

PRESENTATION OF BOWIM GROUP



Agenda

01

About Bowim Group

02

Financial results 2020

03

Material events in 2020 and prospects



Leading player on the Polish market

3rd place in the PUDS ranking
among the largest polish independent
steel distributor*

6 000 customers

103 place in the ranking of the 200
Largest Polish Companies of "Wprost"
weekly magazine



Volumes processed of close to **540,000 tonnes** in 2020

Nearly **PLN 1.3 billion** revenue in 2020

Modern distribution, sales and
manufacturing facilities

Members of the Management Board
are the main Shareholders

*not including producers



Business segments



TRADE	METAL SHEET PROCESSING	LABORATORY	TRANSPORTATION
<ul style="list-style-type: none"> ❖ End-to-end distribution of carbon steel products from Polish and foreign manufacturers. The goods offered include: ❖ Sheets (cold-rolled, hot-rolled, galvanised, roofing sheet); ❖ Bars (rebars, round, square, flat); ❖ Pipes, tubes and profiles (welded and seamless tubes, line and construction pipes, drilling, extraction and casing pipes, open and box sections); ❖ Sections (cold-formed, hot-rolled). 	<ul style="list-style-type: none"> ❖ Metal sheet burning, ❖ Bending on a press, ❖ Making welded structures, ❖ Services related to drilling, grinding and deburring. 	<ul style="list-style-type: none"> ❖ Our in-house testing laboratory, carries out tests using 4 methods: ❖ Tensile testing, ❖ Impact testing, ❖ Bending testing, ❖ Ultrasonic testing. 	<p>Based on a third-party fleet, providing deliveries of purchased goods directly to customers.</p>



TRADE	SERVICE CENTRE	REINFORCEMENT PLANT
<p>Similar to Bowim S.A., Bowim Podkarpackie Sp. z o.o. provides distribution services for carbon steel products.</p>	<p>Passat – Stal S.A. is a steel service centre offering largely processed products</p> <p>The company manufactures:</p> <ul style="list-style-type: none"> ❖ galvanised and cold-rolled sheets and strips ❖ hot-rolled sheet in coils ❖ cold-formed sections 	<ul style="list-style-type: none"> ❖ The company delivers reinforcement cages and pile rebar cages; ❖ The company has the capability to manufacture components of various shapes, with bar diameters ranging from 6 to 40 mm and pile rebar cages with a diameter from 30 to 1500 mm and a length of up to 15 m as a single unit or as combined unit up to 22 m.



Bowim-Podkarpacie Sp. z o.o.



Bowim S.A.



Passat-Stal S.A.



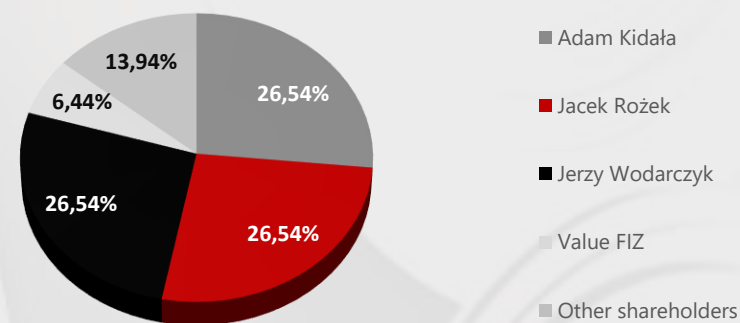
Company authorities | Shareholding

Management Board:

NAME	FUNCTION	AREA OF RESPONSIBILITY
Jacek Rożek	Vice President of the Board	Economy & Finance Strategy and development
Adam Kiwała	Vice President of the Board	Purchases Strategy and development
Jerzy Wodarczyk	Vice President of the Board	Sales Strategy and development

