



Q1 2017 Business and Financial Performance

17 May 2017



Disclaimer

This presentation (the “Presentation”) was prepared by Cognor Holding S.A., with its seat in Poraj (the “Company”), in connection with the presentation of the financial results for the first quarter (1Q) of 2017. Neither this Presentation nor any copy of this Presentation may be copied, disseminated or delivered, directly or indirectly, to any person for any purpose without the knowledge and consent of the Company. Any copying, dissemination or delivery of this Presentation in any other jurisdictions may be subject to legal restrictions, and the persons who receive it should review and comply with all such restrictions. Failure to comply with such restrictions may constitute a breach of prevailing laws. By attending this meeting where this Presentation is being made or by reading the Presentation slides, you agree to be bound by the following limitations. The above applies to the Presentation, the oral presentation of the information in the Presentation by the Company or any person on behalf of the Company, and any question-and-answer session that follows the oral presentation (collectively referred to as the Presentation).

This Presentation does not contain a complete or thorough financial or commercial analysis of the Company and does not present its position or prospects in a complete or thorough manner. The Company has made the Presentation with due care, though it may still contain certain inconsistencies or omissions. Therefore, it is advised that anyone who intends to make an investment decision with respect to any securities issued by the Company or any subsidiary thereof rely on the information disclosed in the official reports of the Company made and published in accordance with the laws binding on the Company.

This Presentation and the slides and descriptions related hereto may contain forward-looking statements. However, such statements cannot be construed as assurances or projections of any expected future results of the Company. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of the Presentation. The Presentation cannot be understood to be a forecast of future results of the Company. It must be noted that any such statements, including the statements concerning the expectations as to future financial results, are not guarantees or warranties that any such results will actually be achieved in the future. The expectations of the Management Board are based on the existing expectations and opinions of the members of the Company's Management Board, which depend on many factors as a result of which the actual results achieved by the Company may materially differ from the results presented in this document. Many of such factors are beyond the knowledge, awareness and/or control of the Company or the Company's ability to foresee them.

This Presentation contains certain market information relating to the sector in which the Company operates. Unless attributed exclusively to another source, such market information has been calculated based on data provided by the third-party sources identified herein and includes estimates, assessments, adjustments and judgments that are based on the Company's experience and familiarity with the sector in which the Company operates. As such market information has in part been prepared based upon estimates, assessments, adjustments and judgments and has not been verified by an independent third party, such market information is, unless otherwise attributed to a third-party source, to a certain degree subjective. While it is believed that such estimates, assessments, adjustments and judgments are reasonable and that the market information prepared is appropriately reflective of the sector and the markets in which the Company operates, there can be no assurance that such estimates, assessments and judgments are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein.

The Company does not undertake to publish any updates, modifications or revisions of the information, data or statements contained herein should there be any change in the strategy or intentions of the Company, or should facts or events occur that affect the Company's strategy or intentions, unless such reporting obligations arises under applicable laws and regulations.

No representations or guarantees may be granted as far as the comprehensive nature or the accuracy of the information provided in this Presentation is concerned. Neither the Company, nor its directors, officers, advisors, nor the representatives of any such persons, are liable for any reason whatsoever resulting from any use of this Presentation. Additionally, no information contained in this Presentation should be construed to constitute any representation or warranty of the Company, its officers, directors, shareholders, subsidiaries or advisors, or representatives of any of the above persons.

This Presentation was made for information purposes only and does not constitute an offer to buy or to sell, nor does it constitute an offer aimed at soliciting a purchase or sale offer related to, any securities or instruments of, or participations in, any commercial undertaking. This Presentation does not constitute an offer or an invitation to buy or subscribe for any securities in any jurisdiction, and none of terms provided herein may be construed as grounds for any agreement, obligation or investment decision; moreover, this Presentation should not be relied upon in relation to any agreement, obligation or investment decision.

This Presentation is not an offer to sell or an invitation to make an offer to buy any securities in the United States of America. Neither this Presentation nor any copy hereof may be provided or otherwise delivered or made available within the territory of the United States of America. It is prohibited to distribute this document within the territory of Canada, Japan or Australia. The information contained in the attached materials does not constitute an offer to sell or an invitation to make an offer to buy any securities of the Company in Canada, Japan or Australia.

Strong management team



Przemysław Sztuczkowski
Founder, CEO

Responsibility

- Strategic development
- Production management and planning
- Investment policy

Experience

- Founder of Złomrex in 1990
- Steel market consolidator and creator of the integrated Group in its current shape
- Steel market professional with 26-year of experience in various business undertakings
- President of the Board and CEO of Cognor Holding since 2012

Education

- Graduate of technical school



Przemysław Grzesiak
Deputy CEO

Responsibility

- Production management; planning
- Investment policy

Experience

- Co-founder of Złomrex in 1990
- With the Group since its beginning
- Steel market professional with 26-year of experience in various business undertakings
- Vice-President of the Board and Deputy CEO of Cognor Holding since 2012

Education

- Graduate of University of Technology in Częstochowa (master's degree in furnace construction)



Krzysztof Zoła
CFO, Board Member

Responsibility

- Cooperation with financial institutions
- Budgeting and controlling

Experience

- CFO and Board Member of Złomrex in 2002-2011
- CFO and Board Member of Cognor Holding since 2013
- Awarded the CFO of the year 2007 in Poland

Education

- Graduate of University of Technology in Częstochowa (master's degree in management and marketing in the machine industry)



Dominik Barszcz
Board Member

Responsibility

- Accounting
- IT

Experience

- With Złomrex since 2000; Senior Manager in 2003-2011
- Board Member of Cognor Holding since 2013
- Chief Accountant and IT Director for 8 years

Education

- Economic Academy in Katowice (master's degree in accounting; postgraduate studies in tax strategies)

Management with long lasting track record in the Company combining sector experience with experience in restructuring and development also in challenging business environment

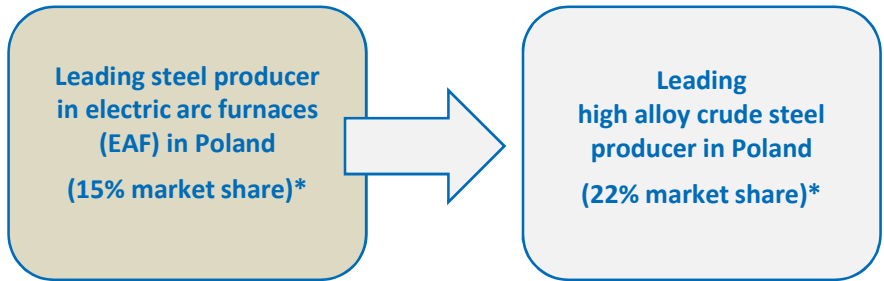
1. Cognor Holding at a glance

2. Market Overview

3. Q1 2017 Financial Performance

4. Strategy

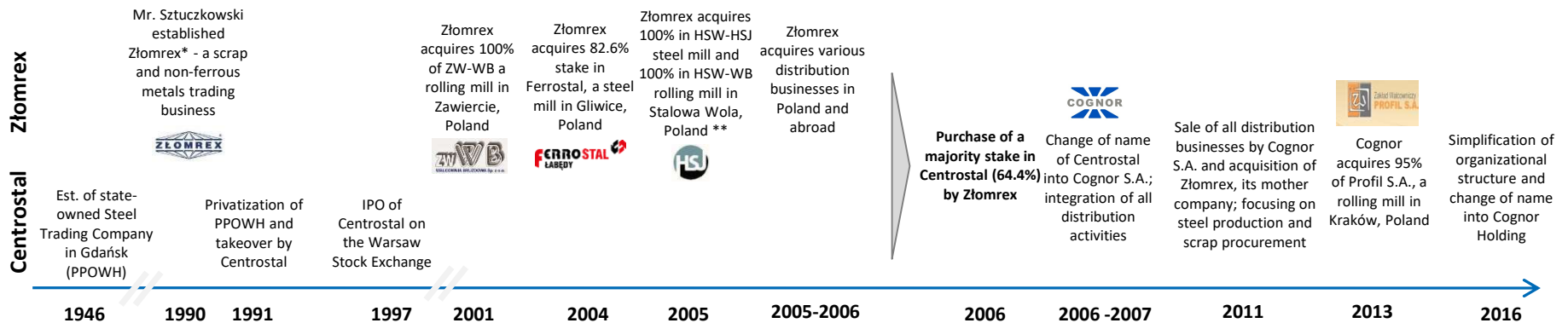
Cognor Holding | Key figures



Q1 2017	174k tons Production of crude steel in Q1 2017	PLN 430 mn Total sales revenue for Q1 2017	PLN 41.2 mn EBITDA for Q1 2017 with 9.6% EBITDA margin	197% EBITDA growth in Q1 2017 y-o-y	PLN 30.3 mn Net profit for Q1 2017 with 7.1% margin
FY 2016	629k tons Production of crude steel in 2016 (7% market share)	PLN 1,352 mn Total sales revenue for FY 2016	PLN 94.8 mn EBITDA for FY 2016	7,0% EBITDA margin for FY 2016	PLN 1.5 mn Net profit for FY 2016

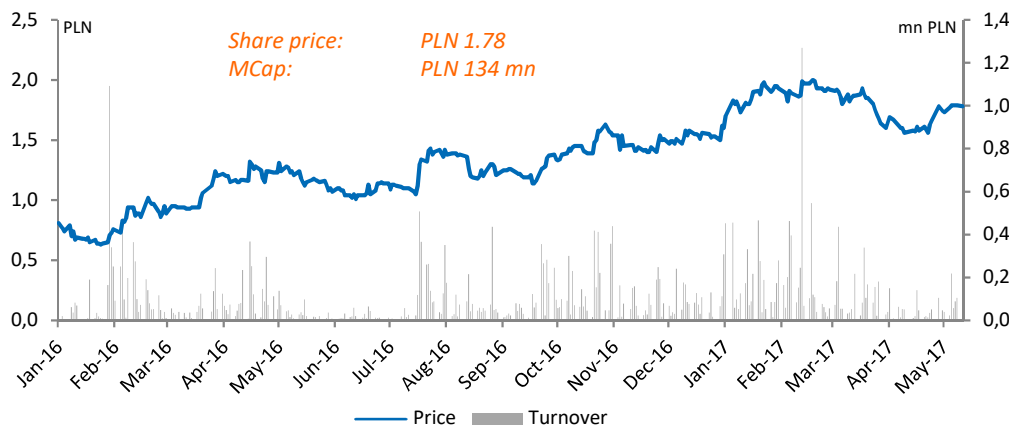
Cognor Holding – how we became one of the largest steel manufacturers in Poland

- **Cognor Holding has over 70 years of history however its fastest growth period started 10 years ago**
- **Since acquisition of ZW-WB in 2001, Cognor Holding started building a strong steel producing group enhanced by followed add-ons including rolling and steel mills – Ferrostal, HSJ and Profil**
- **Strong diversification of product portfolio and production flexibility**

