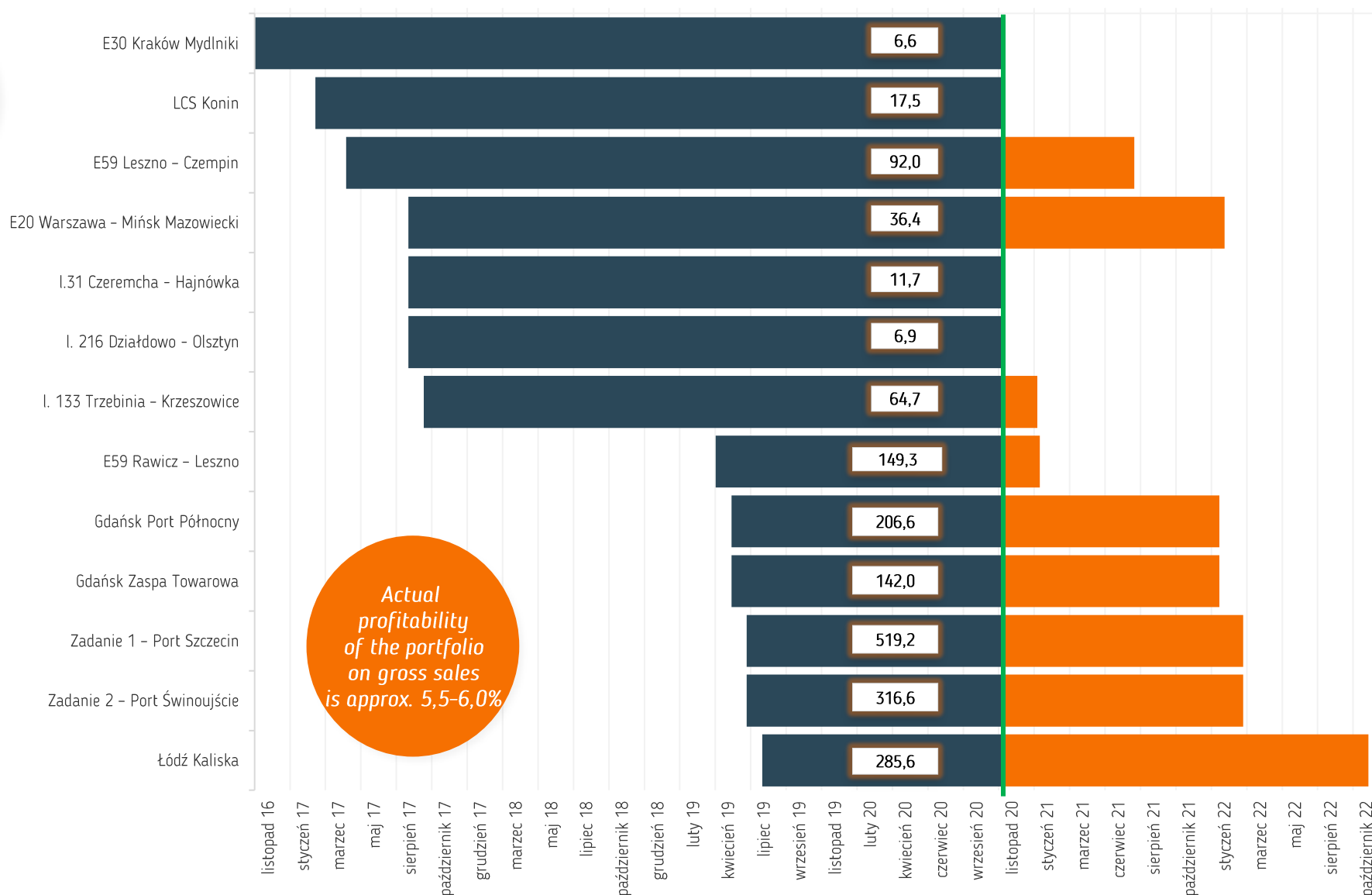


Data in PLN thousand	3Q2020	3Q2019	Change
<b>Cash flows from operating activity</b>			
<b>Gross profit</b>	<b>32 807</b>	<b>27 144</b>	<b>5 663</b>
Depreciation	16 895	15 744	1 151
Gain from investing activities	-481	1 877	-2 358
Change in receivables	342 359	52 209	290 150
Change in inventories	-8 757	-7 254	-1 503
Change in payables except for bank loans and borrowings	-151 325	-63 914	-87 411
Interests received	-1 152	-222	-930
Interests paid	4 093	4 082	11
Change in accrual and prepayments	10 123	-14 870	24 993
Movements in provisions	-1 682	4 501	-6 183
Income tax paid	-35 592	0	-35 592
Other	-107	-809	702
<b>Net cash flows from operating activity</b>	<b>207 181</b>	<b>18 488</b>	<b>188 693</b>

Data in PLN thousand	3Q2020	3Q2019	Change
<b>Cash flows from investing activities</b>			
Sale of fixed tangible assets and intangibles	1 169	304	865
Purchase of fixed tangible assets and intangibles	-3 904	-17 782	13 878
Interests received	1 150	418	732
Other	-2 952	-1 697	-1 255
<b>Net cash flows from investing activities</b>	<b>-4 537</b>	<b>-18 757</b>	<b>14 220</b>
<b>Cash flows from financial activities</b>			
Payment of finance lease liabilities	-10 741	-18 913	8 172
Proceeds from loans and borrowings	0	178 706	-178 706
Repayment of loans and borrowings	-35 513	-127 573	92 060
Interests paid	-4 048	-3 910	-138
Other	1 046	16 970	-15 924
<b>Net cash flows from financial activities</b>	<b>-49 256</b>	<b>45 280</b>	<b>-94 536</b>
Net increase/(decrease) in cash and cash equivalents	153 388	45 011	108 377
<b>Cash and cash equivalents at the beginning of the period</b>	<b>200 855</b>	<b>33 942</b>	<b>166 913</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>354 243</b>	<b>78 953</b>	<b>275 290</b>