Shareholding structure by votes as of 04/05/2021

"Bowim" S.A. - as part of the buyback



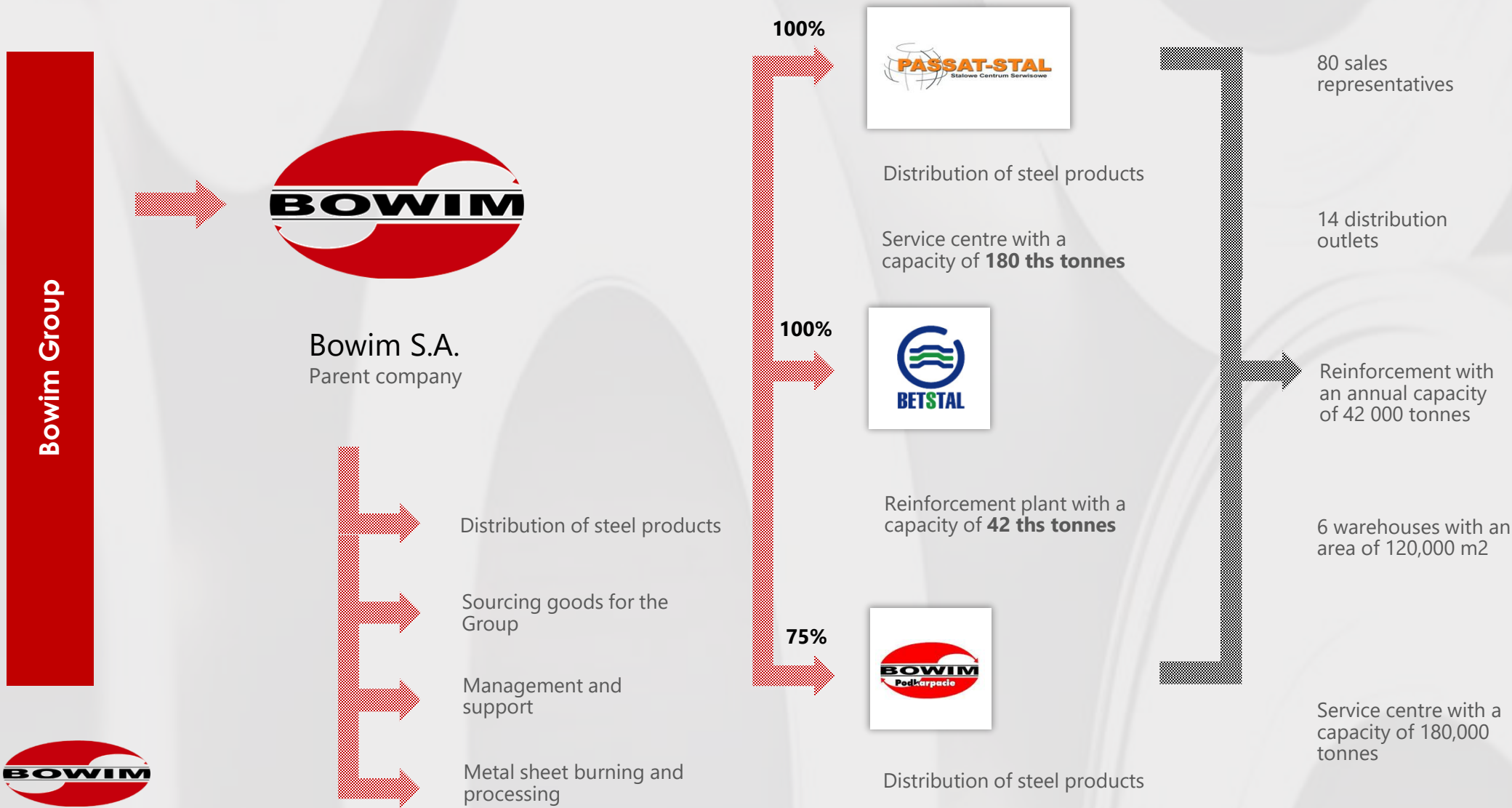
Shareholding as of 04/05/2021

SHAREHOLDER	NUMBER OF SHARES	% SHARE IN EQUITY	NUMBER OF VOTES	% SHARE IN VOTES AT THE COMPANY GENERAL MEETING
Adam Kiwała	4 132 353	21,18%	6 257 353	26,45%
Jacek Rożek	4 132 353	21,18%	6 257 353	26,45%
Jerzy Wodarczyk	4 132 353	21,18%	6 257 353	26,45%
Value Fundusz Inwestycyjny Zamknięty	1 519 417	7,79%	1 519 417	6,42%
Other shareholders, Including Konsorcjum Stali	3 285 411 157 828	16,82% 0,81%	3 285 411 157 828	13,94% 0,67%
„Bowim” S.A. – as part of the buyback (do not vote at the Company’s GM)	2 312 760	11,85%	0	0,00%
TOTAL	19 514 647	100%	23 576 887	100%

History of business development



Group Structure



Assets | Geographical range

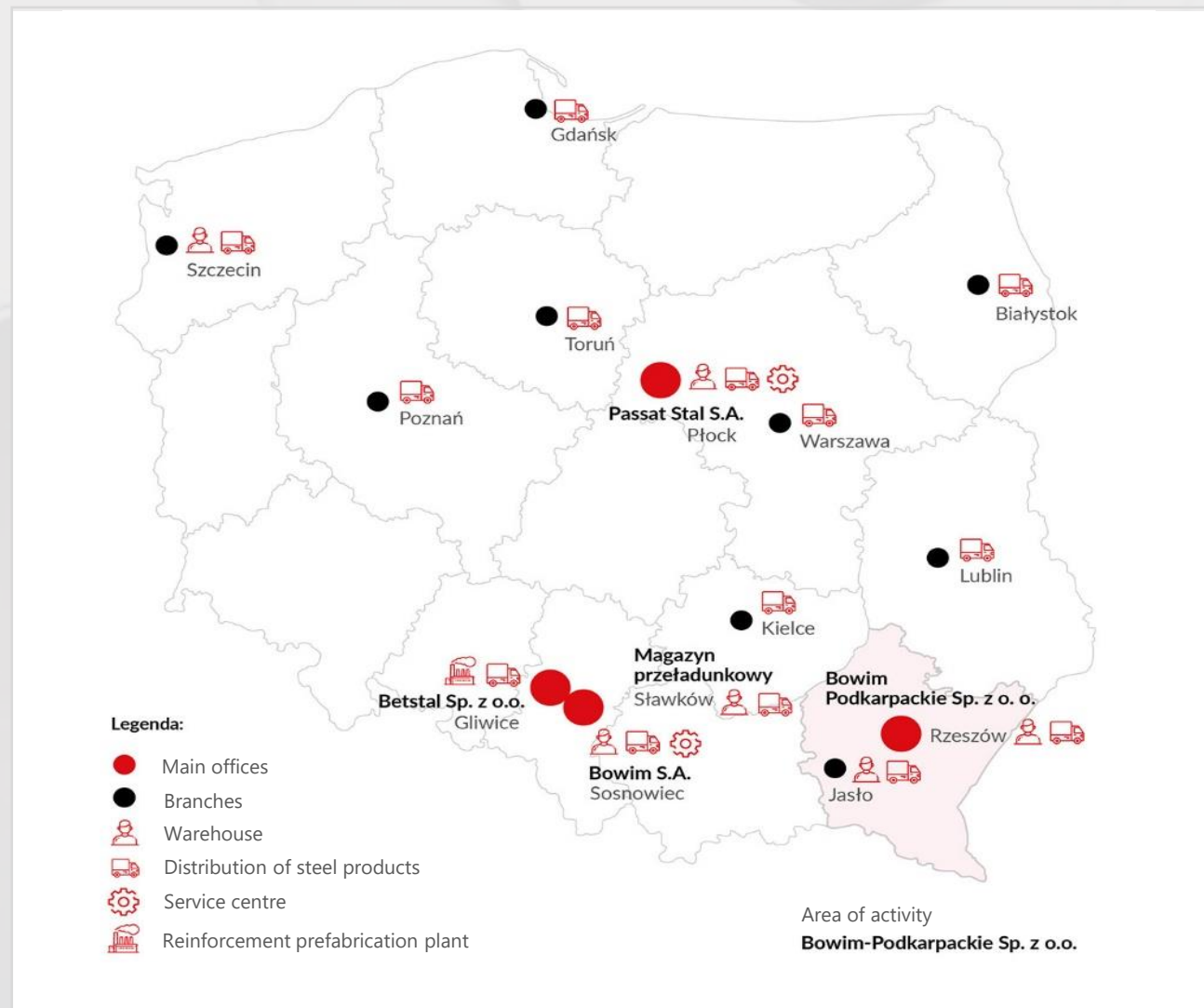
The Company's headquarters and the central warehouse are located in Sosnowiec - the **purchasing centre** as well as the **distribution and logistics centre**;