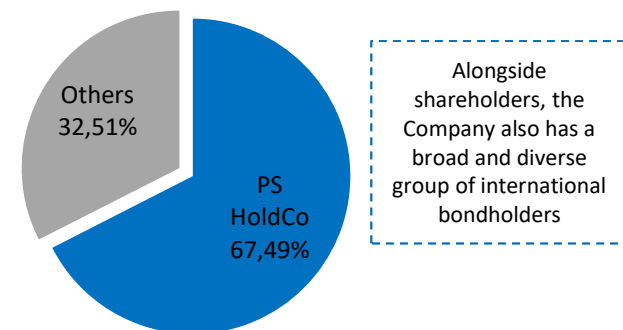


Listing on the WSE – key data points

Cognor Holding share price performance***



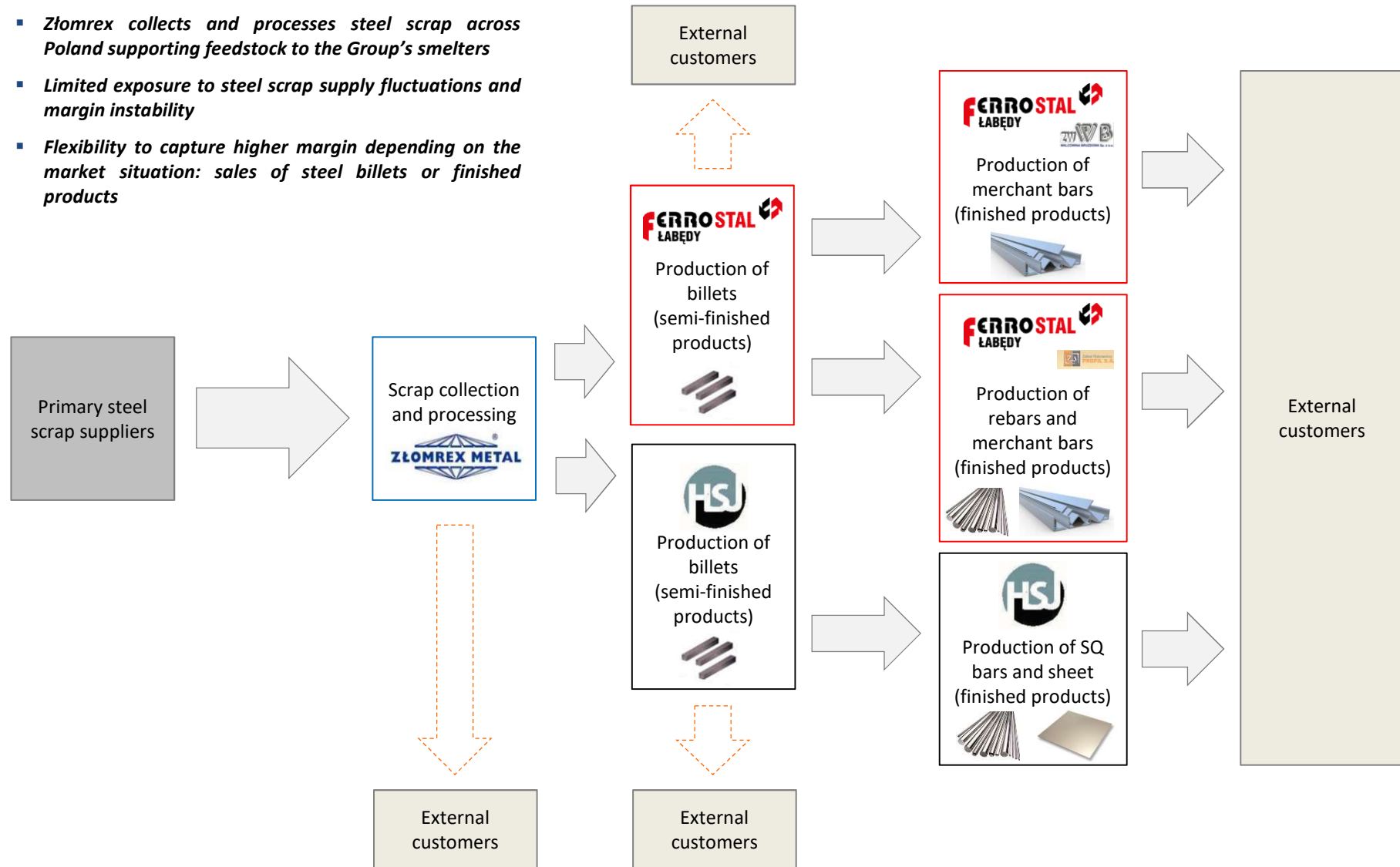
...and shareholding structure***



(*) Przedsiębiorstwo Obrotu Surowcami Wtórnyimi „Zlomrex”, a physical person’s enterprise. In 1998, Mr. Sztuczkowski acquired all shares in Korba – a limited liability company which name was changed into Zlomrex Sp. z o.o. and into which in 2002 Mr. Sztuczkowski contributed his enterprise - POSW Zlomrex; in 2003 Zlomrex Sp. z o.o. was transformed into a joint stock company – Zlomrex S.A.
 (***) Source: Bloomberg, Company as of 15 May 2017

Success based on vertically integrated and flexible business model – smelter feedstock security and variety of mill products ...

- *Złomrex collects and processes steel scrap across Poland supporting feedstock to the Group's smelters*
- *Limited exposure to steel scrap supply fluctuations and margin instability*
- *Flexibility to capture higher margin depending on the market situation: sales of steel billets or finished products*



...determining the Group's key business segments...