# Current backlog

Current value of the backlog is PLN \*1.98 billion excl.VAT



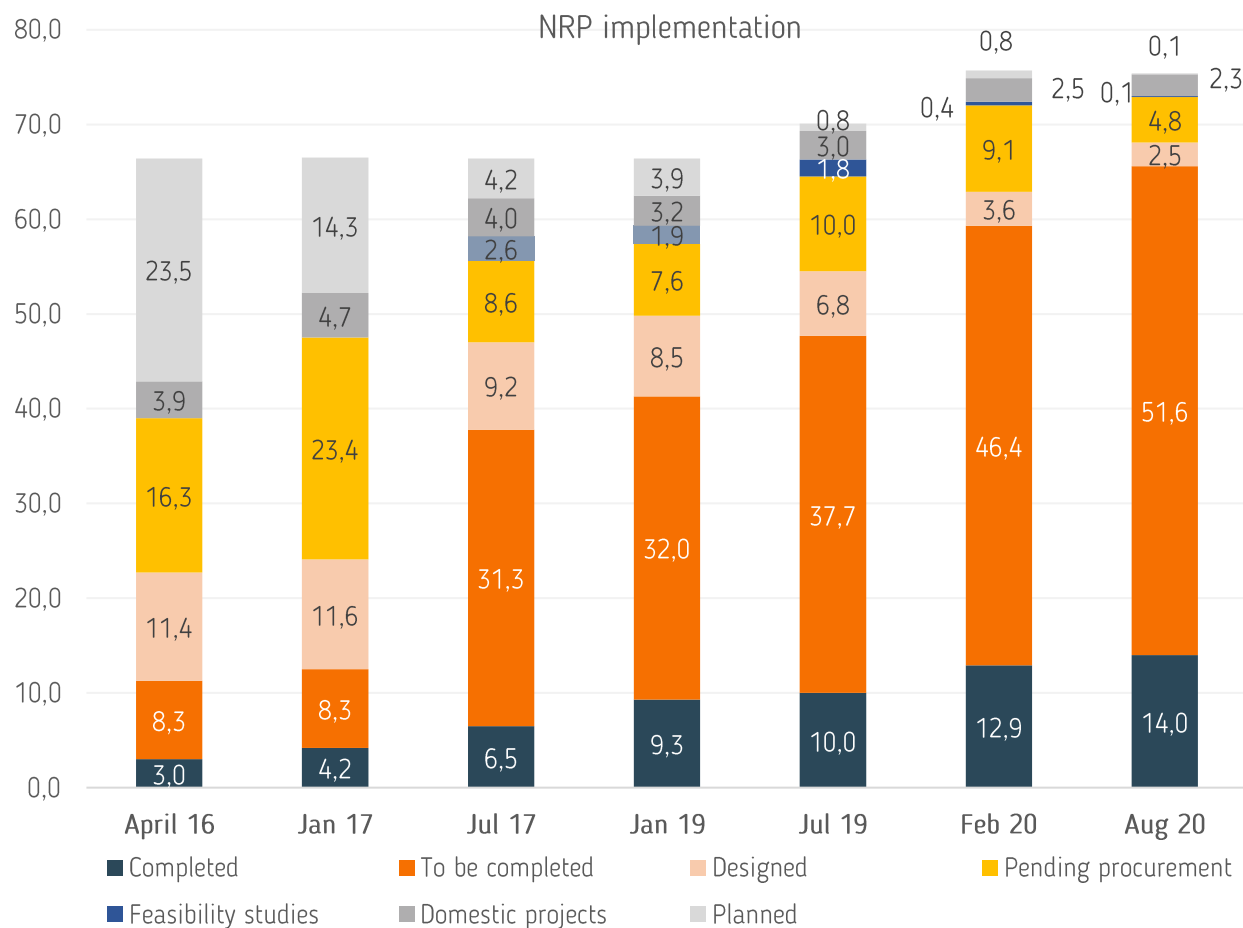
Actual profitability of the portfolio on gross sales is approx. 5,5-6,0%

\*without the participation of consortia, taking into account the selection of the most advantageous offers (after the appeal period)

# Prospects for the railway market in Poland

## - implementation of the NRP

National Railway Program until 2023 (NRP), which is valid from 2016. The program includes more than 220 projects – originally with a total value of about PLN 66.45 billion, so far the NRP has been updated 4 times. The last update took place in September 2019. The value of the program was raised to a record amount of almost **PLN 75.45 billion (233 projects)**. The current (according to press reports of PKP PLK) progress of implementation of NRP is 87%. Within the framework of the program, contracts worth almost PLN 14 billion have been completed, and the contracted stage of implementation is over PLN 51.6 billion. The execution of the NRP in the period from April 2016 to August 2020 is presented below:



Source: PKP PLK



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## Maintenance Program

"Assistance in financing the costs of railroad infrastructure management, including its maintenance and repair until 2023". The program will be financed from the state budget and the Railway Fund. For its implementation in 2019-2023, about **PLN 23.8 billion** will be allocated from public funds, including about PLN 21 billion from the state budget.

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## Railway Station Investment Program

Program includes modernization of 188 railway stations for a total amount of over **PLN 1.4 billion**. The program is financed in about 75% from European funds. According to PKP S.A. data, 18 railway station investments worth PLN 174 million gross (PLN 141.5 million excl. VAT) have been completed (put into operation), 75 facilities are under construction, 76 facilities are in the design process and 20 projects are in preparation for investment.

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## Railway+ Program

The main goal of the program is to supplement the railroad network with rail connections (including preparation of necessary pre-design and design documentation) of towns of more than 10,000 inhabitants that do not have access to passenger or freight railroads with provincial towns. About

**PLN 6.6 billion** will be allocated to the program **in 2019-2028**, of which about PLN 5.6 billion will come from the capitalization of PKP PLK, and the remaining PLN 1 billion is to be an own contribution of local government units (e.g. bond issues, loans). The program covered 21 municipalities in the transportation routes across the country.



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## CPK Project

Project of the Central Communication Port "Solidarity" (CPK), which is to be a transportation hub based on the integrated air and rail intermodal nodes. As part of the railroad component, the concept of the CPK implementation assumes investments of **PLN 8-9 billion** (based on the estimates included in the feasibility study for the construction of the "Warsaw - Łódź - Poznań/Wrocław" high speed railroad line).

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## Train Stop Program

Adopted in October 2020, the program assumes the implementation of 200 investment projects in the years 2020-2025, which are aimed at counteracting transport exclusion, promoting ecological means of transport and supporting the Polish economy by stimulating infrastructural investments related to the construction and modernization of train stops and accompanying infrastructure. The value of the program amounts to **PLN 1 billion**.