❖ The **distribution network** covers entire Poland and is composed of the following:

- ❖ **Transshipment warehouse** in Sławków;
- ❖ **Sales branches** located in Białystok, Gdańsk, Kielce, Lublin, Poznań, Szczecin (including a warehouse), Toruń and Warsaw.

❖ **The network is supplemented by the infrastructure** of companies comprising the Group:

- ❖ **Service centre and warehouse in Płock** (belonging to subsidiary Passat Stal S.A.);
- ❖ **Distribution and logistics centre in Rzeszów including a retail warehouse in Jasło** (belonging to subsidiary Bowim-Podkarpackie Sp. z o.o.);
- ❖ **Reinforcement prefabrication plant in Gliwice** (owned by subsidiary Betstal Sp. z o.o.).
- ❖ **Metal sheet burning service centre in Zabrze**



Agenda

01

About Bowim Group

02

Financial results 2020

03

Material events in 2020 and prospects



External environment - Poland



Continuation of infrastructure and construction investments, including those supported by EU funds

National Railway Programme, investments in the power industry, road investments and industrial and residential construction - higher demand for reinforcing and structural steel



Increase in electricity prices

Increase in electricity prices on the wholesale market on the Polish Power Exchange resulting from: increasing prices of hard coal; increasing charges for CO2 emission for energy generators



Shielding measures for the most energy consuming companies

The announced launch of shielding measures including exemption of the steel industry from excise duty on energy; reliefs and compensation for energy-intensive businesses; free CO2 emission allowances



Impact of SARS-CoV-2 coronavirus on steel markets

For the global steel market, 2020 was marked by the unfolding COVID-19 pandemic and its impact on the economy. The difficulties that emerged in the first quarter worsened during the second quarter, there was some stabilization in the third quarter, but after that the pandemic crisis began to develop again. Operational performance has been overshadowed by the spread of coronavirus.



ArcelorMittal Poland permanently close furnace and steel plant in Kraków

Due to the high cost of CO2 emission allowances, the increase in steel imports, high energy prices in the country and global overproduction, the management of the concern announced its decision to extinguish the blast furnace and stop the steelworks in Kraków on 23 November 2019 - until "market conditions improve". The planned restart in mid-March, due to the development of the coronavirus pandemic, did not take place.

