



Warsaw, 25 April 2019

Dear All,

I am pleased to present to you the Report on the Activities of the Boryszew Group for 2018 together with the consolidated financial results achieved in that period.

Last year was full of challenges for us due to the changing conditions in our market environment. The European Commission replaced the NEDC - a test detecting average fuel consumption of the vehicle and the emission of carbon dioxide and harmful substances with the new WLTP procedure, which led to a significant decrease in car production in September 2018, lasting until the end of the year, with a negative impact on the result of our Automotive Segment. However, we are pleased to observe an intensification of the development of e-cars market, which will literally and figuratively be the driving force in this Segment in subsequent periods. The number of our customers is also increasing. In 2018 we launched cooperation with new OEMs that before 2018 were not among Group's customers. In 2018 we managed to obtain a number of new nominations which stabilise our situation in the medium and long term.

Let me also emphasise the success we achieved in the Metals Segment, which last year generated the best result within our entire Group. It was also a record-breaking result in the history of the Impexmetal Group. Impexmetal S.A. recorded an increase in operating profit by more than 30%, strengthening its position on the market, similarly Walcownia Metali Dziedzice and Baterpol, whose operating profit increased by 20%. In the aluminium business the increase in production capacity is particularly noteworthy. It is estimated that the demand for products made of this metal is higher and will be gradually increasing, due to the increased demand for lightweight materials in the automotive industry. Therefore the Aluminium plant Konin launched the implementation of an investment scheme for 2019-2022, worth PLN 430 million, which involves the expansion of the Foundry Department and Rolling Mill Department at Huta Aluminium Konin, to bring about some significant increase in the production capacity of ingots and rolled products.

Despite unfavourable market conditions, Boryszew Group achieved stable financial results. Total consolidated revenues amounted to PLN 6.1 billion. EBITDA was PLN 379 million for the period and net profit amounted to PLN 141 million.

Let me thank our Shareholders, Employees and Business Partners for their joint effort in 2018. I hope that 2019 will be yet another successful year in the growth of Boryszew Group.

Piotr Lisiecki

President of the Management Board