# Prospects for the railway market in Poland

## New EU perspective 2021-2027

- Under the new EU financial perspective, the initial total allocation for Poland for 2021-2027 under the cohesion policy is to be about **EUR 64.4 billion**, of which **EUR 27.5 billion** is planned for transport development under the Connecting Europe Facility (CEF). The focus will be on greener investments and railroad investments.
- The level of project funding will be lower than in the current perspective – the maximum level of EU funding will be **70%** for less developed regions (today it is 85%) – this category includes all provinces in Poland except the Mazowieckie and Dolnośląskie Voivodships, where the maximum level of EU funding will be even lower.
- In April 2020 PKP PLK developed **a plan for the development of the railroad network until 2040**. The preliminary list of investment tasks for the perspective 2021-2027 with possible implementation until 2040 includes **325 items**. The plan is worth over **PLN 250 billion**. For comparison, the draft budget bill assumes PLN 403.7 billion of revenues and PLN 486 billion of expenditures for 2021.
- This includes both the modernization of existing lines and the construction of new ones, included in existing government programs (NRP, CPK, Railway+). However, many investments do not even have a precisely defined scope yet. EU funds are to play a huge role in financing. Currently, work is being carried out on preparing a feasibility study for individual projects to be ready by 2023.

# Outlook of Torpol Oil&Gas



## MARKET SITUATION

The TOG subsidiary took part in 28 proceedings with a total net value of PLN 371.7 million, out of which it won 10 orders (out of 23 resolved proceedings) with a total net value of PLN 13.5 million. There were 5 pending proceedings with a potential net value of about PLN 285.8 million.

Ordering Party	Backlog in PLN million excl.VAT
PGNiG Technologie	23,84
Grupa Azoty	21,26
ORLEN Upstream	11,43
PGNiG S.A.	11,31
OGP Gaz-System S.A.	1,14
other	0,45
<b>Total</b>	<b>69,43</b>

MARKET  
WORTH  
BILLIONS  
OF POLISH  
ZLOTYS

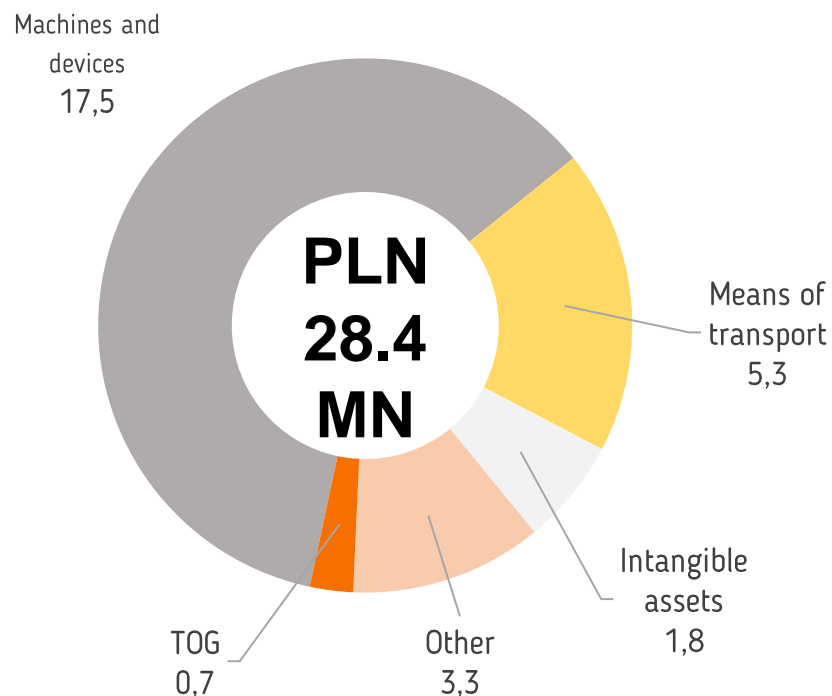
TOG's operating activity is being consistently developed, gradually becoming independent and strengthening its position in the oil&gas sector, increasing the scale of its operations.

TOG's subsidiary has a portfolio of orders with a net value of approximately PLN 69.43 million.

# Planned investments



Investments for the year 2020 (in PLN MN)



In 2019, the Group achieved a record annual capital investment level of 46.6 million PLN.

In 2020, the Group plans to incur significant net capital investment outlays of about PLN 28.4 million. In 9M20, PLN 13.0 million of the assumed amount was achieved. Due to the introduction of the state of the epidemic in the country and uncertainty as to how the situation on the market will look in the coming months. The company estimates that the level of investments completed in 2020 may be slightly lower.

The most important investments realized by the Group in the reporting period comprise the purchase of the tamping machine UNIMAT 09-8x4 Dynamic (continuation of the investment from 2019, in the current year the Company realized payments in the amount of about PLN 2.93 million), investment purchases dictated by the requirements of the rolling stock maintenance system in the total amount of about PLN 2.9 million, means of transport about PLN 2.6 million and software development about PLN 0.9 million.