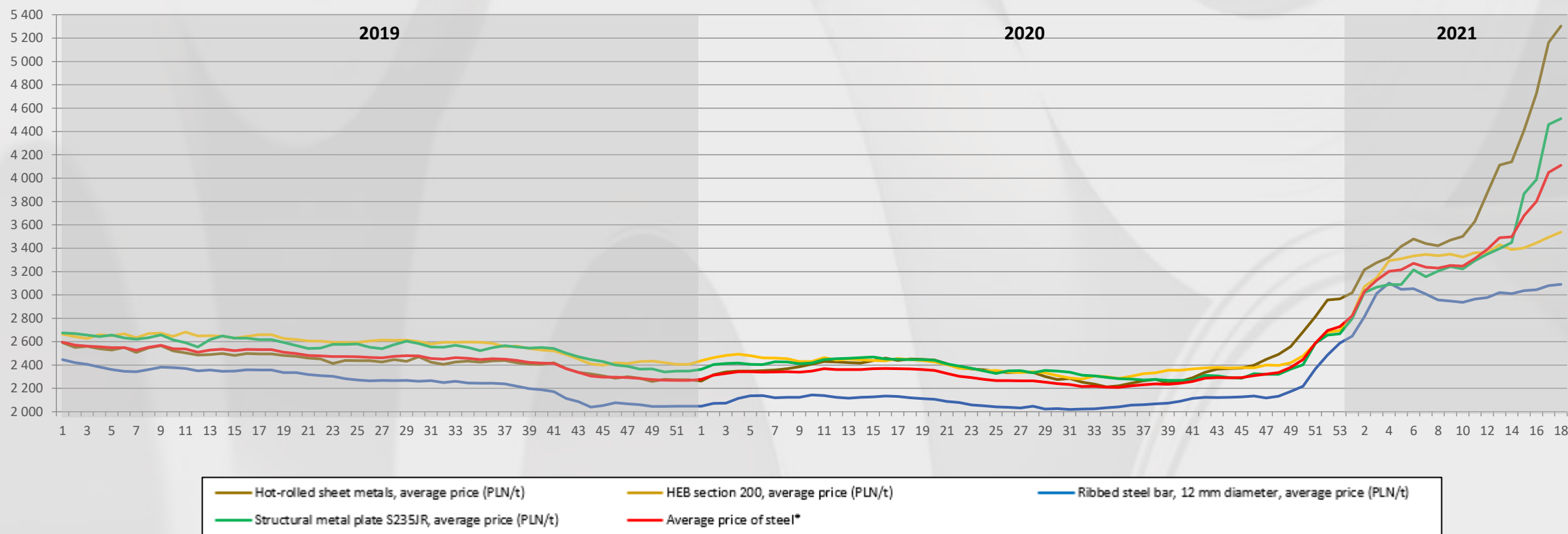


Changes in public procurement

The Polish Parliament passed a new public procurement law in September 2019, which is to enter into force at the beginning of 2021. The new law is intended to facilitate access to the public procurement market worth PLN 200 billion a year for entrepreneurs.



Prices of steel products



The average prices of Bowim Group's main assortments in 2020 fell by more than 5.33% vs. the 2019 average. Prices in Q4 2020 started an upward trend and grew by more than 3.91% compared to the average of the first 3 quarters.

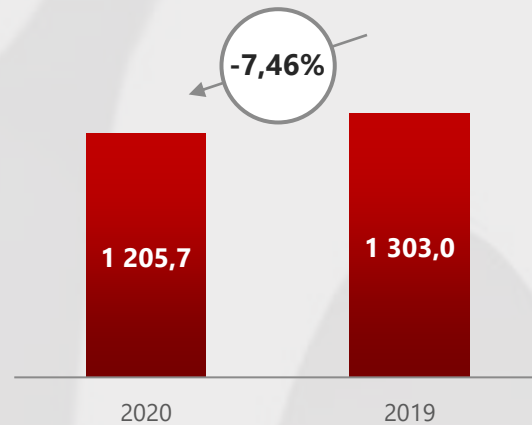


* average value of prices: hot-rolled sheet, HEB 200 sections, 12 mm ribbed steel bar, and metal plate Source: in-house developed sources based on www.puds.pl

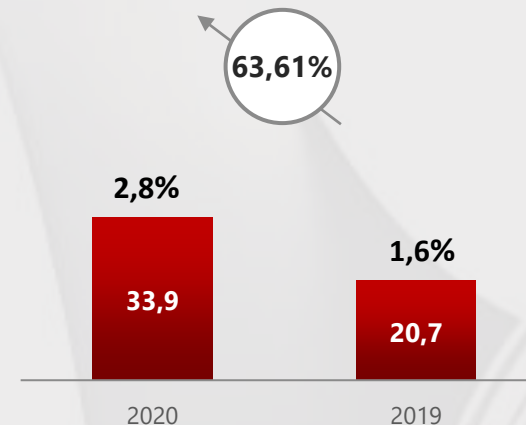
Consolidated financial results in the period 2020



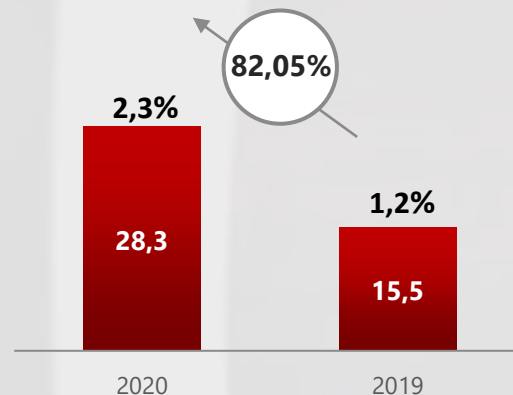
OPERATING
REVENUE (PLN
million)



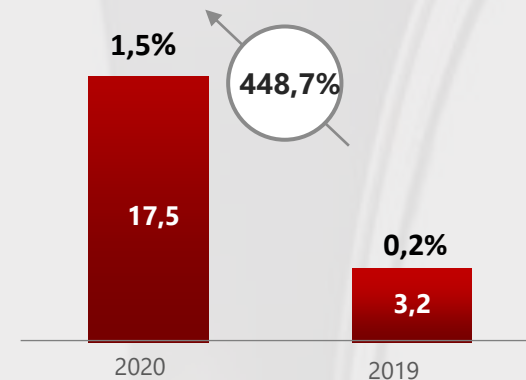
EBITDA (PLN
million)



EBIT (PLN million)



NET PROFIT (PLN
million)