803 232 tons

total scrap purchased

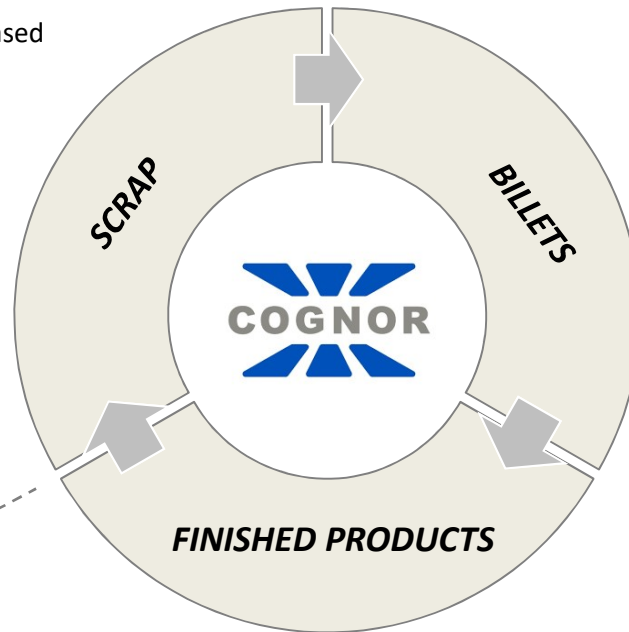
628 766 tons

total billets production



671 025 tons

total scrap used internally

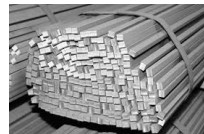


496 659 tons

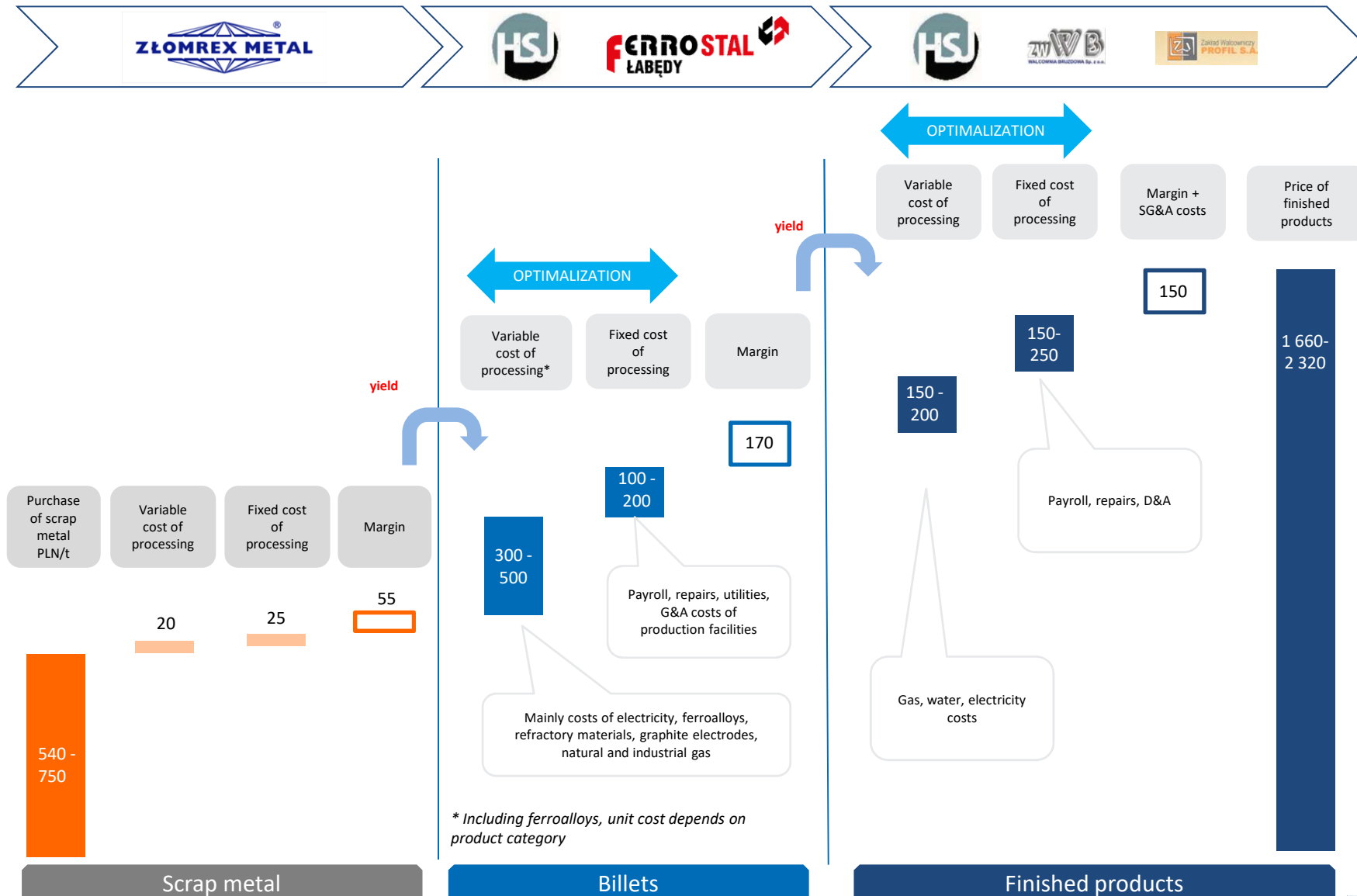
total billets used internally

478 803 tons

total sales volume of finished products



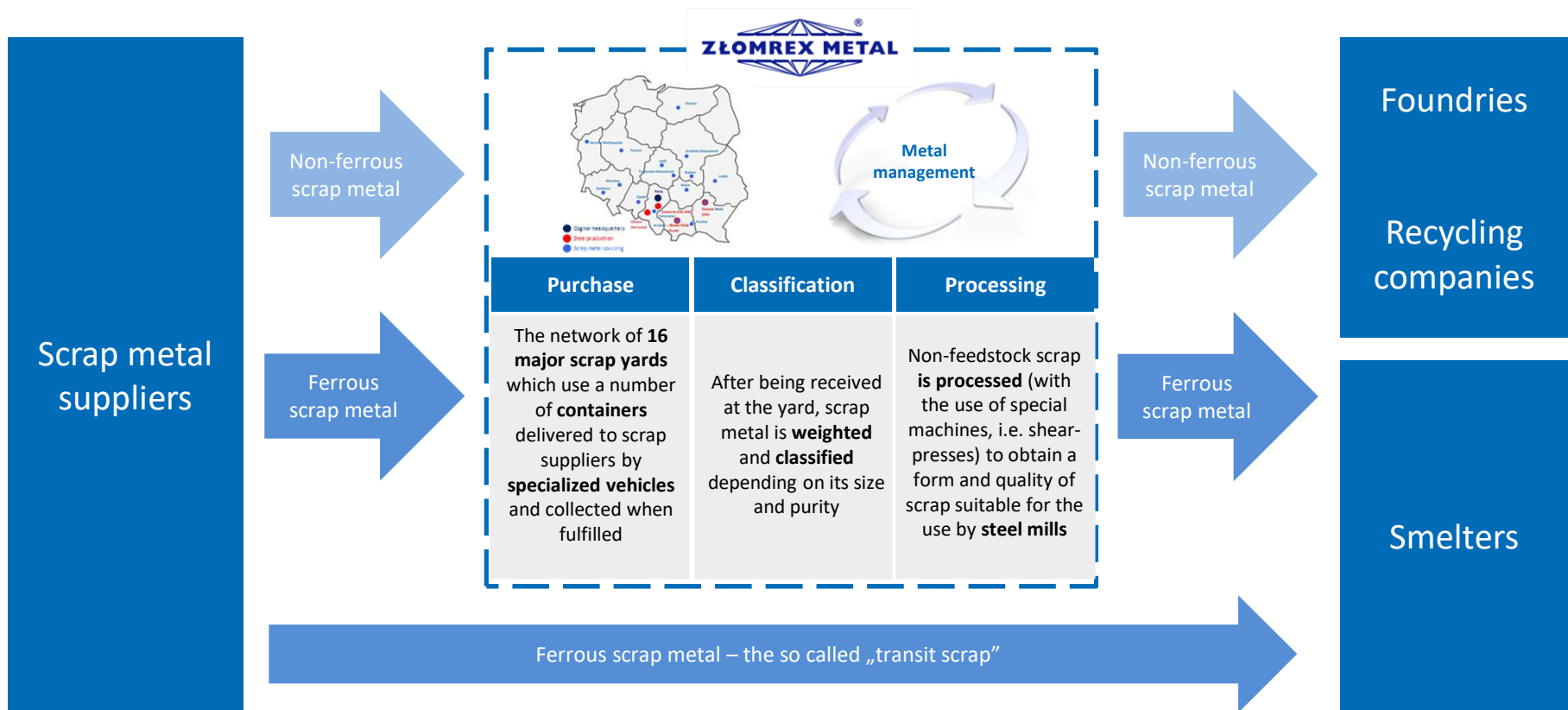
...building value based on our three-pillar business model



* Including ferroalloys, unit cost depends on product category

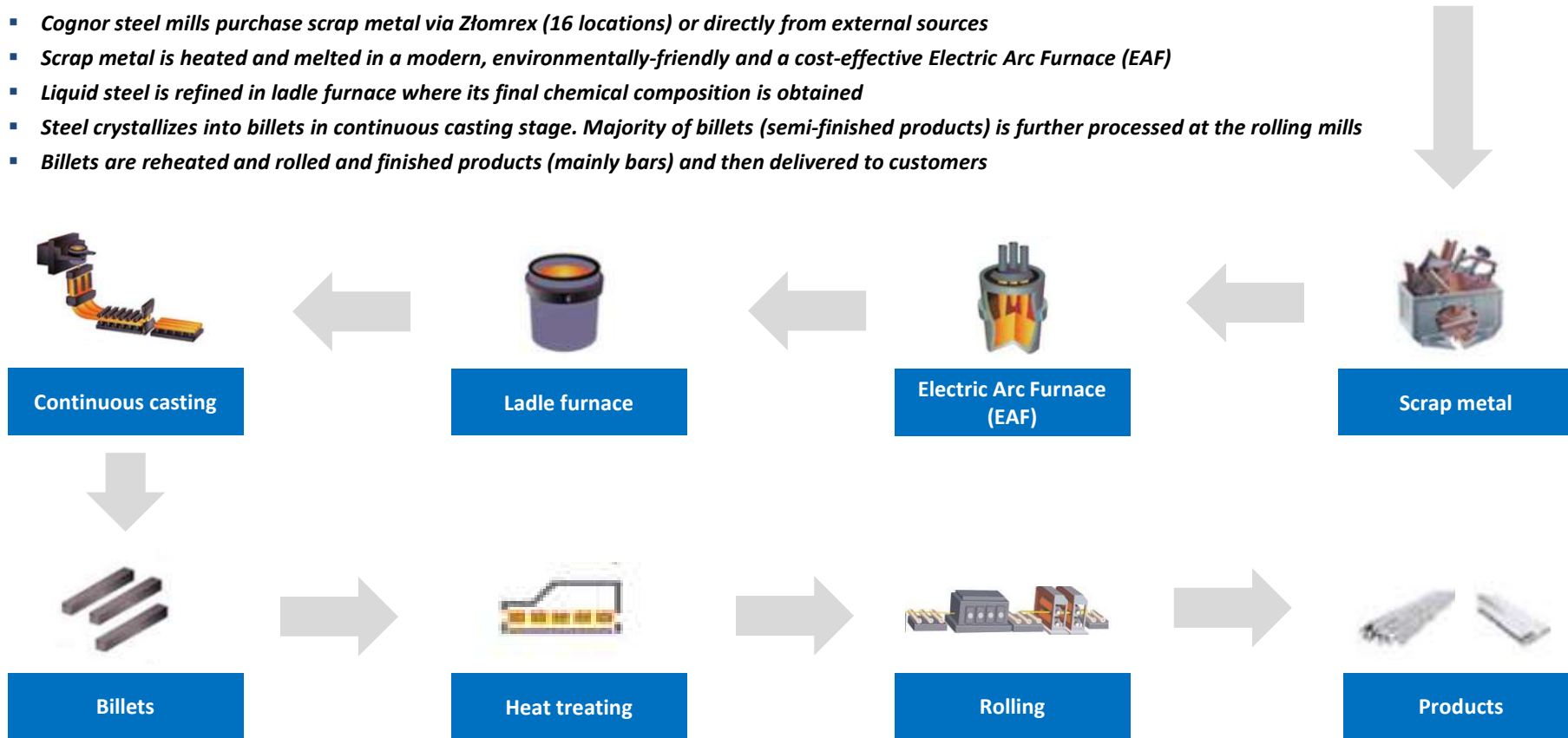
Sourcing of scrap metal

- *Scrap metal is sourced on the spot market / no long term contracts*
- *The Group collects ca. 1.3 times more scrap compared to the steel mills capacity securing scrap feedstock for internal use*
- *Vast majority of scrap is collected in Poland and stored in the Group's own locations*
- *Inventory management – ca. two-three week steel scrap feedstock stored at the mills for internal purposes decreases exposure to scrap prices and volatility of finished products' profitability*

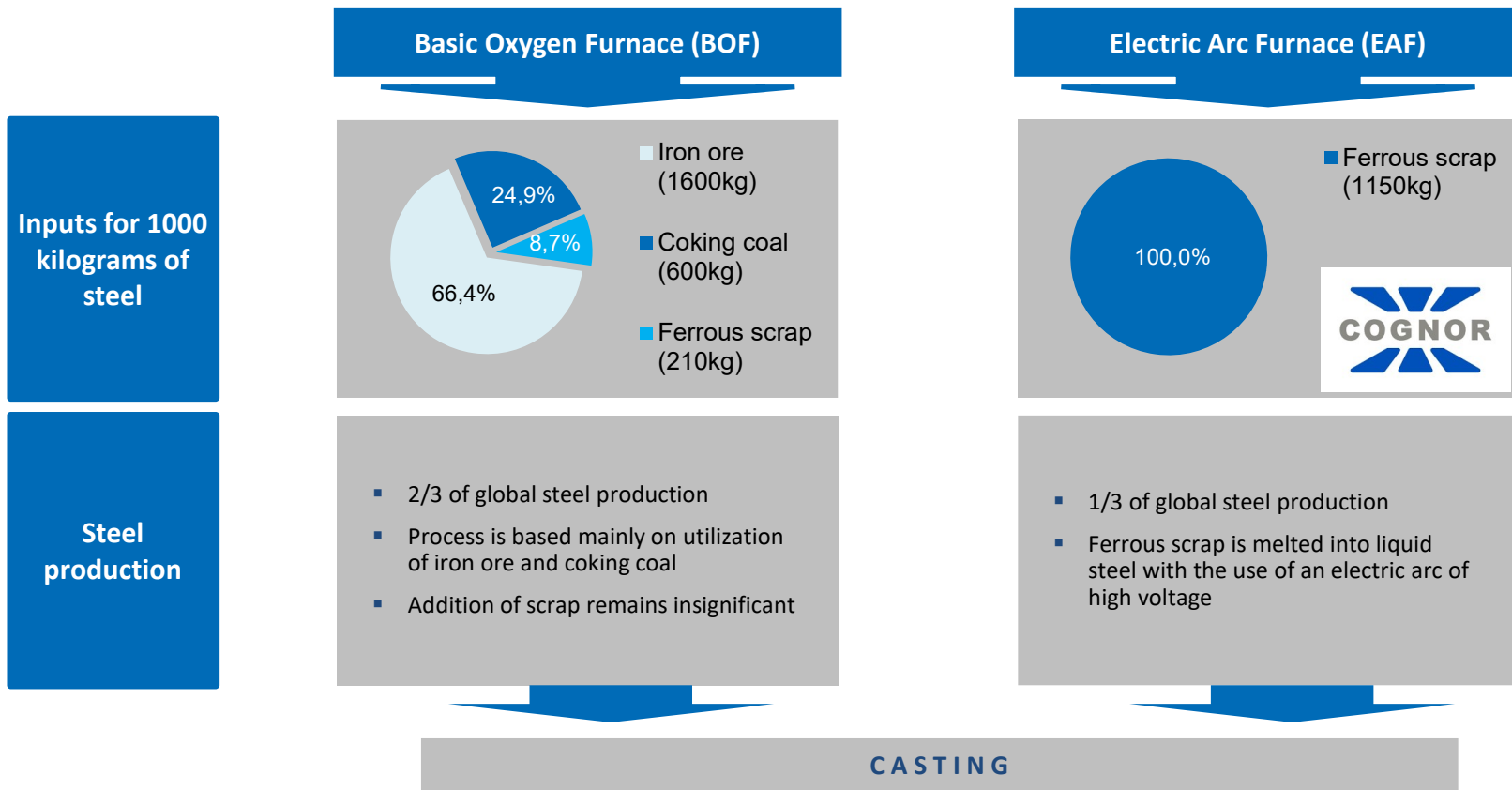


Steel production in modern and cost effective EAF process...

- *Cognor steel mills purchase scrap metal via Zlomrex (16 locations) or directly from external sources*
- *Scrap metal is heated and melted in a modern, environmentally-friendly and a cost-effective Electric Arc Furnace (EAF)*
- *Liquid steel is refined in ladle furnace where its final chemical composition is obtained*
- *Steel crystallizes into billets in continuous casting stage. Majority of billets (semi-finished products) is further processed at the rolling mills*
- *Billets are reheated and rolled and finished products (mainly bars) and then delivered to customers*



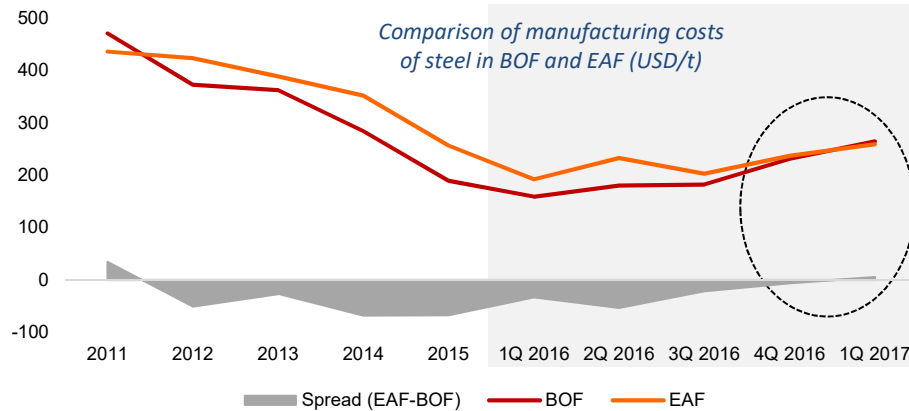
... as compared to the Basic Oxygen Furnace (BOF)



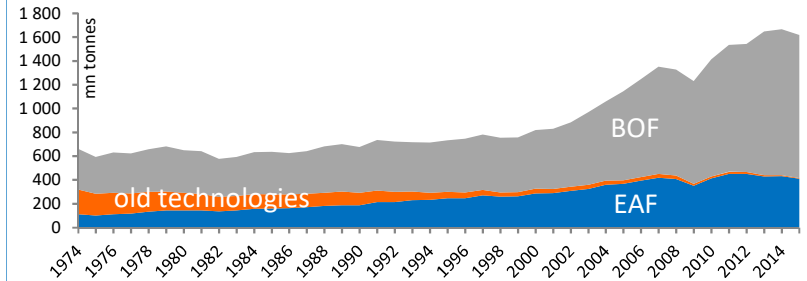
	EAF	BOF
+	<ul style="list-style-type: none"> Lower Capex requirements More environmentally friendly 	<ul style="list-style-type: none"> Higher quality steel is easier to obtain Effective method for large volume production
-	<ul style="list-style-type: none"> Sensitivity of manufacturing costs due to a strong dependence on ferrous scrap purchase price and electricity Despite current prices, EAF is more often a cheaper method 	<ul style="list-style-type: none"> Higher Capex requirements Strong sensitivity to iron ore and coking coal prices

... supported by recent market developments

EAF steel production process is more advanced and uses cost-effective technology (better energetic balance)...