# Challenges, current objectives and prospects



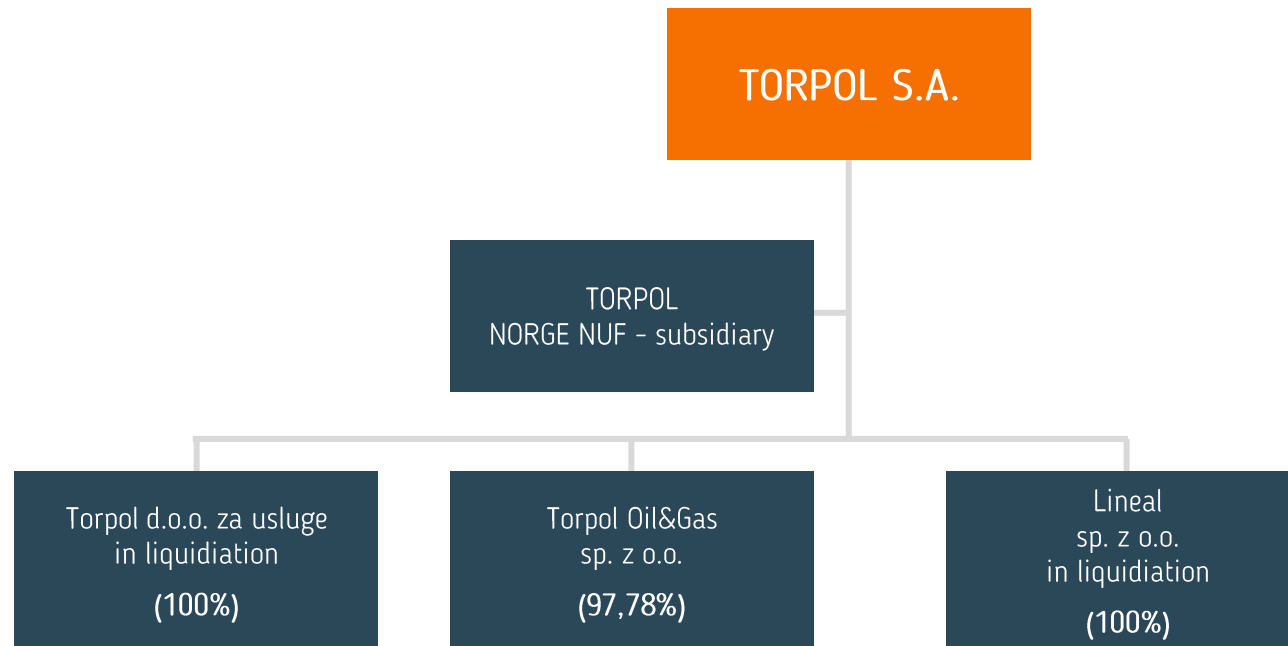
- Ongoing monitoring of the coronavirus epidemic situation, sanitary regime, health and safety at work, proper organization of remote and rotational work;
- Ongoing, strict control of the pace and quality of construction work. Controlling operational risks on contracts; Maintaining profitability on gross sales above 5%;
- Further tendering (PKP PLK, PKP SA, the tram market), maintaining access to credit and guarantee limits, cooperation with banks and insurers;
- Further competence building in the area of building gas network infrastructure and fuel infrastructure;
- Development of the general construction division, as well as the operation in the field of bridge and civil engineering constructions in the Group's portfolio;
- Strengthening the position of one of the largest entities in modernization projects on the railroad market, maintaining the market share at the level of not less than 15%. Maintaining the leading position in railroad revitalization projects.



# APPENDICES



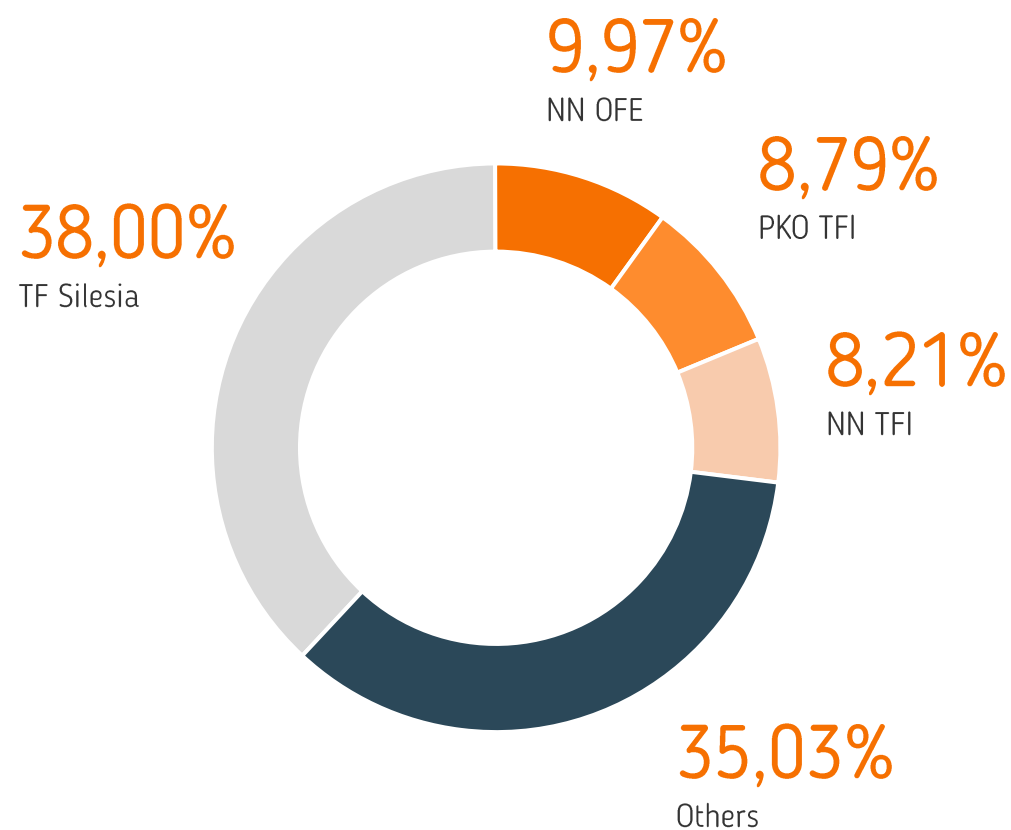
# Capital Group of TORPOL – 30/09/2020 and 20/11/2020



