



Dear Sirs,

Once again we have the pleasure of encouraging you to read the report of Cognor Holding S.A. Indeed you shall find a range of interesting data and information, which also relate to non-financial aspects of the business activities of our company. I recommend the commentary of our Board, in which we described an assessment of the trends and diagnosis of the market factors that have an impact on our business, as well as the expectations relating to the near future. Likewise, there is also data referring to our further development plans.

Last year was outstanding and witnessed remarkable market conditions for the majority of key markets for the steel industry. The policy of the European Union attempted to prevent dishonest practices in trade. In Poland, outlays on infrastructure were accelerated, which our results depend on to a large extent. The investment and organizational activities conducted in the previous years have opened up new opportunities of cooperation for us, while also enhancing the cost efficiency and quality of our goods.

A breakthrough event was the change of the sources of external financing for a decisively cheaper version. The resources generated from activities, as well as financial savings were first and foremost utilized in terms of reducing debt and investments, but we could also propose payment of part of the profit for the year 2017 in the form of dividends for shareholders. I think that this year we can afford to reward the trust bestowed on us by the owners. In accordance with the accepted policy last year, the Board of Cognor Holding S.A. shall put forward a motion to pay out dividends at the upcoming ordinary shareholders' meeting. In turn, we would also like to share the business success of the company in the subsequent years.

The year 2018 was an absolutely record year in terms of all aspects: the highest level of production, the highest revenue, the highest profits, while also the lowest indebtedness in our history. It is my hope that today all the stakeholders of Cognor Group may feel a sense of satisfaction with the chosen direction of our growth. The diligent work and level of involvement of our team are the basis for equitable remuneration, which is set at above the national average in our Group statistically speaking. In fact, we would like to continue to maintain our reputation as a good and prospective employer.

There is definitely a multitude of challenges and difficulties ahead of us, yet I trust that the current year shall pass with decent market conditions and satisfactory results from our business activities, while first and foremost it shall be a period of reinforcing the foundations for the subsequent years. Finally, I would like to avail of this opportunity to wish our team, clients and shareholders to be able to fulfil their desires and aspirations in 2019.

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Przemysław Sztuczkowski
Chairman of the Board of Cognor Holding S.A.

Poraj, 28 February 2019.