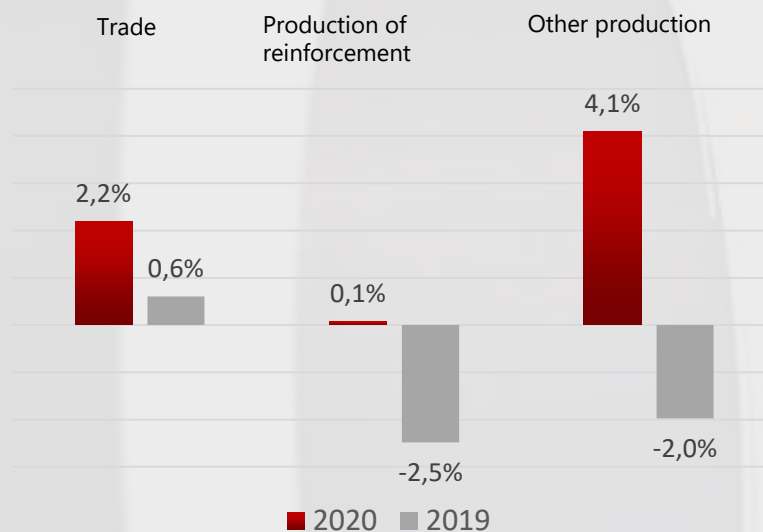
Business segments

Financial data by segments

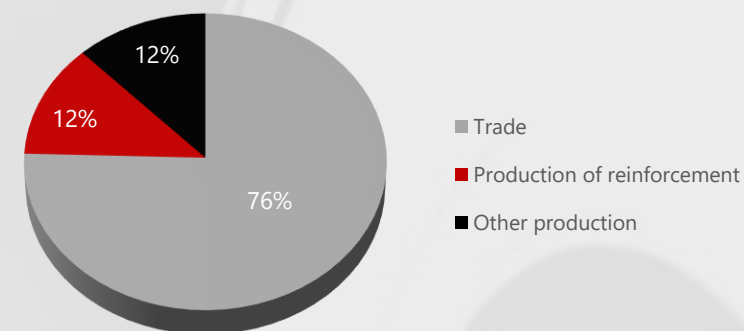


('000 PLN)	TRADE		PRODUCTION OF REINFORCEMENT		OTHER PRODUCTION	
	2020	2019	2020	2019	2020	2019
Revenue	919 348	1 012 597	142 707	128 624	143 674	161 516
Costs	899 166	1 006 453	142 594	164 709	137 784	164 709
Gross profit/loss on sale	20 182	6 144	113	-3 193	5 890	-3 193

Gross sales margins



Revenue structure



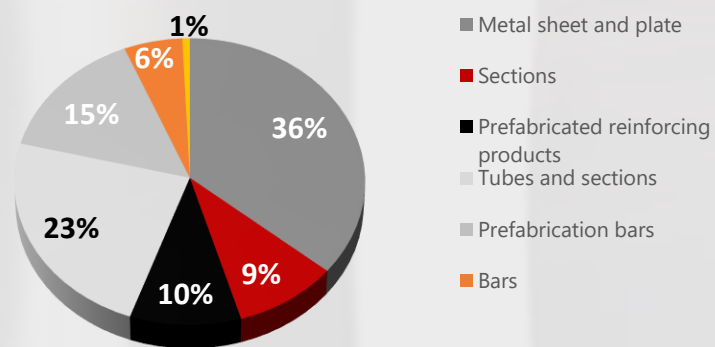
Sale structure

Product line structure of the group*

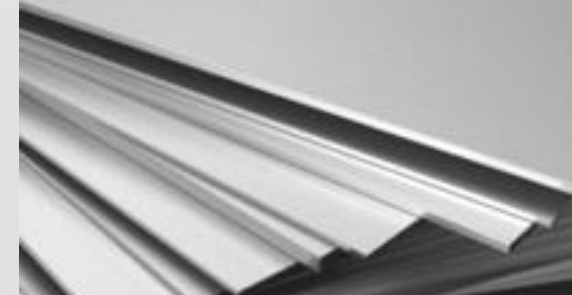
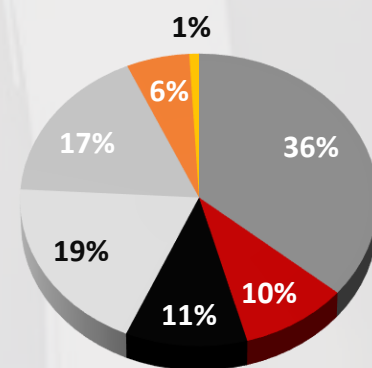
Description	2020			2019		
	Value ['000 PLN]	Share [%]	Quantity [t]	Value ['000 PLN]	Share [%]	Quantity [t]
Metal sheet and plate	433 316	36%	184 084	482 113	37%	186 044
Sections	112 847	9%	48 905	135 288	10%	53 402
Prefabricated reinforcing products	120 129	10%	55 281	108 755	8%	44 853
Tubes and sections	282 579	23%	98 452	281 335	22%	97 261
Prefabrication bars	179 253	15%	88 807	206 124	16%	95 519
Bars	66 512	6%	29 535	64 101	5%	26 027
Other	8 414	1%	4 524	21 872	2%	10 440
TOTAL	1 203 049	100%	509 589	1 299 587	100%	513 547

- “Flat” products have **the largest share** in sales both by value and by volume
- A wide range of products offered allows us to meet customers' needs end to end and proactively respond to changes in the structure of the current demand.