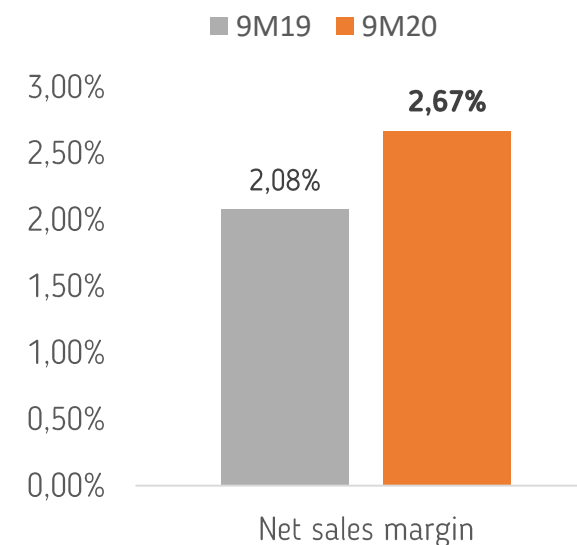
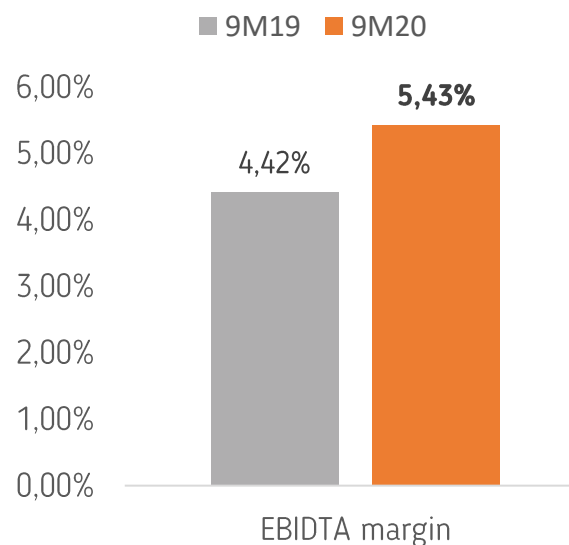
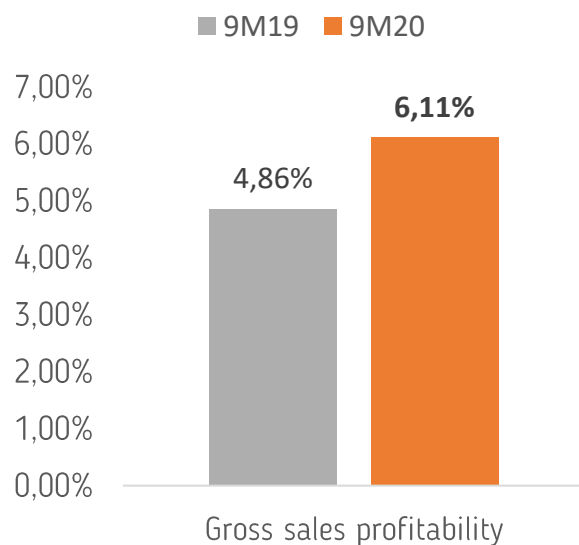
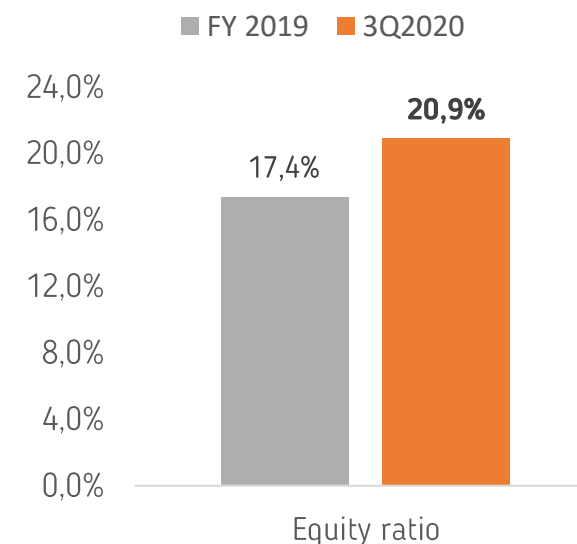
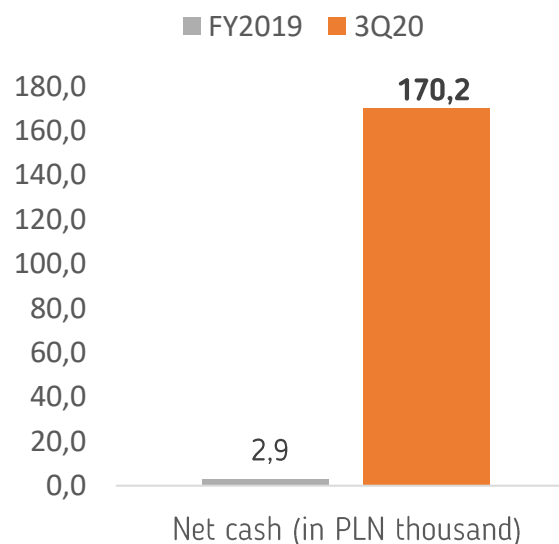
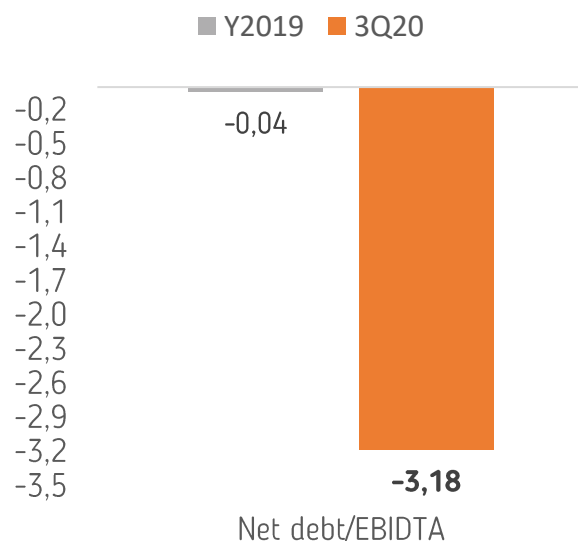
- On 24 January 2020 the District Court in Poznań decided to remove Afta sp. z o.o. in liquidation from the register of entrepreneurs, which formally completed the liquidation process.
- On 2 July 2020 (date of notarial act) Lineal sp. z o.o. was decided to be liquidated.
- Due to the coronavirus epidemic in Croatia, the process of liquidation of Torpol d.o.o. for the service is prolonged. At present, the date of completion of the liquidation process is difficult to estimate.

## Shareholder structure – 20 November 2020

Shareholder	Number of votes	(%) in capital
TF Silesia sp. z o.o.	8 728 600	38,00%
NN OFE	2 289 246	9,97%
PKO TFI	2 019 209	8,79%
NN TFI	1 886 071	8,21%
Others	8 046 874	35,03%
<b>TOTAL</b>	<b>22 970 000</b>	<b>100,00%</b>



