

## Projection of selected financial and operating results for the year 2020 and estimated financial and operating results for the year 2019

In accordance with the assumed calendar of corporate events, the Management Board of Grupa Kęty S.A. (hereinafter referred to as the Issuer) announces the projection of the selected financial and operating results of the Issuer's Capital Group for the year 2020 and the estimated financial results for the year 2019.

| Consolidated data<br>(PLN million) | 2019* | 2020  | Change (%) |
|------------------------------------|-------|-------|------------|
| Sales revenue                      | 3,205 | 3,314 | +3%        |
| EBITDA profit/loss*                | 524   | 535   | +2%        |
| EBIT profit/loss*                  | 385   | 389   | +1%        |
| Net profit/loss                    | 294   | 294   | 0%         |
|                                    |       |       |            |

\* Estimated figures.

\*\* EBITDA – operating profit plus depreciation.

\*\*\* EBIT – operating profit.

Main assumptions and expectations underlying the projection of the selected financial and operating results of the Issuer's Capital Group for the year 2020:

1. Despite the assumed slow-down in the domestic economic growth to approx. 3,5%, the Management Board assumes ambitious goals and wants to generate even better sales and operating profit results than in the record year 2019. Notwithstanding the maintained uncertainty as to the development of the market situation, the Management Board believes that the capital expenditure on the state-of-the-art engineering lines and systematic development of the product offer will enable the company to maintain its strong position on the domestic market and further significant growth in foreign sales. The other macroeconomic assumptions are as follows:

- average aluminium price: USD 1,850 per ton,
- average USD/PLN exchange rate: 3.70,
- average EUR/PLN exchange rate: 4.25,
- average EUR/USD exchange rate: 1.15.

2. Growth of sales will be generated by way of the assumed higher quantitative sales in all three segments (approx. 5% for the Extruded Products Segment and Aluminium Systems Segment, respectively, and over 20% for the Flexible Packaging Segment). The aluminium price in PLN, following the assumptions, will be lower by approx. 2%, so it will have a negative impact on the value of revenue. Sales in the particular segments will be as follows:

- the Extruded Products Segment: PLN 1,231 million (-2%),
- the Aluminium Systems Segment: PLN 1,511 million (+3%),
- the Flexible Packaging Segment: PLN 864 million (+10%).

3. Operating costs will grow by 4% compared to 2019 and reach PLN 2,939 million, of which:

- depreciation: PLN 146 million (+5%),
- costs of materials: PLN 1,905 million (+3%),
- costs of energy: PLN 97 million (+18%),

- costs of employee benefits: PLN 495 million (+9%),
- costs of third party services: PLN 248 million (+3%).

4. All segments are going to generate higher EBITDA compared to 2019, of which:

- the Extruded Products Segment: PLN 153 million (+1%),
- the Aluminium Systems Segment: PLN 245 million (+3%),
- the Flexible Packaging Segment: PLN 155 million (+5%).

5. The negative balance on financing activities will reach about PLN 27 million, including interest on loans of approx. PLN 23 million, whereas the assumed negative result on foreign exchange gains and losses will amount to PLN 4 million.

6. The 2020 projection covers for the payment of dividend amounting to 85% of the consolidated net profit for the year 2019, which complies with the dividend policy binding at the company.

7. The consolidated cash flow from operating activities will amount to PLN 440 million.

8. Capital expenditure was assumed at the level of PLN 213 million, including roughly PLN 40 million on projects postponed from 2019.

9. The projected net debt level at the end of 2020 is going to be PLN 748 million, which means that the net debt/EBITDA ratio will reach 1.4.

10. The business conditions will not change significantly, specifically as regards legal, tax and administrative regulations.

11. No extraordinary one-off events will occur, which could not have been foreseen as at the date of this projection publication.

This projection of the selected financial and operating results for the year 2020 means that in case it is achieved, the Capital Group shall exceed all of the objectives assumed in Strategy 2020, of which:

- a) sales revenues in the period of 2015–2020 will reach PLN 16,447 instead of the planned PLN 16,000 million;
- b) EBITDA in the period of 2015–2020 will reach PLN 2,674 instead of the planned PLN 2,582 million;
- c) net profit in the period of 2015–2020 will reach PLN 1,581 instead of the planned PLN 1,470 million;
- d) dividend paid in the period of 2015–2020 will reach PLN 1,298 instead of the planned PLN 1,091 million;
- e) capital expenditure in the period of 2015–2020 will not exceed the level of PLN 1,354 million.

The Issuer is going to assess the capability of accomplishing the 2020 projection and make any appropriate adjustments on a quarterly basis and any time a major event regarding the Capital Group occurs.

The figures for 2019 disclosed in this current report are only estimations and may be changed by the time of publishing the consolidated and separate annual reports for 2019, which is going to take place on 26 March 2020, in accordance with the binding schedule of current reports publication.