...but BOF technology dominates mainly due to Chinese producers



STEEL PRODUCTION BY PROCESS 2015		
	BOF	EAF
Poland	57.8%	42.2%
UE (28)	60.6%	39.4%
China	93.9%	6.1%
WORLD	74.2%	25.2%

Significant increase in coking coal price and reduction of scrap price make steel manufacturing in EAF technology cheaper than in BOF

MARKET PRICES	2011	2012	2013	2014	2015	2016	Q1 2017
<i>USD/tonne</i>							
iron ore	168	129	135	97	55	59	86
coking coal	200	145	122	105	89	92	130*
scrap metal	389	378	347	314	229	193	231

	BOF	EAF
<i>tonne/tonne of crude steel</i>		
iron ore	1.60	
coking coal	0.60	
scrap metal	0.21	1.12

- BOF cost model includes own coke and sinter plant
- BOF and EAF cost models do not represent any particular plant nor Cognor cost structure

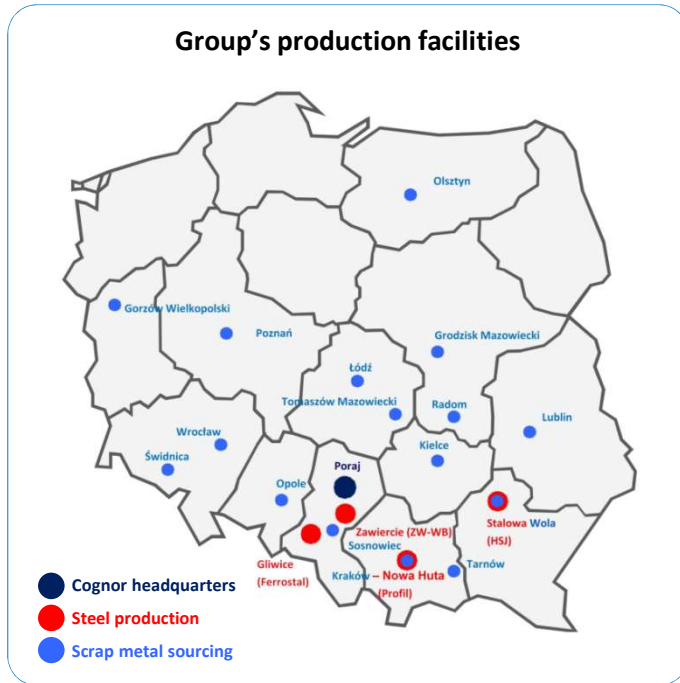
Anti-dumping duties imposed by the EU

- In 2016, European Commission imposed **anti-dumping duties on steel products from China and Russia**
- Chinese and Russian anti-dumping duties are to last for 5 years **until 2021**
- Anti-dumping duties resulted in **steel price growth in the EU market** mainly due to a significant reduction of steel supply
- The EU currently has an unprecedented number of trade defense measures in place targeting unfair imports of steel products, with a total of **39 anti-dumping and anti-subsidy measures, 17 of which are on products from China**



Protection of the common EU steel market

Key production facilities

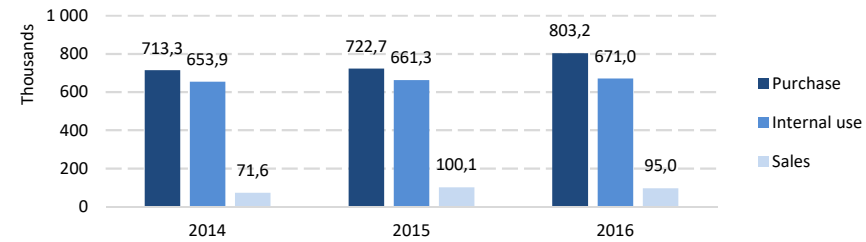


Comments

- **4 key production facilities** in Gliwice, Zawiercie, Kraków (Nowa Huta district) and Stalowa Wola
- **Headquarters in Poraj**
- **16 locations of scrap metal activity** (Złomrex Metal)
- **More than 800 tonnes of scrap metal purchased** in 2016 (671 tonnes for internal use)
- **460 tonnes of final products manufactured** and **479 tonnes sold** last year

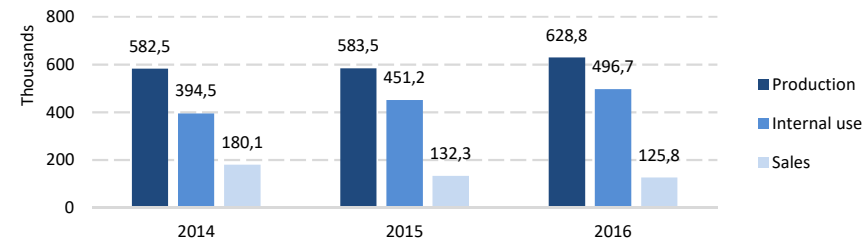
Scrap metal purchase, use and sales

In tonnes, 2014-2016



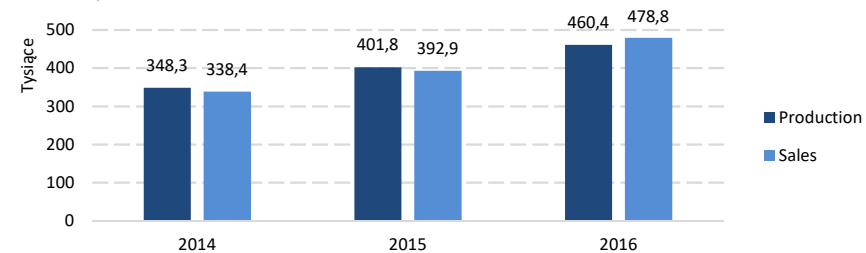
Billets production, use and sales

In tonnes, 2014-2016

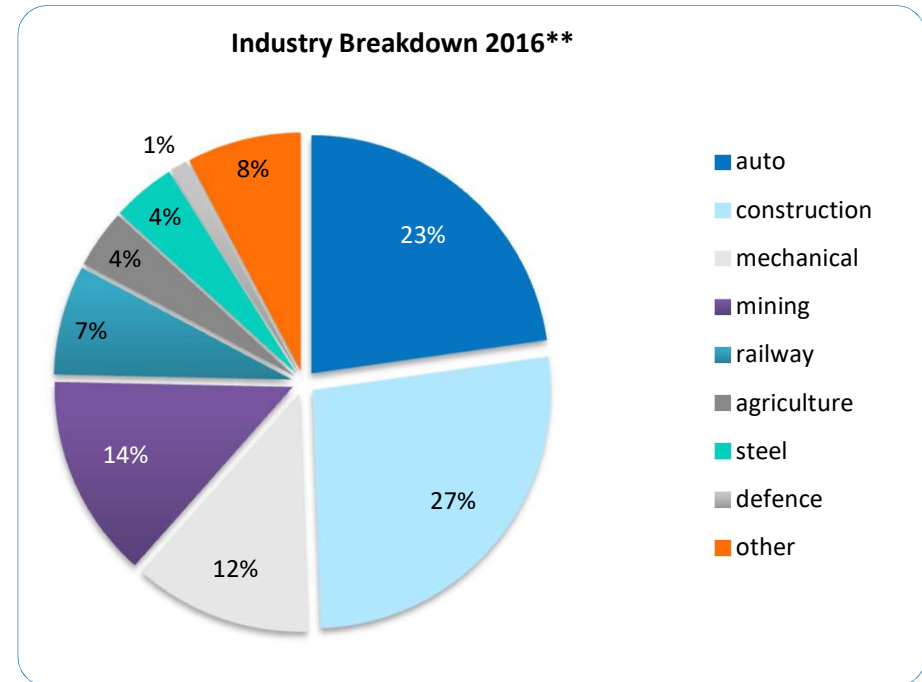
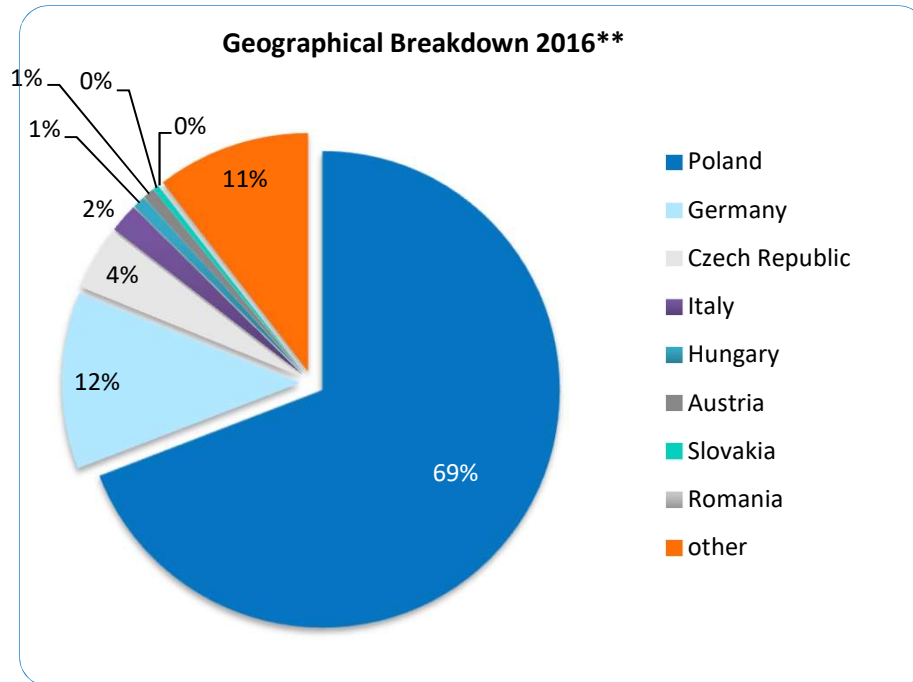


Final products, production and sales

In tonnes, 2014-2016



Geographical & Industry breakdowns (billets and products*)