# Financial indicators(consolidated)



# APPENDICES

## CONSOLIDATED



# Financial results of TORPOL Capital Group



Data in PLN thousand	9M20	Structure (%)	9M19	Structure (%)	Change	Change (%)
Sales of services	986 044	100,0%	1 062 954	99,9%	-76 910	-7,2%
Revenues from sales of goods and products	216	0,0%	932	0,1%	-716	-76,8%
<b>Sales revenues</b>	<b>986 260</b>	<b>100,0%</b>	<b>1 063 886</b>	<b>100,0%</b>	<b>-77 626</b>	<b>-7,3%</b>
Cost of goods sold	926 005	93,9%	1 012 199	95,1%	-86 194	-8,5%
<b>Gross profit on sales</b>	<b>60 255</b>	<b>6,5%</b>	<b>51 687</b>	<b>4,9%</b>	<b>8 568</b>	<b>16,6%</b>
Cost of sales	1 462	0,1%	1 954	0,2%	-492	-25,2%
General and administrative costs	22 266	2,3%	18 502	1,7%	3 764	20,3%
<b>Profit on sales</b>	<b>36 527</b>	<b>3,7%</b>	<b>31 231</b>	<b>2,9%</b>	<b>5 296</b>	<b>17,0%</b>
Other operating revenues	2 011	0,2%	867	0,1%	1 144	131,9%
Other operating expenses	1 886	0,2%	865	0,1%	1 021	118,0%
<b>Profit on operating activity</b>	<b>36 652</b>	<b>3,7%</b>	<b>31 233</b>	<b>2,9%</b>	<b>5 419</b>	<b>17,4%</b>
Financial revenues	1 152	0,1%	222	0,0%	930	418,9%
Other financial revenues	303	0,0%	972	0,1%	-669	-68,8%
Financial expenses	5 184	0,5%	4 817	0,5%	367	7,6%
Share in associate's profit	-116	0,0%	-22	0,0%	-94	427,3%
<b>Gross profit</b>	<b>32 807</b>	<b>3,3%</b>	<b>27 588</b>	<b>2,6%</b>	<b>5 219</b>	<b>18,9%</b>
Income tax	6 505	0,7%	4 996	0,5%	1 509	30,2%
Net profit/loss from continuing operations for the financial year	26 302	2,7%	22 592	2,1%	3 710	16,4%
Net profit/loss from discontinued operations for the financial year	0	0,0%	-444	0,0%	444	-100,0%
<b>Net profit for the period</b>	<b>26 302</b>	<b>2,7%</b>	<b>22 148</b>	<b>2,1%</b>	<b>4 154</b>	<b>18,8%</b>
Profit per one share (in PLN)	1,15	0,0%	0,96	0,0%	0,18	18,8%
<b>EBITDA</b>	<b>53 547</b>	<b>5,4%</b>	<b>46 977</b>	<b>4,4%</b>	<b>6 570</b>	<b>14,0%</b>

# Statement of TORPOL CG's finances



Data in PLN thousand	30/09/2020	Structure (%)	31/12/2019	Structure (%)	Change	Change (%)
<b>Fixed assets</b>	<b>211 019</b>	<b>19,3%</b>	<b>206 969</b>	<b>16,1%</b>	<b>4 050</b>	<b>2,0%</b>
Tangible fixed assets	87 499	8,0%	89 303	7,0%	-1 804	-2,0%
Goodwill	9 008	0,8%	9 008	0,7%	0	0,0%
Intangible assets	3 835	0,4%	3 059	0,2%	776	nd.
Right-of-use assets	46 361	4,2%	52 513	4,1%	-6 152	-11,7%
Shares in joint venture entities	155	0,0%	777	0,1%	-622	-80,1%
Long-term receivables	22 917	2,1%	12 398	1,0%	10 519	84,8%
Deferred tax assets	36 093	3,3%	30 324	2,4%	5 769	19,0%
Prepayments	5 151	0,5%	9 587	0,7%	-4 436	-46,3%
<b>Current assets</b>	<b>882 937</b>	<b>80,7%</b>	<b>1 076 729</b>	<b>83,9%</b>	<b>-193 792</b>	<b>-18,0%</b>
Inventories	53 516	4,9%	44 759	3,5%	8 757	19,6%
Trade and service receivables	237 661	21,7%	621 649	48,4%	-383 988	-61,8%
Other financial receivables	4 293	0,4%	5 191	0,4%	-898	-17,3%
Assets due to contracts with customers	203 095	18,6%	188 151	14,7%	14 944	7,9%
Other non-financial receivables	20 637	1,9%	3 637	0,3%	17 000	467,4%
Prepayments	9 352	0,9%	12 410	1,0%	-3 058	-24,6%
Interest bearing loans and credits	72	0,0%	72	0,0%	0	0,0%
Cash and cash equivalents	68	0,0%	5	0,0%	63	1260,0%
Other financial assets	354 243	32,4%	200 855	15,6%	153 388	76,4%
<b>TOTAL ASSETS</b>	<b>1 093 956</b>	<b>100,0%</b>	<b>1 283 698</b>	<b>100,0%</b>	<b>-189 742</b>	<b>-14,8%</b>

# Statement of TORPOL CG's financial standing



Data in PLN thousand	30/09/2020	Structure (%)	31/12/2019	Structure (%)	Change	Change (%)
<b>Equity</b>	<b>228 380</b>	<b>20,9%</b>	<b>222 859</b>	<b>17,4%</b>	<b>5 521</b>	<b>2,5%</b>
Share capital	4 594	0,4%	4 594	0,4%	0	0,0%
Other reserve capitals	147 457	13,5%	141 135	11,0%	6 322	4,5%
Supplementary capitals	57 829	5,3%	58 149	4,5%	-320	-0,6%
Retained earnings	20 239	1,9%	21 379	1,7%	-1 140	-5,3%
Exchange rate difference on translation of foreign operations	-494	0,0%	-1 091	-0,1%	597	-54,7%
Revaluation reserve	-306	0,0%	-351	0,0%	45	-12,8%
<b>Non-controlling interests</b>	<b>-939</b>	<b>-0,1%</b>	<b>-956</b>	<b>-0,1%</b>	<b>17</b>	<b>-1,8%</b>
<b>Long-term liabilities</b>	<b>108 538</b>	<b>9,9%</b>	<b>117 059</b>	<b>9,1%</b>	<b>-8 521</b>	<b>-7,3%</b>
Interest-bearing loans and borrowings	51 263	4,7%	63 979	5,0%	-12 716	-19,9%
Provisions	1 580	0,1%	1 580	0,1%	0	0,0%
Financial liabilities	55 695	5,1%	51 500	4,0%	4 195	8,1%
<b>Short-term liabilities</b>	<b>757 038</b>	<b>69,2%</b>	<b>943 780</b>	<b>73,5%</b>	<b>-186 742</b>	<b>-19,8%</b>
Trade and service liabilities	207 345	19,0%	340 789	26,5%	-133 444	-39,2%
Loans and borrowings	37 069	3,4%	58 896	4,6%	-21 827	-37,1%
Other financial liabilities	40 066	3,7%	23 571	1,8%	16 495	70,0%
Liabilities due to construction contracts and future period's revenues	240 453	22,0%	172 919	13,5%	67 534	39,1%
Advances for acquired contracts	177 373	16,2%	243 932	19,0%	-66 559	-27,3%
Other financial liabilities	9 430	0,9%	35 997	2,8%	-26 567	-73,8%
CIT related liabilities	5 061	0,5%	28 381	2,2%	-23 320	-82,2%
Accruals	34 453	3,1%	31 824	2,5%	2 629	8,3%
Provisions	5 788	0,5%	7 471	0,6%	-1 683	-22,5%
<b>Total liabilities</b>	<b>865 576</b>	<b>79,1%</b>	<b>1 060 839</b>	<b>82,6%</b>	<b>-195 263</b>	<b>-18,4%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 093 956</b>	<b>100,0%</b>	<b>1 283 698</b>	<b>100,0%</b>	<b>-189 742</b>	<b>-14,8%</b>