Revenue structure



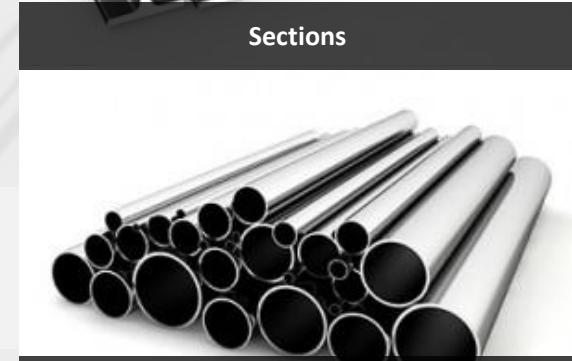
Volume structure



Sheets



Sections



Tubes



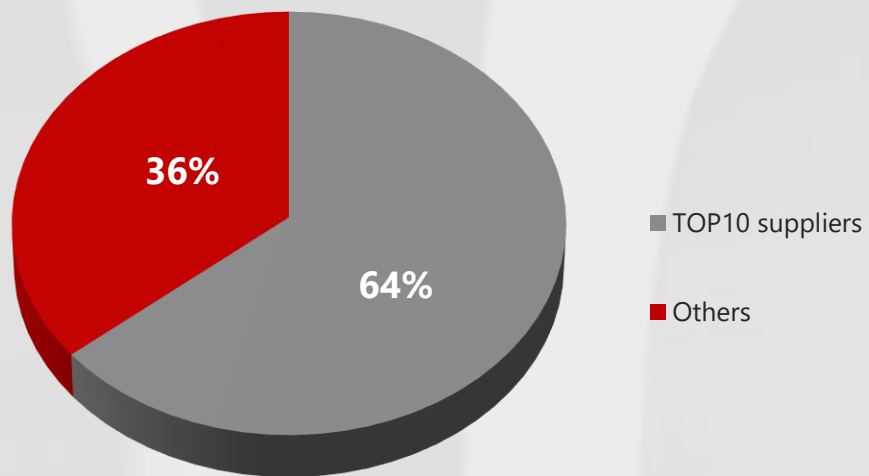
Bars

Suppliers structure



Share of major suppliers

- Deliveries from **several dozen** domestic and foreign manufacturers;
- **The Company selects basic suppliers for each product line**, and supplies are supplemented on an ongoing basis by purchases from less important and mobile suppliers.