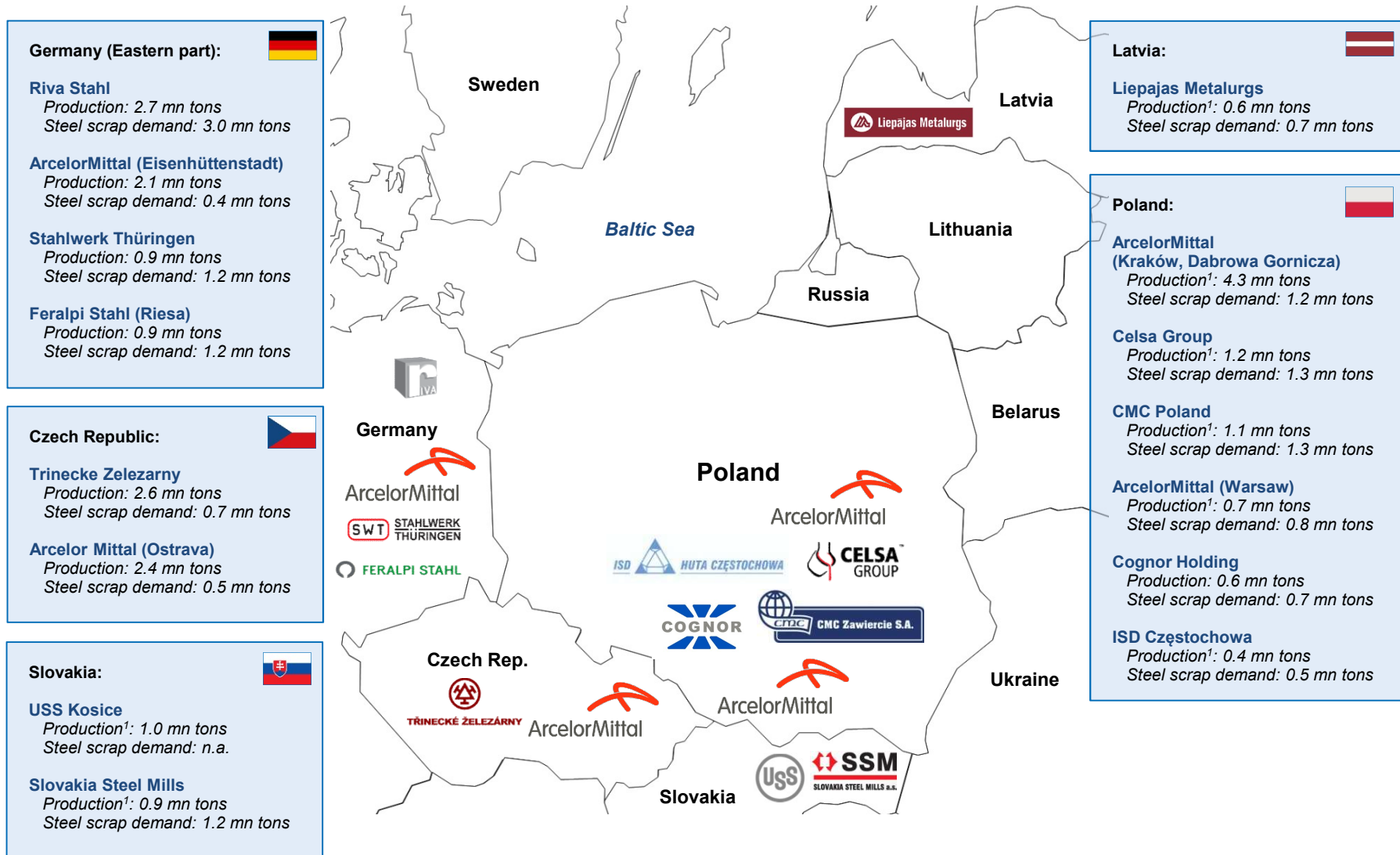


Comments

- Vast majority of the Group's final products and billets are sold in **Poland** (ca. **69%** in 2016) with **Germany** playing the most important export country with **ca. 12% share** in total Group revenues last year
- Management of the Company assess that **construction and automotive** sectors are the most significant with **27% and 23%** share respectively

1. Cognor Holding at a glance
- 2. Market Overview**
3. Q1 2017 Financial Performance
4. Strategy

Steel producers in CEE region, their production and steel scrap demand

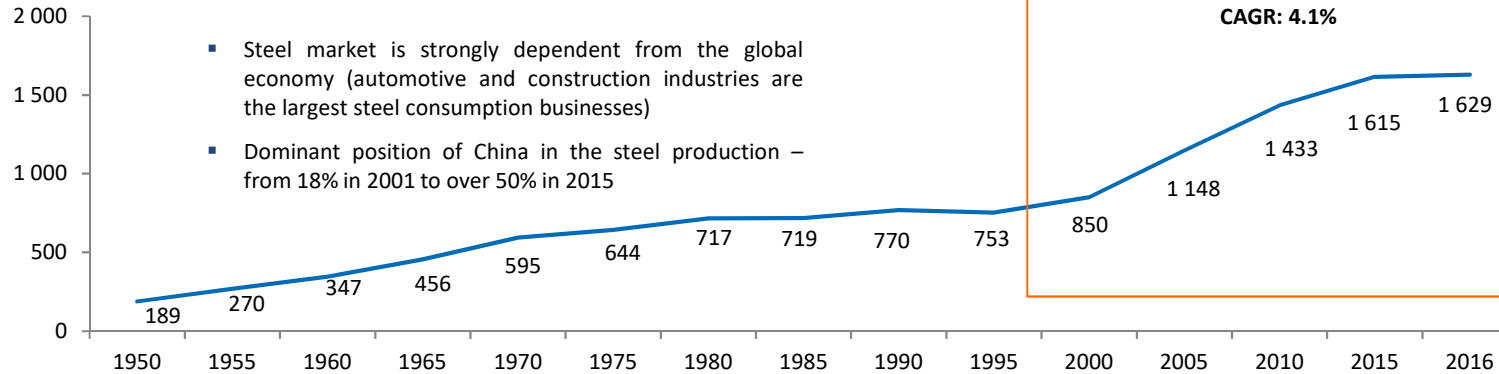


Overall demand for steel scrap in Poland estimated at more than 5 million tonnes

Market – Global Trends

Steel market production grew up approx. 10x during the last 50 years

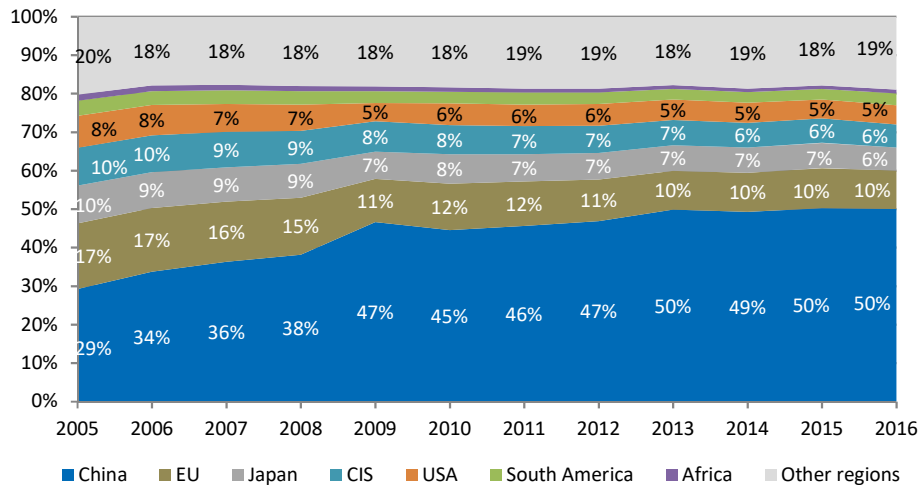
World steel production (million tons)



In Q1 2017,
World: +5.6%
EU: +3.8%
Poland: +9.5%

Dominant position of China in the steel production...

% share in the global steel production

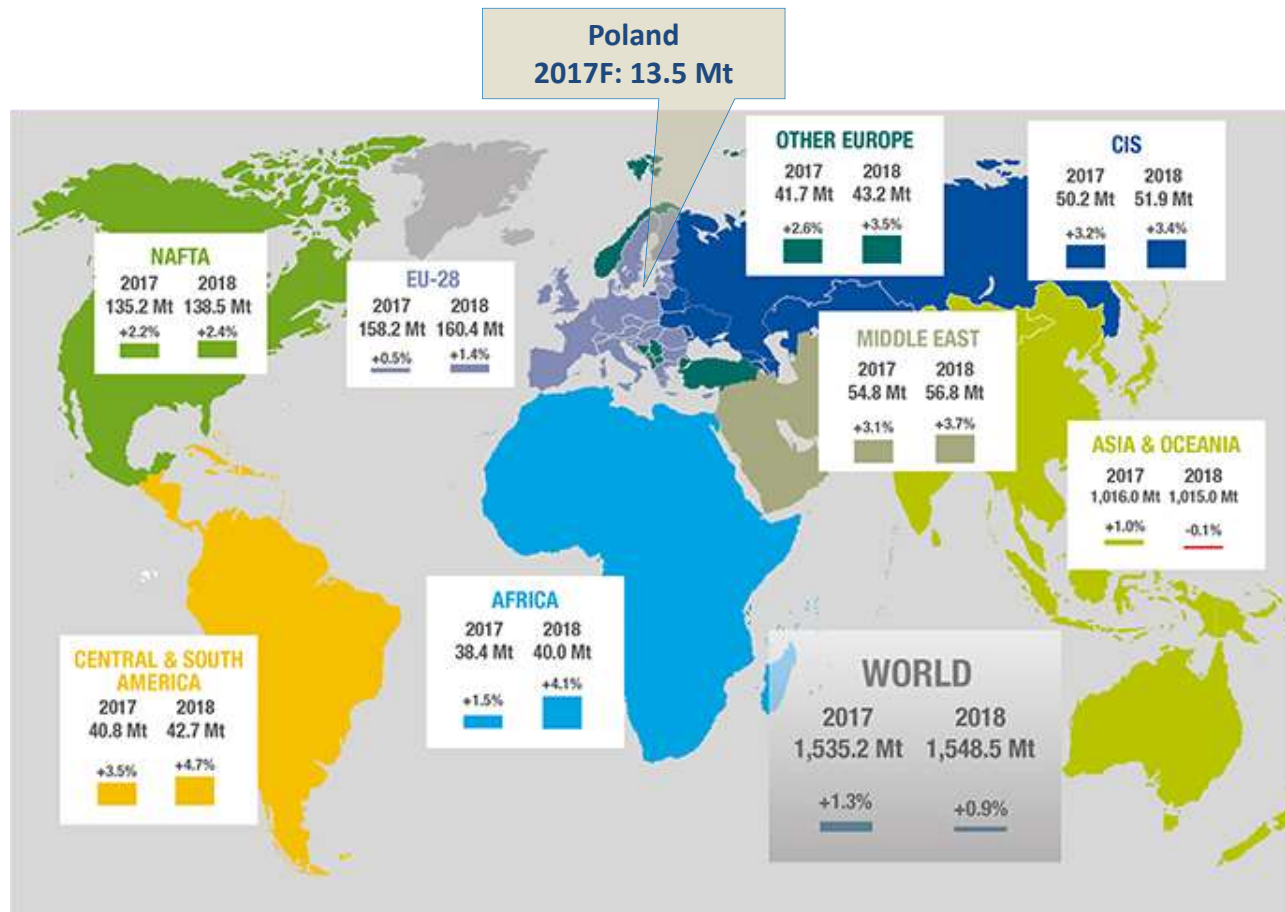


...represented by 5 Chinese companies in TOP-10

Largest steel producers (2015)

No	Company	Country	mn tons
1	ArcelorMittal	India	97.1
2	Hesteel Corp	China	47.8
3	Nippon Steel and Sumimoto Metal Corp	Japan	46.4
4	POSCO	South Korea	42.0
5	Baosteel Group	China	35.0
6	Shagang Group	China	34.2
7	Ansteel Group	China	32.5
8	JFE Steel Corporation	Japan	29.8
9	Shougang Group	China	28.6
10	Tata Steel Group	India	26.3