# Financial situation – consolidated CF



Data in PLN thousand	3Q2020	3Q2019	Change
<b>Cash flows from operating activity</b>			
Gross profit	32 807	27 144	5 663
Depreciation	16 895	15 744	1 151
Gain from investing activities	-481	1 877	-2 358
Change in receivables	342 359	52 209	290 150
Change in inventories	-8 757	-7 254	-1 503
Change in payables except for bank loans and borrowings	-151 325	-63 914	-87 411
Interests received	-1 152	-222	-930
Interests paid	4 093	4 082	11
Change in accrual and prepayments	10 123	-14 870	24 993
Movements in provisions	-1 682	4 501	-6 183
Income tax paid	-35 592	0	-35 592
Other	-107	-809	702
<b>Net cash flows from operating activity</b>	<b>207 181</b>	<b>18 488</b>	<b>188 693</b>

Data in PLN thousand	3Q2020	3Q2019	Change
<b>Cash flows from investing activities</b>			
Sale of fixed tangible assets and intangibles	1 169	304	865
Purchase of fixed tangible assets and intangibles	-3 904	-17 782	13 878
Interests received	1 150	418	732
Other	-2 952	-1 697	-1 255
<b>Net cash flows from investing activities</b>	<b>-4 537</b>	<b>-18 757</b>	<b>14 220</b>
<b>Cash flows from financial activities</b>			
Payment of finance lease liabilities	-10 741	-18 913	8 172
Proceeds from loans and borrowings	0	178 706	-178 706
Repayment of loans and borrowings	-35 513	-127 573	92 060
Interests paid	-4 048	-3 910	-138
Other	1 046	16 970	-15 924
<b>Net cash flows from financial activities</b>	<b>-49 256</b>	<b>45 280</b>	<b>-94 536</b>
Net increase/(decrease) in cash and cash equivalents	153 388	45 011	108 377
<b>Cash and cash equivalents at the beginning of the period</b>	<b>200 855</b>	<b>33 942</b>	<b>166 913</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>354 243</b>	<b>78 953</b>	<b>275 290</b>

A photograph of a railway track with overhead power lines. The tracks are made of steel rails on wooden sleepers, and the ground is covered with gravel. The overhead power lines are supported by metal structures. The sky is blue with some clouds. The image is split into two parts: the top part shows the power lines and the bottom part shows the tracks.

# APPENDICES

## UNCONSOLIDATED



# Financial results of TORPOL



Data in PLN thousand	9M20	Structure (%)	9M19	Structure (%)	Change	Change (%)
Sales of services	946 073	100,0%	1 032 632	99,9%	-86 559	-8,4%
Revenues from sales of goods and products	217	0,0%	866	0,1%	-649	-74,9%
<b>Sales revenues</b>	<b>946 290</b>	<b>100,0%</b>	<b>1 033 498</b>	<b>100,0%</b>	<b>-87 208</b>	<b>-8,4%</b>
Cost of goods sold	889 960	94,0%	985 402	95,3%	-95 442	-9,7%
<b>Gross profit on sales</b>	<b>56 330</b>	<b>6,3%</b>	<b>48 096</b>	<b>4,7%</b>	<b>8 234</b>	<b>17,1%</b>
Cost of sales	1 461	0,2%	1 935	0,2%	-474	-24,5%
General and administrative costs	19 003	2,0%	16 170	1,6%	2 833	17,5%
<b>Profit on sales</b>	<b>35 866</b>	<b>3,8%</b>	<b>29 991</b>	<b>2,9%</b>	<b>5 875</b>	<b>19,6%</b>
Other operating revenues	2 009	0,2%	866	0,1%	1 143	132,0%
Other operating expenses	1 847	0,2%	865	0,1%	982	113,5%
<b>Profit on operating activity</b>	<b>36 028</b>	<b>3,8%</b>	<b>29 992</b>	<b>2,9%</b>	<b>6 036</b>	<b>20,1%</b>
Financial revenues	1 149	0,1%	418	0,0%	731	174,9%
Other financial revenues	13	0,0%	951	0,1%	-938	-98,6%
Financial expenses	5 291	0,6%	5 369	0,5%	-78	-1,5%
<b>Gross profit</b>	<b>31 899</b>	<b>3,4%</b>	<b>25 992</b>	<b>2,5%</b>	<b>5 907</b>	<b>22,7%</b>
Income tax	6 256	0,7%	5 330	0,5%	926	17,4%
<b>Net profit for the period</b>	<b>25 643</b>	<b>2,7%</b>	<b>20 662</b>	<b>2,0%</b>	<b>4 981</b>	<b>24,1%</b>
Profit per one share (in PLN)	1,12	0,0%	0,90	0,0%	0,22	24,1%
<b>EBITDA</b>	<b>51 936</b>	<b>5,5%</b>	<b>45 069</b>	<b>4,4%</b>	<b>6 867</b>	<b>15,2%</b>