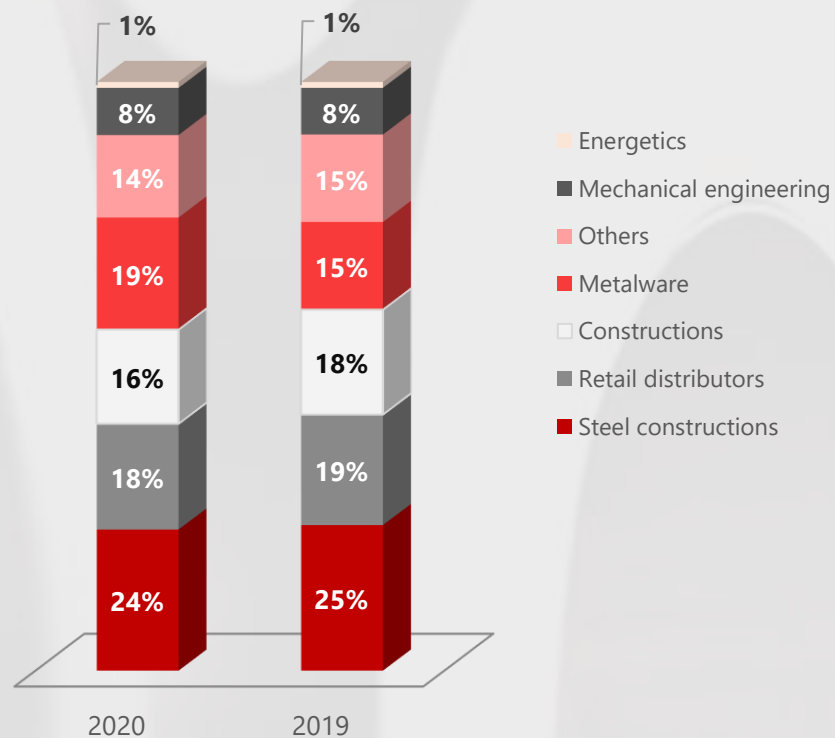


Diversification of supply directions to Bowim Group



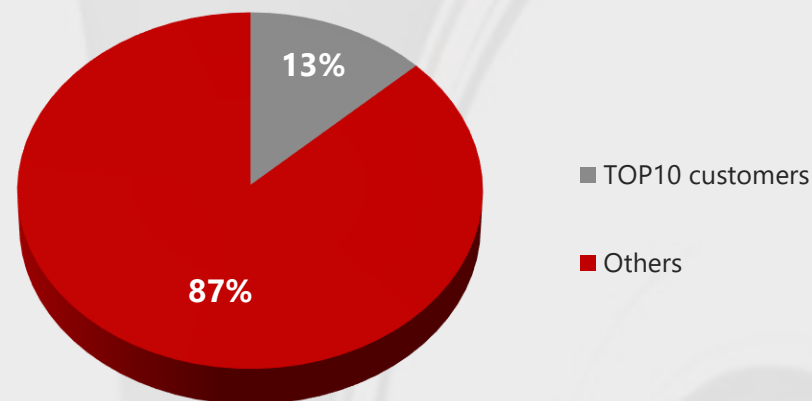
Structure of suppliers and customers

Sales structure by industry



Share of major customers

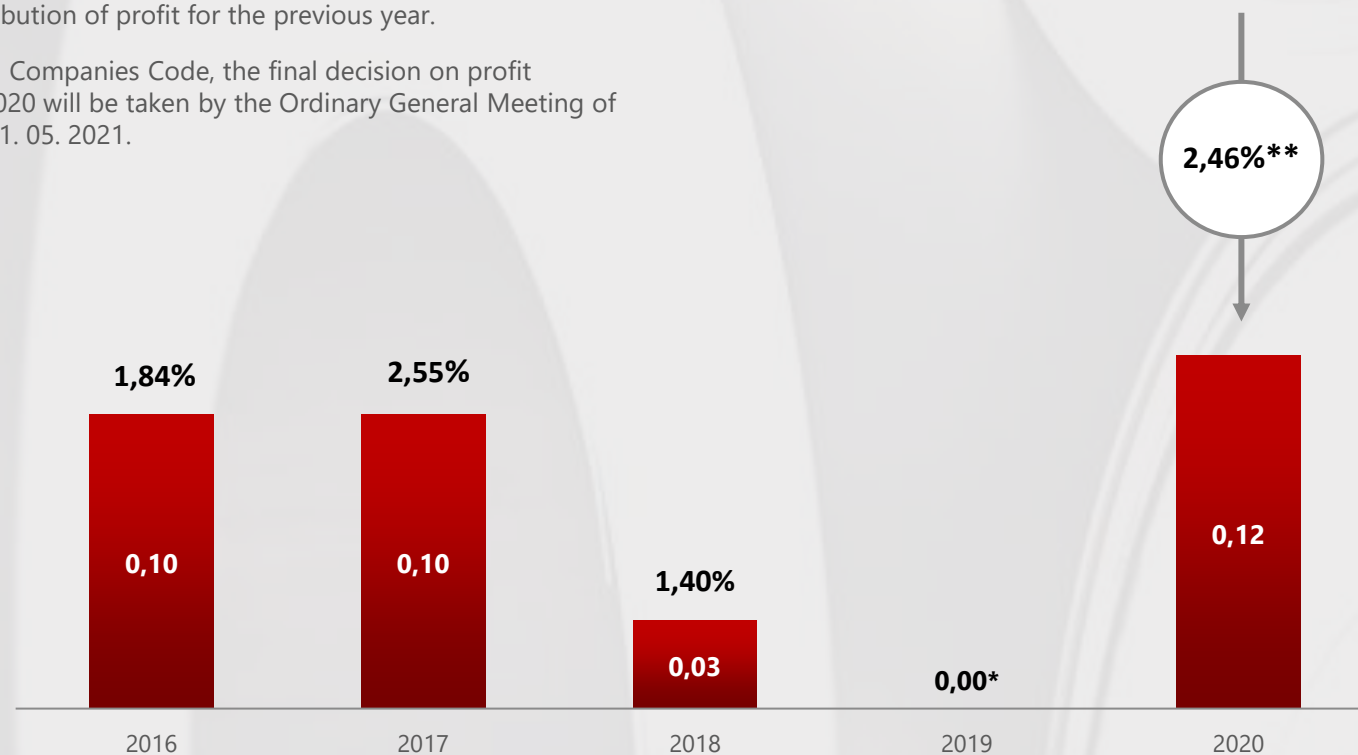
- Bowim S.A. supplies steel to **all steel-intensive industries** in Poland;
- **Sales are based not only on the largest customers** - TOP10 customers account for **13%** of revenues (data for 2020);
- **None of the customers has exceeded the level of 5% share**, which indicates full independence from buyers;
- Most sales are generated on the domestic market. **Revenues from foreign sales** in 2020 amounted to **1.3%** of total sales
- **The number of customers served in 2020 was 3 563**



2020 dividend

- On 21. 04. 2021 the Company's Management Board adopted a resolution concerning the allocation of the net profit for 2020 in the amount of PLN 14 693 449. 1. Pursuant to the adopted resolution it was recommended that a dividend of PLN 0. 12 per share be paid to shareholders. The Company intends to pay out a total of PLN 2,064,226. 44.
- The Company's Supervisory Board on 06. 05. 2021 positively assessed the Management Board's motion regarding the distribution of profit for the previous year.
- In accordance with the Commercial Companies Code, the final decision on profit distribution for the financial year 2020 will be taken by the Ordinary General Meeting of Shareholders of the Company on 31. 05. 2021.

**Dividend on
stock (PLN),
Dividend
yield(%)**



* The Management Board decided to allocate the profit to the Company's retained earnings.

** Dividend yield calculated as dividend value divided by the value of shares as per the presentation date, 04.05.2021

Agenda

01

About Bowim Group

02

Financial results 2020

03

Material events in 2020 and prospects



2017 – 2020 Strategy

Our overriding goal for 2017-2021 is to strengthen the Company's position on the key markets for the distribution of steel products and increase its value.