Market – Demand



Market – Cognor’s market share

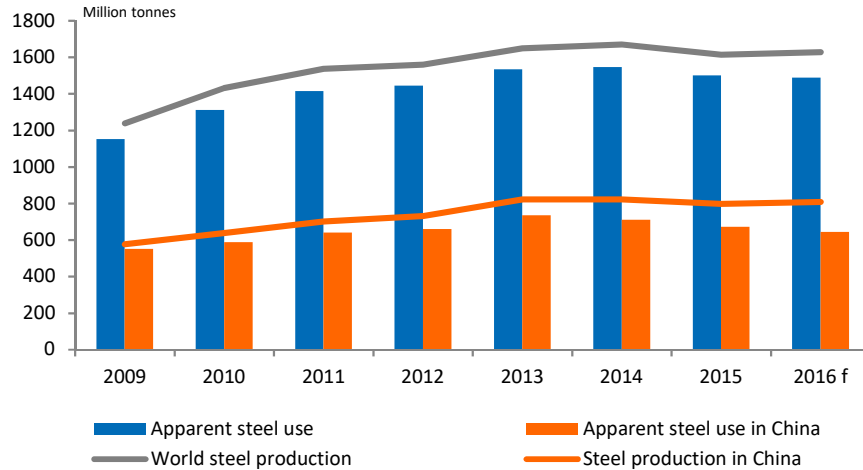
2015*	POLAND		COGNOR	
	tonnes	tonnes	tonnes	%
Scrap metal procurement	6 925 679	321 631		5%
Crude steel total, incl.:	9 198 028	583 454		6%
carbon steel	8 295 442	384 621		5%
hi-alloy and stainless	902 586	198 833		22%
crude steel EAF	3 877 248	583 454		15%
crude steel BOF	5 320 780			
Hot rolled products, incl.:	7 952 691	401 780		5%
flat products	2 887 860	18 090		1%
long products, incl.:	4 943 085	383 690		8%
wire rod	1 157 942			
heavy beams	1 230 845			
light beams	36 433			
Rail	356 893			
Rebars	1 223 778	94 293		8%
merchant bars, incl.:	510 151	135 684		27%
plain bars	165 435	32 281		20%
flat bars, squares and shapes	344 716	103 403		30%
SQ bars	427 043	153 713		36%
seamless tubes	121 746			



* No reliable and objective figures presenting market structure in 2016.
 Management believes Cognor’s market share in 2016 is similar to 2015

Market – Global Trends

Historically subsidized overproduction of steel in China has created a negative pressure on steel prices worldwide...



...due to the dominant role of China as the largest global net exporter of steel

Net export 2015			Net import 2015		
#	country	mt*	#	country	mt*
1	China	98.4	1	USA	26.5
2	Japan	34.9	2	Vietnam	14.9
3	Russia	25.3	3	Thailand	13.4
4	Ukraine	16.9	4	Indonesia	9.4
5	Brazil	10.5	5	Mexico	8.6
6	South Korea	9.5	6	Egypt	7.7
7	Netherlands	3.8	7	Saudi Arabia	6.4
8	Taiwan	3.7	8	Algeria	6.4
9	Austria	3.2	9	UAE	6.0
10	Belgium	3.1	10	India	5.7
11	Slovakia	2.2	11	Poland	4.1
12	Luxemburg	1.8	12	Bangladesh	4.0

In those circumstances, other countries started to introduce restrictions regarding Chinese steel supplies ...

- EU and NAFTA countries defend themselves against subsidized steel from China and expect China to use its production capacity in accordance with market rules. For this reason certain actions have been taken to normalize situation in the global and European steel markets:
 - in June 2016 China has declared to reduce steel production capacity by 150 mn tons in 5-year time horizon (including 45 mn tons in 2016)
 - EU, on Juncker initiative, has created a platform which will facilitate the control of a steel oversupply in the EU
 - in some countries there are sanctions imposed on import of subsidized metallurgical products

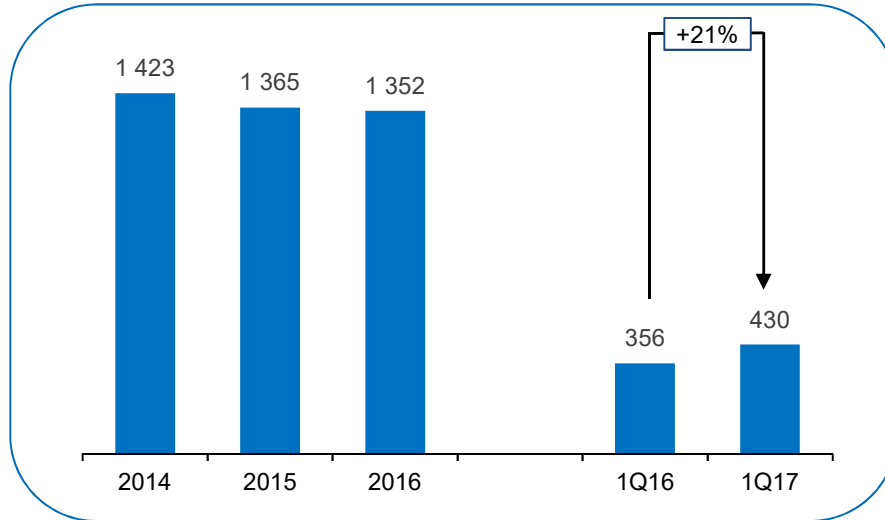
...which resulted in rebound of market spreads in 2016 (difference between steel rebar price and scrap metal price)



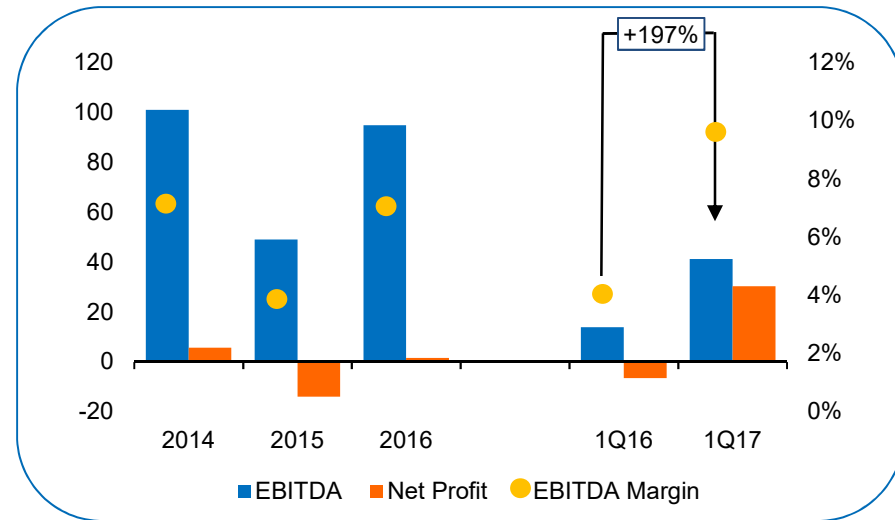
1. Cognor Holding at a glance
2. Market Overview
- 3. Q1 2017 Financial Performance**
4. Strategy

Cognor's recent financial results

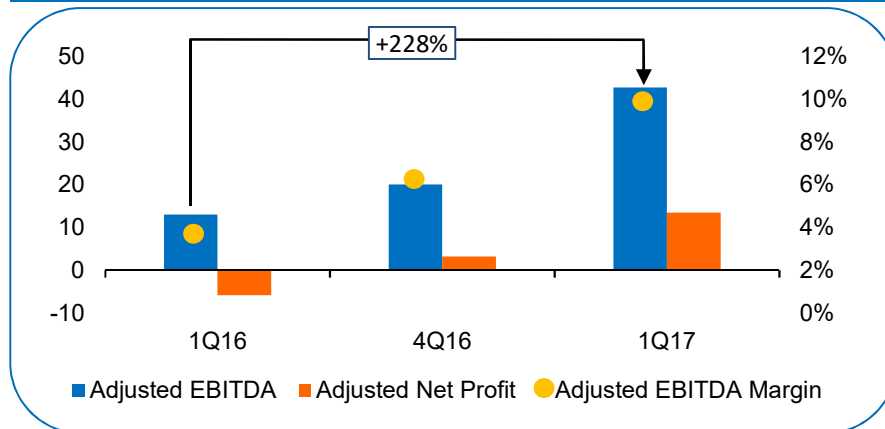
Revenue (PLN mn)



EBITDA, Net Profit (PLN mn)



Adjusted EBITDA and Net Profit (PLN mn)



Comments 1Q2017

Revenue:

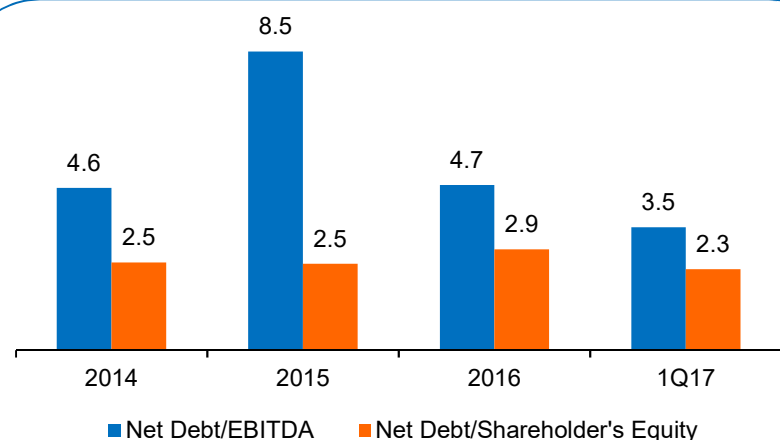
- Increase production of crude steel by 8.6% and shipments of scrap metal, billets and finished products by 7.4%
- Price increase by an average of 16.9%
- Total increase of orders equalled to 7.4% and is especially visible in the billet segment (up 65% y-o-y)

EBITDA, Net Profit:

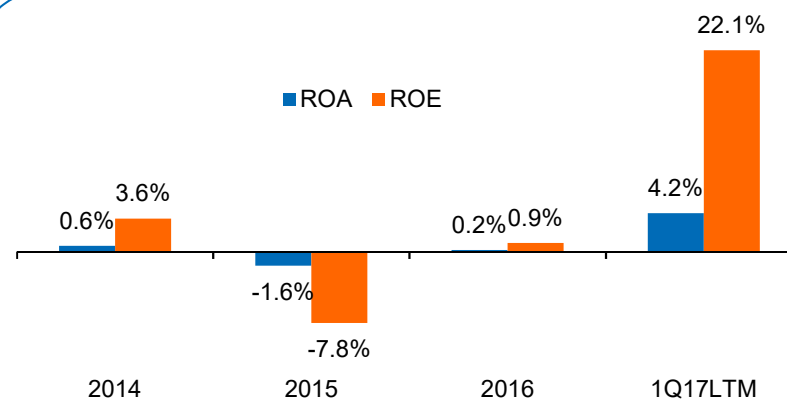
- FIFO method improved profitability by an estimated PLN 14.7 mn.
- FX gained related to indebtedness (strengthening of PLN vs. EUR) resulted with PLN 18.2 mn with minor impact on operations
- Non-recurring items: EBITDA (PLN -1.5 mn), Net Profit (PLN +16.9 mn)

Cognor's recent leverage and profitability

Cognor's Leverage Ratios



Cognor's Profitability Ratios



Other Metrics

	Q1 2016	Q4 2016	Q1 2017
Liquidity ratio	1.79	1.46	1.44
Quick ratio	0.84	0.54	0.65
Inventories turnover (days)	62	90	73
Receivables turnover (days)	44	37	44

Comments

Leverage:

- Net debt decreased by 23.6 vs. Q4 2016 (increased 10.1 vs. Q1 2016)
- ...the change was in line with working capital requirements...
- ...and was partially offset by strengthening of PLN vs. EUR by 1.2% in Q1 2016

Cash flow:

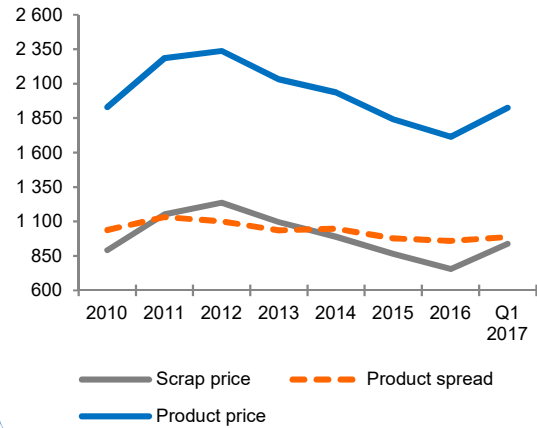
- Operating cash flow increased due to positive EBITDA but was offset by the outflow of cash from working capital (PLN -13.6 mn)
- Investment cash flow was negative due to due CAPEX (PLN -8.4 mn) partially offset by the proceeds from sales of assets (PLN +2.5 mn)
- Financing activities used cash primarily due to interest repayment (PLN -27.4 mn)

Ferrostal

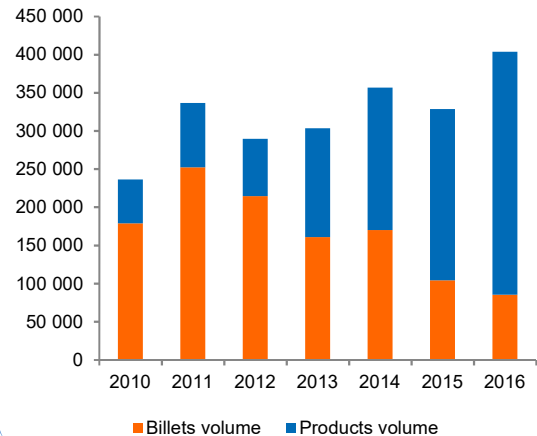


Ferrostal
Steel mill

Ferrostal: Prices and spreads (PLN/tonne)



Ferrostal: Billets and product volumes (tonnes)



	2014	2015	2016	Q1 2016	Q1 2017
Scrap metal - average purchase price	989	864	755	676	939
Billets - average sales price	1,858	1,660	1,491	1,337	1,757
<i>volume</i>	169,904	104,113	85,337	30,895	47,052
Billets spreads	869	796	736	661	818
Finished products - average sales price	2,036	1,842	1,714	1,609	1,926
<i>total volume</i>	186,571	224,491	318,095	78,877	68,470
<i>plain bars</i>	2,070	1,945	1,871	1,828	1,954
<i>volume</i>	35,714	32,331	29,304	7,767	5,228
<i>flat bars</i>	2,073	1,967	1,902	1,864	2,031
<i>volume</i>	64,241	60,155	61,409	16,133	8,772
<i>squares</i>	2,057	1,939	1,871	1,832	1,991
<i>volume</i>	13,709	11,029	7,726	1,868	1,149
<i>rebars</i>	1,867	1,629	1,581	1,408	1,887
<i>volume</i>	41,642	82,461	188,134	43,880	48,394
<i>angles</i>	2,111	1,951	1,918	1,860	2,059
<i>volume</i>	30,107	32,171	24,895	6,752	4,625
<i>other</i>	2,721	2,180	2,108	1,954	2,327
<i>volume</i>	1,159	6,346	6,627	2,477	302
Product spreads	1,047	978	959	932	987
<i>plain bars</i>	1,081	1,081	1,116	1,152	1,015
<i>flat bars</i>	1,084	1,104	1,147	1,188	1,093
<i>squares</i>	1,068	1,076	1,116	1,156	1,052
<i>rebars</i>	880	766	826	732	948
<i>angles</i>	1,122	1,087	1,164	1,183	1,120
<i>other</i>	1,732	1,317	1,353	1,278	1,389

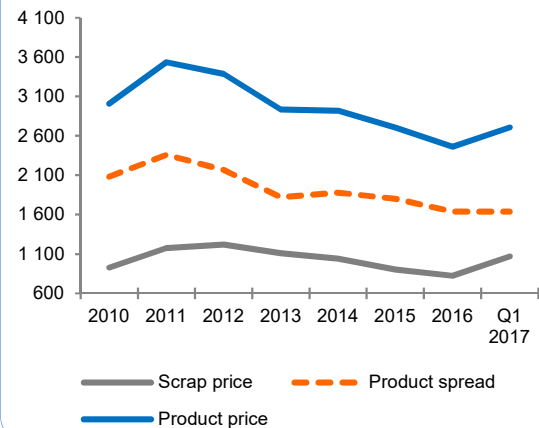


Huta Stali Jakościowych

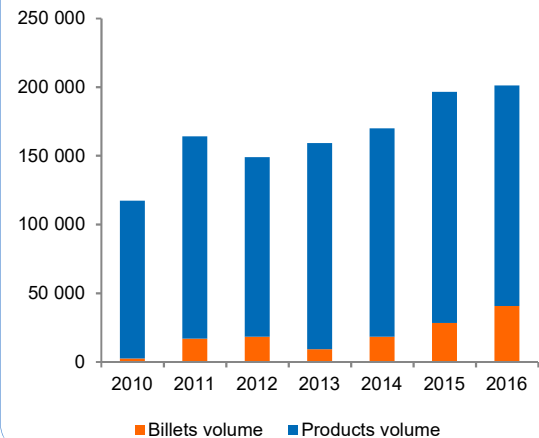


Huta Stali Jakościowych (HSJ)
Steel mill

HSJ: Prices and spreads (PLN/tonne)



HSJ: Billets and product volumes (tonnes)



	2014	2015	2016	Q1 2016	Q1 2017
Scrap metal - average purchase price	1,041	902	823	722	1,070
Billets - average sales price	2,472	1,968	1,768	1,712	2,105
<i>volume</i>	18,149	28,148	40,479	7,781	16,582
Billets spreads	1,431	1,066	945	990	1,035
Finished products - average sales price	2,920	2,703	2,463	2,433	2,708
<i>total volume</i>	151,788	168,397	160,708	47,563	43,415
<i>big rounds</i>	2,788	2,584	2,337	2,294	2,615
<i>volume</i>	144,605	150,311	153,736	44,540	40,089
<i>thick sheets</i>	2,954	2,427	2,740	2,765	2,595
<i>volume</i>	5,787	16,362	5,696	2,556	3,009
<i>thin sheets</i>	11,090	10,820	11,147	10,728	10,488
<i>volume</i>	865	1,069	638	252	205
<i>other</i>	25,277	23,529	21,547	17,557	24,973
<i>volume</i>	531	655	638	215	112
Product spreads	1,879	1,801	1,640	1,711	1,638
<i>big rounds</i>	1,747	1,682	1,514	1,572	1,545
<i>thick sheets</i>	1,913	1,525	1,917	2,043	1,525
<i>thin sheets</i>	10,049	9,918	10,324	10,006	9,418
<i>other</i>	24,236	22,627	20,724	16,835	23,903

Key business segments | Collection of metal scrap

1

MATERIALS: SCRAP

Mainly internal use



Application

- Materials used in further phases of steelmaking process

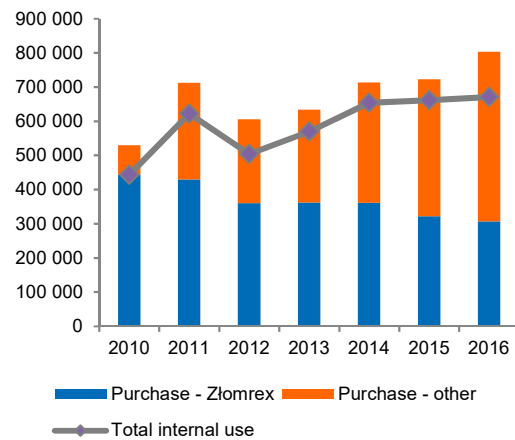
Form

- Ferrous scrap** (for internal use)
- Non-ferrous scrap**, wastepaper and other materials (for external sales)

2016 output (tonnes)

- Purchased: Złomex – **306k tonnes**, HSJ – **139k tonnes**, Ferrostal – **358k tonnes**
- Sold: **95k tonnes**
- Internal use: HSJ – **259k tonnes**, Ferrostal – **412k tonnes**

Purchase and internal use (tonnes)



	2014	2015	2016	Q1 2016	Q1 2017
PURCHASE FROM EXTERNAL SUPPLIERS (TONNES)					
Ferrostal	245,487	269,155	358,383	96,250	93,492
Złomex	361,078	321,631	306,145	65,580	88,587
HSJ	106,711	131,897	138,704	35,581	38,186
INTERNAL USE (TONNES)					
Ferrostal	423,865	408,941	412,345	113,895	123,254
HSJ	230,046	252,364	258,680	68,241	73,149
SALES TO EXTERNAL CUSTOMERS (TONNES)					
Złomex	100,059	118,994	95,047	24,156	27,848
SALES ('000 PLN)					
CONSOLIDATED	94,186	100,051	71,608	16,716	27,140
TOTAL PURCHASE (TONNES)	713,276	722,683	803,232	197,411	220,265
TOTAL INTERNAL USE (TONNES)	653,911	661,305	671,025	182,136	196,403
TOTAL SALES (TONNES)	100,059	118,994	95,047	24,156	27,848
TOTAL SALES ('000 PLN)	94,186	100,051	71,608	16,716	27,140

Key business segments | Billets – production of semi-finished products

2

SEMI-FINISHED PRODUCTS: BILLETS

Internal use and external sales



Application

- Semi-finished products to be used in further manufacturing

Form

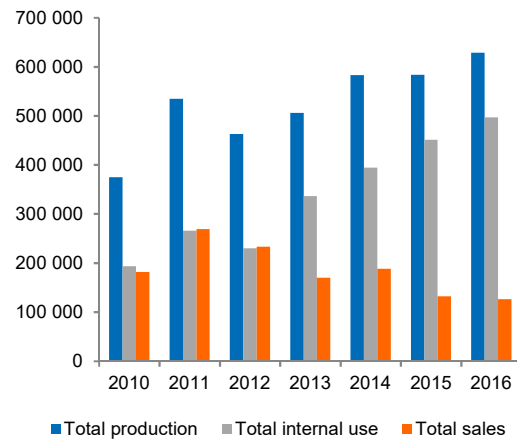
- Square billets
- Rectangulars
- Circles

2016 output (tonnes)

Crude steel: **629k tonnes** incl.:

- Carbon steel 423k tonnes
- Hi-alloy and stainless 206k tonnes

Production, internal use and sales (tonnes)



	2014	2015	2016	Q1 2016	Q1 2017
PURCHASE FROM EXTERNAL SUPPLIERS (TONNES)					
Ferrostal	-	26	-	-	4,022
PRODUCTION (TONNES)					
Ferrostal	381,477	363,492	402,676	100,997	110,204
HSJ	201,072	219,962	226,090	59,470	63,997
INTERNAL USE (TONNES)					
Ferrostal	211,573	259,379	311,048	80,766	82,295
HSJ	182,923	191,840	185,611	51,689	51,437
SALES TO EXTERNAL CUSTOMERS ('000 PLN)					
Ferrostal	169,904	104,113	85,337	30,895	47,052
HSJ	18,149	28,148	40,479	7,781	16,582
SALES ('000 PLN)					
CONSOLIDATED	360,524	228,178	198,790	54,633	117,573
TOTAL PURCHASE (TONNES)	-	26	-	-	4,022
TOTAL PRODUCTION (TONNES)	582,549	583,454	628,766	160,467	174,201
TOTAL INTERNAL USE (TONNES)	394,496	451,219	496,659	132,455	133,732
TOTAL SALES (TONNES)	188,053	132,261	125,816	38,676	63,634
TOTAL SALES ('000 PLN)	360,524	228,178	198,790	54,633	117,573