# Statement of TORPOL's financial standing



Data in PLN thousand	30/09/2020	Structure (%)	31/12/2019	Structure (%)	Change	Change (%)
<b>Fixed assets</b>	<b>213 562</b>	<b>20,3%</b>	<b>210 705</b>	<b>16,7%</b>	<b>2 857</b>	<b>1,4%</b>
Tangible fixed assets	87 461	8,3%	90 811	7,2%	-3 350	-3,7%
Goodwill	9 008	0,9%	9 008	0,7%	0	0,0%
Intangible assets	3 699	0,4%	2 943	0,2%	756	nd.
Right-of-use assets	45 236	4,3%	51 009	4,1%	-5 773	-11,3%
Shares in affiliate entities	5 415	0,5%	5 415	0,4%	0	0,0%
Shares in joint venture entities	0	0,0%	506	0,0%	-506	-100,0%
Long-term receivables	22 916	2,2%	12 386	1,0%	10 530	85,0%
Deferred tax assets	35 152	3,3%	29 508	2,3%	5 644	19,1%
Prepayments	4 675	0,4%	9 119	0,7%	-4 444	-48,7%
<b>Current assets</b>	<b>840 344</b>	<b>79,7%</b>	<b>1 047 489</b>	<b>83,3%</b>	<b>-207 145</b>	<b>-19,8%</b>
Inventories	48 435	4,6%	44 044	3,5%	4 391	10,0%
Trade and service receivables	217 791	20,7%	618 764	49,2%	-400 973	-64,8%
Other financial receivables	4 293	0,4%	5 191	0,4%	-898	-17,3%
Assets due to contracts with customers	195 835	18,6%	182 397	14,5%	13 438	7,4%
Other non-financial receivables	18 876	1,8%	3 119	0,2%	15 757	505,2%
Prepayments	8 624	0,8%	11 905	0,9%	-3 281	-27,6%
Cash and cash equivalents	346 485	32,9%	182 064	14,5%	164 421	90,3%
Other financial assets	5	0,0%	5	0,0%	0	0,0%
<b>TOTAL ASSETS</b>	<b>1 053 906</b>	<b>100,0%</b>	<b>1 258 194</b>	<b>100,0%</b>	<b>-204 288</b>	<b>-16,2%</b>

# Statement of TORPOL's financial standing



Data in PLN thousand	30/09/2020	Structure (%)	31/12/2019	Structure (%)	Change	Change (%)
<b>Equity</b>	<b>233 441</b>	<b>22,2%</b>	<b>228 623</b>	<b>18,2%</b>	<b>4 818</b>	<b>2,1%</b>
Share capital	4 594	0,4%	4 594	0,4%	0	0,0%
Other reserve capitals	147 457	14,0%	141 135	11,2%	6 322	4,5%
Supplementary capitals	58 918	5,6%	58 918	4,7%	0	0,0%
Retained earnings	23 377	2,2%	25 479	2,0%	-2 102	-8,2%
Exchange rate difference on translation of foreign operations	-561	-0,1%	-1 159	-0,1%	598	-51,6%
Revaluation reserve	-344	0,0%	-344	0,0%	0	0,0%
<b>Long-term liabilities</b>	<b>107 021</b>	<b>10,2%</b>	<b>116 010</b>	<b>9,2%</b>	<b>-8 989</b>	<b>-7,7%</b>
Interest-bearing loans and borrowings	50 530	4,8%	63 979	5,1%	-13 449	-21,0%
Provisions	1 580	0,1%	1 580	0,1%	0	0,0%
Other financial liabilities	54 911	5,2%	50 451	4,0%	4 460	8,8%
<b>Short-term liabilities</b>	<b>713 444</b>	<b>67,7%</b>	<b>913 561</b>	<b>72,6%</b>	<b>-200 117</b>	<b>-21,9%</b>
Trade and service liabilities	193 619	18,4%	337 953	26,9%	-144 334	-42,7%
Loans and borrowings	36 832	3,5%	58 896	4,7%	-22 064	nd.
Other financial liabilities	38 772	3,7%	22 336	1,8%	16 436	73,6%
Liabilities due to construction contracts and future period's revenues	237 319	22,5%	172 919	13,7%	64 400	37,2%
Advances received for deliveries	156 073	14,8%	222 182	17,7%	-66 109	-29,8%
Other financial liabilities	7 663	0,7%	31 976	2,5%	-24 313	-76,0%
CIT related liabilities	4 688	0,4%	28 381	2,3%	-23 693	-83,5%
Accruals	32 690	3,1%	31 447	2,5%	1 243	4,0%
Provisions	5 788	0,5%	7 471	0,6%	-1 683	-22,5%
<b>Total liabilities</b>	<b>820 465</b>	<b>77,8%</b>	<b>1 029 571</b>	<b>81,8%</b>	<b>-209 106</b>	<b>-20,3%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 053 906</b>	<b>100,0%</b>	<b>1 258 194</b>	<b>100,0%</b>	<b>-204 288</b>	<b>-16,2%</b>

# TORPOL's Cash Flow statement



Data in PLN thousand	9M20	9M19	Change	Data in PLN thousand	9M20	9M19	Change
<b>Cash flows from operating activity</b>				<b>Cash flows from investing activities</b>			
<b>Gross profit</b>	<b>31 899</b>	<b>25 992</b>	<b>5 907</b>	Sale of fixed tangible assets and intangibles	1 169	304	865
Depreciation	15 908	15 077	831	Purchase of fixed tangible assets and intangibles	-2 000	-19 302	17 302
Gain from investing activities	-481	352	-833	Loan payment	0	3 651	-3 651
Change in receivables	362 146	53 887	308 259	Loans granted	0	-3 651	3 651
Change in inventories	-4 392	-7 545	3 153	Interests received	1 149	418	731
Change in payables except for bank loans and borrowings	-162 912	-63 952	-98 960	Other	-2 952	-1 701	-1 251
Interests received	-1 149	-418	-731	<b>Net cash flows from investing activities</b>	<b>-2 634</b>	<b>-20 281</b>	<b>17 647</b>
Interests paid	4 042	3 854	188	<b>Cash flows from financial activities</b>			
Change in accrual and prepayments	8 968	-14 382	23 350	Payment of finance lease liabilities	-10 033	-17 838	7 805
Movements in provisions	-1 682	4 501	-6 183	Proceeds from loans and borrowings	0	178 106	-178 106
Income tax paid	-35 592	0	-35 592	Repayment of loans and borrowings	-35 513	-125 463	89 950
Other	-153	-110	-43	Interests paid	-4 001	-3 517	-484
<b>Net cash flows from operating activity</b>	<b>216 602</b>	<b>17 256</b>	<b>199 346</b>	Other	0	16 970	-16 970
				<b>Net cash flows from financial activities</b>	<b>-49 547</b>	<b>48 258</b>	<b>-97 805</b>
				Net increase/(decrease) in cash and cash equivalents	164 421	45 233	119 188
				<b>Cash and cash equivalents at the beginning of the period</b>	<b>182 064</b>	<b>33 339</b>	<b>148 725</b>
				<b>Cash and cash equivalents at the end of the period</b>	<b>346 485</b>	<b>78 550</b>	<b>267 935</b>





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