



Dear Sirs,

Let me present the annual consolidated report of Cognor Holding S.A. which contains a range of interesting data and information, relating among others, to the non-financial aspects of our activities. It is also worth becoming acquainted with the commentary of our Board, in which we described the market trends shaping our business, as well as the expectations for the near future. In this, you will also find a discussion on the progress relating to the pending investment projects, as well as some reference to the upcoming development plans.

After the relatively weak 2019, last year proved even more challenging due to SARS-cov-2. Fortunately, the pandemic had a limited effect on our customers and steel manufacturing was not subject to any administrative restrictions in Poland as in the case of many other businesses. Although, there was a number of COVID-19 infections amongst our people, luckily all those who had suffered from it have now been able to recover and come back to their everyday routine, which is the most important. Due to these aspects, as well as the ability to adjust our operations appropriately to the evolving market and thanks to the continued effort and dedication of our employees, we came through the coronavirus ordeal relatively unhurt. Owing to the financial aid granted by the central authorities, we were not only able to achieve the performance of the previous year, but even managed to outperform that. We achieved a higher EBITDA and net profit, while our indebtedness decreased.

It is our expectation that after these harsh times, the world will start to recover gradually and that the steel business shall also benefit. Having made a number of long-term investment decisions in the past, we hope to soon be able to benefit from the increased production volumes and the lower manufacturing costs. Nothing is going to come easy and our team has to be ready to pass many tests of character yet, I remain confident of Cognor being able to deliver increasingly satisfactory results to all the stakeholders. Let me avail of this opportunity to wish our employees, clients and shareholders to remain in good health in 2021 and enjoy a prosperous time throughout it.

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

Poraj, 1 March 2021