Key business segments | Finished products

3

FINISHED PRODUCTS: LONG AND FLAT PRODUCTS

External sales



LONG PRODUCTS

Application

- Wide application in numerous industries (automotive, machine, mining, energy, railway)

Form

- Flat bars,
- Spring tension bars, flat grooved bars, circle bars, square bars
- Sections
- Peeled bars

2016 output (tonnes)

Long products total: **455k tonnes**, incl.:

- Rebars 187k tonnes
- Merchant bars 116k tonnes
- SQ bars 151k tonnes



FLAT PRODUCTS

Application

- Focus on specialized steels with high margins (for example defence industry)
- Confirmed deliveries for Polish Army (corpuses for Rosomak military vehicle)

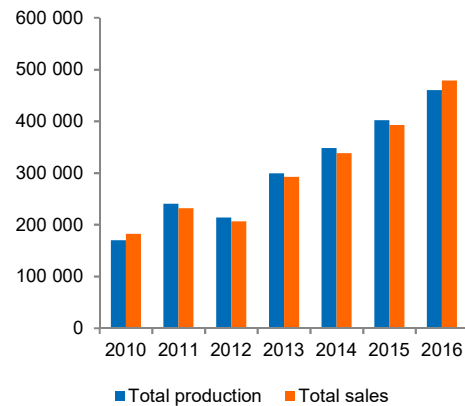
Form

- Construction sheets
- Armoured sheets (ARMSTAL)
- Heat-resistant sheets
- High strength sheets

2016 output (tonnes)

Flat products total: **6k tonnes**

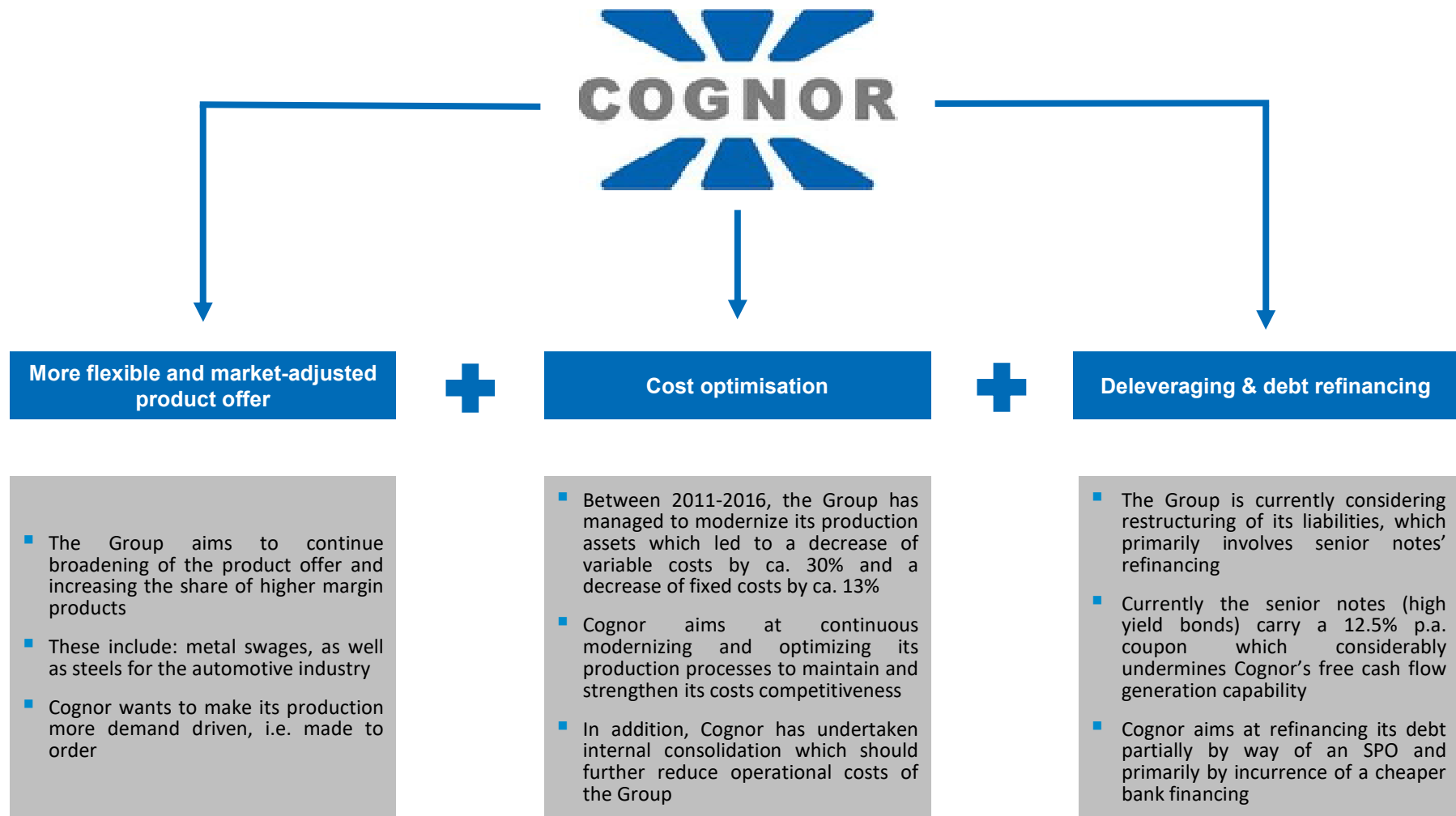
Production and sales (tonnes)



	2014	2015	2016	Q1 2016	Q1 2017
PURCHASE FROM EXTERNAL SUPPLIERS (TONNES)					
Ferrostal	-	582	132	75	-
PRODUCTION (TONNES)					
ZWWB	79,627	78,441	80,480	20,004	17,844
HSJ	160,053	172,937	156,858	40,745	43,392
Profil	108,656	150,402	223,029	55,442	60,556
SALES TO EXTERNAL CUSTOMERS (TONNES)					
Ferrostal	186,571	224,491	318,095	78,877	68,470
HSJ	151,788	168,397	160,708	47,563	43,415
SALES ('000 PLN)					
CONSOLIDATED	823,098	868,672	941,127	242,622	249,694
TOTAL PURCHASE (TONNES)	-	582	132	75	-
TOTAL PRODUCTION (TONNES)	348,336	401,780	460,367	116,191	121,792
TOTAL SALES (TONNES)	338,359	392,888	478,803	126,440	111,885
TOTAL SALES ('000 PLN)	823,098	868,672	941,127	242,622	249,694

1. Cognor Holding at a glance
2. Market Overview
3. Q1 2017 Financial Performance
- 4. Strategy**

Strategy of Cognor



Appendix: Q1 2017 Financials

Consolidated Income Statement and Cash Flow

INCOME STATEMENT	Q1 2017	Q4 2016	Q1 2016
'000 PLN			
Revenue	429 529	317 469	355 672
Cost of sales	-371 262	-280 362	-332 065
Gross profit	58 267	37 107	23 607
Other income	863	1 435	1 205
Distribution expenses	-15 900	-12 135	-11 385
Administrative expenses	-9 081	-12 621	-8 401
Other gains/(losses) – net	-1 456	1 921	798
Other expenses	-1 073	-3 640	-817
EBIT	31 620	12 067	5 007
Financial income	18 318	2 718	27
Financial expenses	-12 723	-22 265	-13 767
Net financing costs	5 595	-19 547	-13 740
Share of profits of associates	-51	-31	37
Excess in the net fair value of acquired assets over cost	0	0	0
Profit before tax	37 164	-7 511	-8 696
Income tax expense	-6 816	3 277	2 147
Profit/loss for the period from discontinued operations	0	0	0
Profit for the period	30 348	-4 234	-6 549
Depreciation and amortization	-9 612	-10 468	-8 892
EBITDA	41 232	22 535	13 899
CASH FLOW	Q1 2017	Q4 2016	Q1 2016
'000 PLN			
A. OPERATING ACTIVITIES	30 437	20 110	29 016
B. INVESTING ACTIVITIES	-4 802	-7 858	-8 042
C. FINANCING ACTIVITIES	-26 626	-12 548	-23 202
NET INCREASE IN CASH	-991	-296	-2 228

Consolidated Balance Sheet

ASSETS	Q1 2017	Q4 2016	Q1 2016	EQUITY AND LIABILITIES	Q1 2017	Q4 2015	Q1 2016
'000 PLN				'000 PLN			
A. TOTAL NON-CURRENT ASSETS	409 637	424 942	411 257	A. EQUITY	184 040	155 903	159 677
I. Intangible assets	12 359	11 938	11 011	I. Issued share capital	150 532	150 532	139 702
II. Property, plant and equipment	284 841	292 821	278 946	II. Reserves and retained earnings	17 921	-8 404	-327
III. Other receivables	147	126	42	III. Minority interest	15 587	13 775	20 302
IV. Investm. property and other investments	8 004	8 055	16 762				
V. Prepaid perpetual usufruct of land	19 851	19 944	20 294	B. LIABILITIES	771 290	739 398	687 317
VI. Deferred tax assets	84 435	92 058	84 202	I. Non-current liabilities	391 178	416 808	443 937
				1. Employee benefits obligation	9 058	9 058	9 102
B. TOTAL CURRENT ASSETS	545 693	470 359	435 737	2. Interest-bearing loans and borrowings	357 904	376 398	390 570
I. Inventories	299 300	297 741	230 447	3. Other	24 216	31 352	44 265
II. Receivables	214 841	141 626	176 680	II. Current liabilities	380 112	322 590	243 380
1. Trade receivables	211 287	136 997	172 070	1. Interest-bearing loans and borrowings	66 359	72 451	41 601
2. Current income tax receivable	1 869	1 908	299	2. Bank overdraft	24 705	23 154	4 251
3. Other investments	1 685	2 721	4 311	3. Trade payables	277 764	218 824	188 684
III. Cash and cash equivalents	25 540	24 980	23 104	4. Deferred government grants	117	117	117
IV. Prepayments	0	0	0	5. Employee benefits obligation	5 363	4 914	5 321
V. Assets classified as held for sale	6 012	6 012	5 506	6. Current income tax payable	116	0	0
VI. Assets of disposal groups	0	0	0	7. Provisions for payables	5 688	3 130	3 406
TOTAL ASSETS	955 330	895 301	846 994	TOTAL EQUITY AND LIABILITIES	955 330	895 301	846 994

Consolidated EBITDA/Net Profit adjustments

DESCRIPTION	Q1 2017	Q4 2016	Q1 2016
<i>'000 PLN</i>			
Reported EBITDA	41 232	22 535	13 899
Non-recurring items including:	-1 458	2 521	930
- costs of sales	0	0	0
- other income	581	1 288	203
- distribution expenses	-565	20	131
- administrative expenses	0	0	0
- other gains/losses	-337	1 064	572
- operational FX result	-1119	857	226
- other impairments	-18	-708	-202
Adjusted EBITDA	42 690	20 014	12 969
Reported net result	30 348	-2 266	-6 549
Non-recurring items including:	16 938	-5 421	-681
- EBITDA adjustments	-1 458	2 521	930
- FX result on debt	18 170	-10 616	-1 471
- result on own debt repurchase	0	3 051	0
- result on cancellation of debt	0	712	0
- share of associate result	-51	-31	37
- pro-forma income tax adjustment	277	-1 057	-177
Adjusted net result	13 410	3 155	-5 868