



Dear Sirs,

I would like to encourage you to get acquainted with the annual report of Cognor Holding S.A. which contains a range of interesting data and information, which also relate to the non-financial aspects of the business activities of our company. I also 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, including further development plans.

Last year was difficult as we were faced with weaker demand in Poland and in the EU, which are our key markets. On top of that, we had to cope with increasing energy and carbon dioxide emission costs, while the policy of the European Union continued to be ineffective in securing fair treatment of all market participants. In Poland, outlays on infrastructure continued which stimulated the demand for our construction steel. This helped us to offset the negative trends in the automotive industry where the demand greatly deteriorated. We managed to finalize and develop various investment projects which have already started bringing significant savings in terms of our production costs and will provide further benefits in the future. In terms of the overall scale of our operations, the year 2019 was not so far away from the record breaking year of 2018. Despite the harsh market conditions, we managed to achieve a positive net result and reduced our net indebtedness to the lowest level on record.

Unfortunately, the developments relating to the coronavirus crisis do not bode well for the year 2020. It is the time to pass the test of character and to make sure that all of our business units operate without major interruptions and that safe working conditions are secured for Cognor's staff. I trust that thanks to the dedication of our people, we will come through this ordeal as we have already done several times in the past. There is definitely a multitude of challenges and difficulties ahead of us, yet we should look forward to being ready to capitalize on our long-term investment decisions and the good work of our employees once more favourable market conditions return. Finally, I would like to avail of this opportunity to wish our team, clients and shareholders to stay in good health and to be able to fulfil their desires and aspirations in 2020.

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

Poraj, 30 March 2020