2017 – 2021 Strategy

CAPEX PLAN:

ca. 57 m PLN

1

Expansion of logistics & distribution centre in Sosnowiec (2021)

Total investment value: **34,2 m PLN**

Investment executed to-date: **70%**

Various logistics-related investments: launching of 3 overpasses, construction and launching of a new warehouse, construction of a railway siding



2

Purchase of a machine for cross-cutting of sheets in a circle (in progress)

Total investment value: **15 m PLN**

Investment executed to-date: **15%**

Purchase of a machine to increase flexibility and expand the offer in developed logistics & distribution centre in Sosnowiec



3

Construction of warehouse/distribution centre in Rzeszów & Płock (2018)

Total investment value: **6,2 m PLN**

Investment executed to-date: **100%**

Construction of a modern warehouse hall expanding retail business segment



4

Implementation of new IT systems (2021)

Total investment value: **1,6 m PLN**

Investment executed to-date: **20%**

Improvement of the Group's external and internal operating functioning as well as optimization of operating costs



Development of the retail segment - the Company's Management Board actively analyses the market in order to make acquisitions of companies that are part of the group's strategy.

Material events in 2019 - 2020

Construction of a 12.900 m2 canopy roof and purchase of Kasto



Completion: construction works on the property located in Sosnowiec, consisting of canopy roofing including deliveries and erection of steel structure and steel decking roofing

Capital expenditure realised: 5.8 M PLN

Material events in 2020

- ❑ Status regarding the complaint of the Director of Tax Administration in Katowice on the judgment of the Voivodeship Administrative Court in Gliwice:
 - ❑ Tax authorities returned to the Issuer the amount of 2,070,754.00 PLN with tax interest accrued from 2008.
 - ❑ 21 November 2019 The Supreme Administrative Court dismissed the cassation appeal of the Director of the Fiscal Administration Chamber in Katowice against the judgment of the Voivodeship Administrative Court in Gliwice, which was favourable to the Company.

- ❑ Status of Bowim's complaint against the decision of the Head of the Customs and Tax Office in Opole:
 - ❑ Tax authorities returned to the Issuer the amount of PLN 5,578,316 with tax interest accrued from 2012.
 - ❑ On 12 December 2019 The Supreme Administrative Court issued a judgement accepting the Company's cassation appeal against the unfavourable judgement of the Voivodeship Administrative Court in Opole.



Deliveries of steel for selected contracts



Generation Park - Warszawa



Olivia Business Centre - Gdańsk



Expansion of the National Road 81 - Katowice



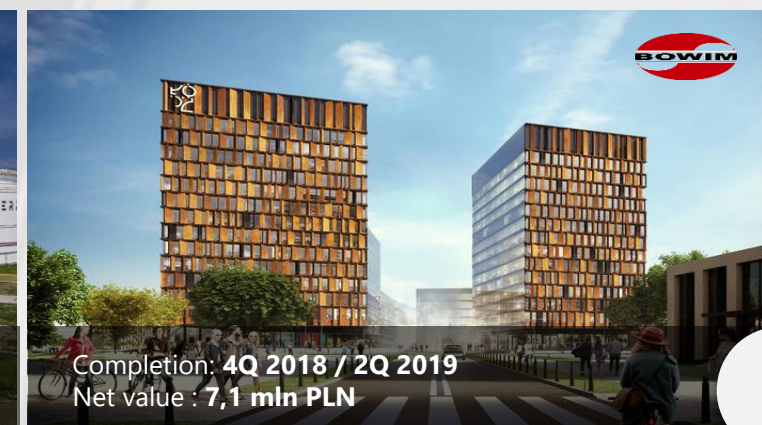
D1 motorway Budimir - Bidovce



Crude oil tanks - Gdańsk



City Gate- Łódź



Market opportunities



Roads and railways

142 bn PLN

National Roads Construction Programme 2014-2023

117 bn PLN

Infrastructure and Environment Programme 2014-2020

76 bn PLN

National Railway Programme till 2023



Real estate

Continuation of the good situation on the real estate market:

- favorable macroeconomic environment (continued low interest rates on mortgages and improvement on the labor market)
- rich developers' land banks
- high demand for apartments and office space



Energetics and gas pipelines

140 bn EUR

Draft of Polish Energy Policy until 2040

14 bn PLN

Investment programme PSE until 2025

7 bn PLN

Baltic Pipe construction 2017-2022

NRP is expected to rebuild the health of the economy after the coronavirus pandemic crisis and make it more resilient for the future. Under the Facility for Reconstruction and Enhancing Resilience, Poland will have at its disposal:

- **23,9 bn EUR** in the form of grants
- **34,2 bn EUR** in the form of loans



National Recovery Plan



INVESTMENT RATIONALE

- **3rd largest polish independent steel distributor** on attractive and prospective Polish steel market*
- **Attractive distribution channel for steel producers**, with ca. 550 ths tonnes of steel sold in 2019
- **Solid base for expansion in Central Europe** as well as potential access to neighbouring markets (Germany, Czech Republic, Slovakia, Scandinavia)
- **Wide customer base, allowing to deliver tailored high-value added product range to any chosen industry**, which creates possibility to smoothly adjust the sales structure to the preferences (strategy) of the new investor
- **Attractive market consolidation platform** with clear ideas for potential acquisitions to build distributor having annual turnover of 1,000 ths tonnes of steel
- **Experienced management team** with proven track record
- **Effective business model featuring:**
 - Complementary one-stop-shop with wide range of high quality products
 - Diversified customer base represented by cyclical and non-cyclical industries
 - Efficient working capital management

*not including producers



Questions

Q&A Section





Thank you for your attention

Contact

Bowim S.A.

ul. Niwecka 1 E

41-200 Sosnowiec

tel.: +48 32 392 93 00

e-mail: firma@bowim.pl

www: www.bowim.pl