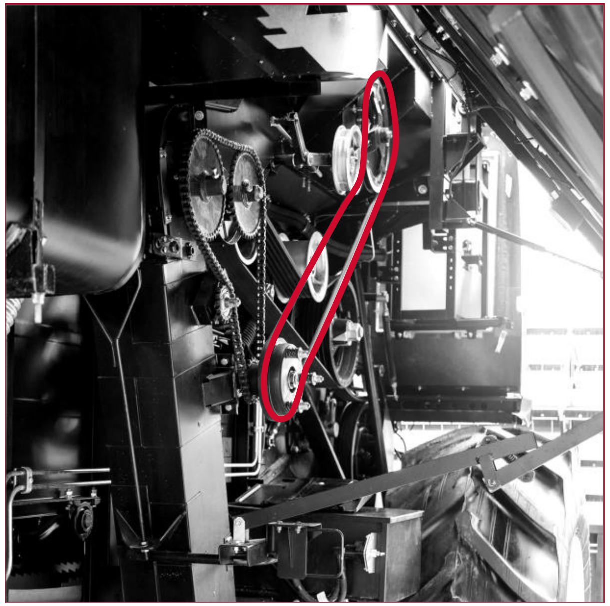
SANOK RUBBER





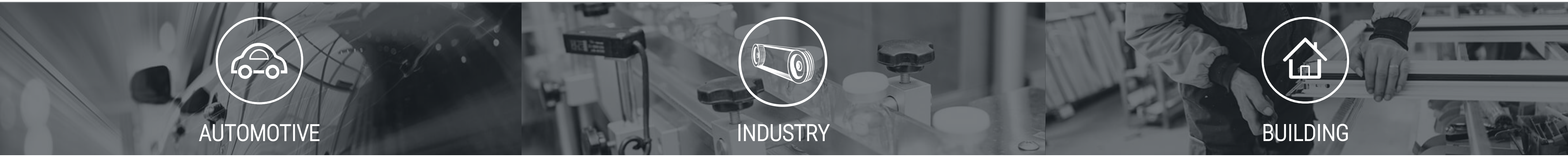

SANOK RUBBER GROUP FINANCIAL RESULTS 2018

LEGAL RESERVATIONS

This presentation is for information purposes only and can not constitute grounds for concluding any agreements, it is not a recommendation regarding the purchase or sale of any securities. The statements that may appear in the presentation referring to future financial results of Sanok RC do not constitute any assurance, statement or guarantee that they will be achieved and may actually differ from them. The only reliable source of financial data, forecasts, events and indicators related to Sanok RC are current reports and financial statements published by Sanok RC in accordance with the disclosure obligations under Polish law.

SANOK RUBBER GROUP 31.12.2018

SANOK RUBBER



AUTOMOTIVE
- Sealing systems
- Antivibration Products

INDUSTRY
- V-belts
- Pharmaceutical Rubber Products
- Household Appliances Products

BUILDING
- Window Systems Seals
- Self-adhesive Seals

Sanok Rubber Company SA is recognized in Europe and Worldwide supplier of high-quality rubber, rubber-metal and rubber-plastic products.

Sanok Rubber Company SA has been successfully implementing a plan of development for over 85 years. It is based on the latest technologies, diversification of clients, products portfolio and strong position on the market.

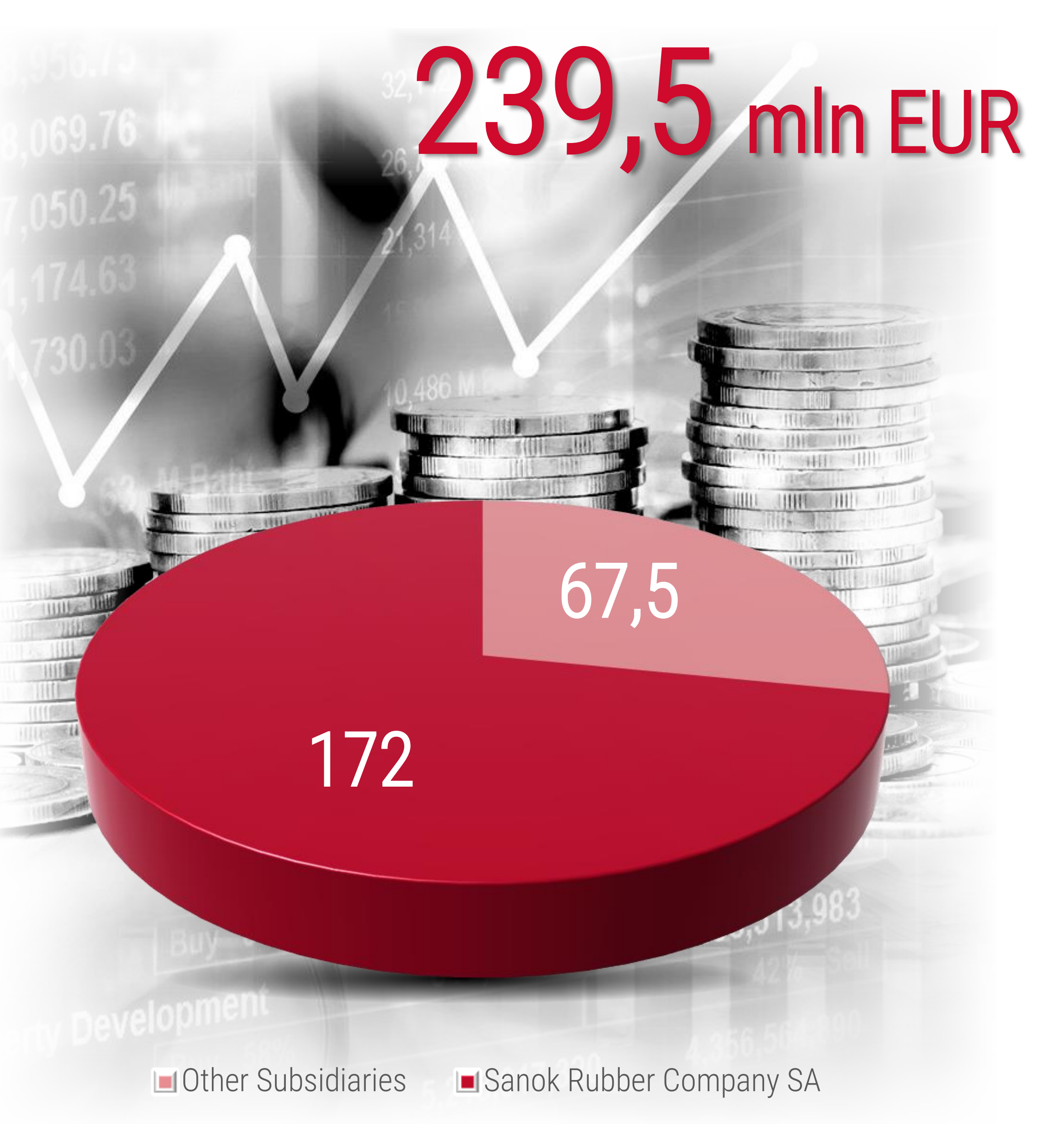
Sanok Rubber Group:

- Poland
- China
- Germany
- Russia
- Belarus
- Ukraine
- France
- Mexico

SANOK RUBBER GROUP

SANOK RUBBER

TURNOVER (mln EUR in 2018)



EMPLOYMENT (average employment in 2018)

SANOK RUBBER GROUP

SANOK RUBBER

SUBSIDIARIES POLAND

Stomet Sp. z o.o.
Sanok *100%*

Stomil Sanok Dystrybucja Sp. z o.o.
Bogucin near Poznań *100%*

- Stomil Sanok Dystrybucja
  Branch Bielsko-Biała
- Stomil Sanok Dystrybucja
  Branch Dębica
- Stomil Sanok Dystrybucja
  Branch Piekoszów k. Kielc
- Stomil Sanok Dystrybucja
  Sanok

PST Stomil Sp. z o.o.
Rymanów Zdrój *100%*

Stomil East Sp. z o.o.
Sanok *65,7%*

SUBSIDIARIES ABROAD

Colmant Cuvelier RPS S.A.S.
Villers-la-Montagne, France *100%*

Draftex Automotive GmbH
Grefrath, Germany *100%*

19%

Qingdao Masters of Rubber and Plastic Co., Ltd.
Jiaozhou, China *73%**

Sanok (Qingdao) Auto Parts
Jiaozhou, China *100%*

SMX RUBBER COMPANY SA de CV
San Luis Potosi, Mexico *99%***

Stomil Sanok Wiatka
Kirov, Russia *81,1%*

Stomil Sanok RUS
Moscow, Russia *100%*

Stomil Sanok BR
Brest, Belarus *100%*

Stomil Sanok Ukraina
Rivne, Russia *100%*

*Other 8% third side, no rights
** 1% of shares in possession of STOMET Sp z o. o.

FINANCIAL RESULTS 2014 - 2018

SANOK RUBBER

Sanok Rubber Capital Group

	2014	2015	2016	2017	2018
Net Sales [thous. PLN]	768 610	903 527	931 489	997 805	1 022 182
EBITDA [thous PLN]	144 123	152 839	166 270	146 602	126 330
EBITDA Margin [%]	18,8%	16,9%	17,8%	14,7%	12,4%
EBIT [thous. PLN]	107 947	116 086	129 541	108 295	84 817
Net Profit [thous. PLN]	85 752	97 233	104 041	81 049	64 449
Net profitability [%]	11,2%	10,8%	11,2%	8,1%	6,3%
Operating Cash Flow [thous PLN]	133 547	108 255	97 002	89 689	63 963
Purchasing of fixed assets and intangible assets [thous PLN]	66 287	64 097	42 485	87 819	107 215

FINANCIAL RESULTS 4Q 2014 - 2018

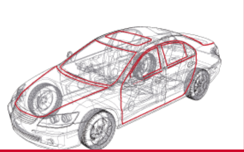
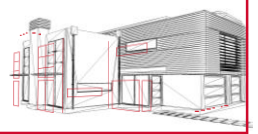
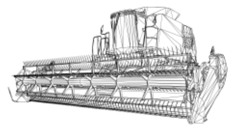
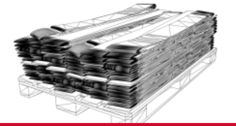
Sanok Rubber Capital Group

SANOK RUBBER

	2014	2015	2016 transformed	2017	2018
Net Sales [thous. PLN]	211 528	211 419	231 302	244 276	259 864
EBITDA [thous. PLN]	28 620	35 981	29 730	20 521	25 393
EBITDA Margin [%]	13,5%	17,0%	12,9%	8,4%	9,8%
EBIT [thous. PLN]	19 183	26 638	19 680	10 352	14 353
Net Profit [thous. PLN]	14 838	25 628	14 323	5 609	10 790
Net profitability [%]	7,0%	12,1%	6,2%	2,3%	4,2%
Cash Flow [thous PLN]	33 980	35 358	26 227	25 879	18 828
Purchasing of fixed assets and intangible assets [thous PLN]	39 602	29 528	13 506	31 246	40 340

CONSOLIDATED SALES 2014 - 2018

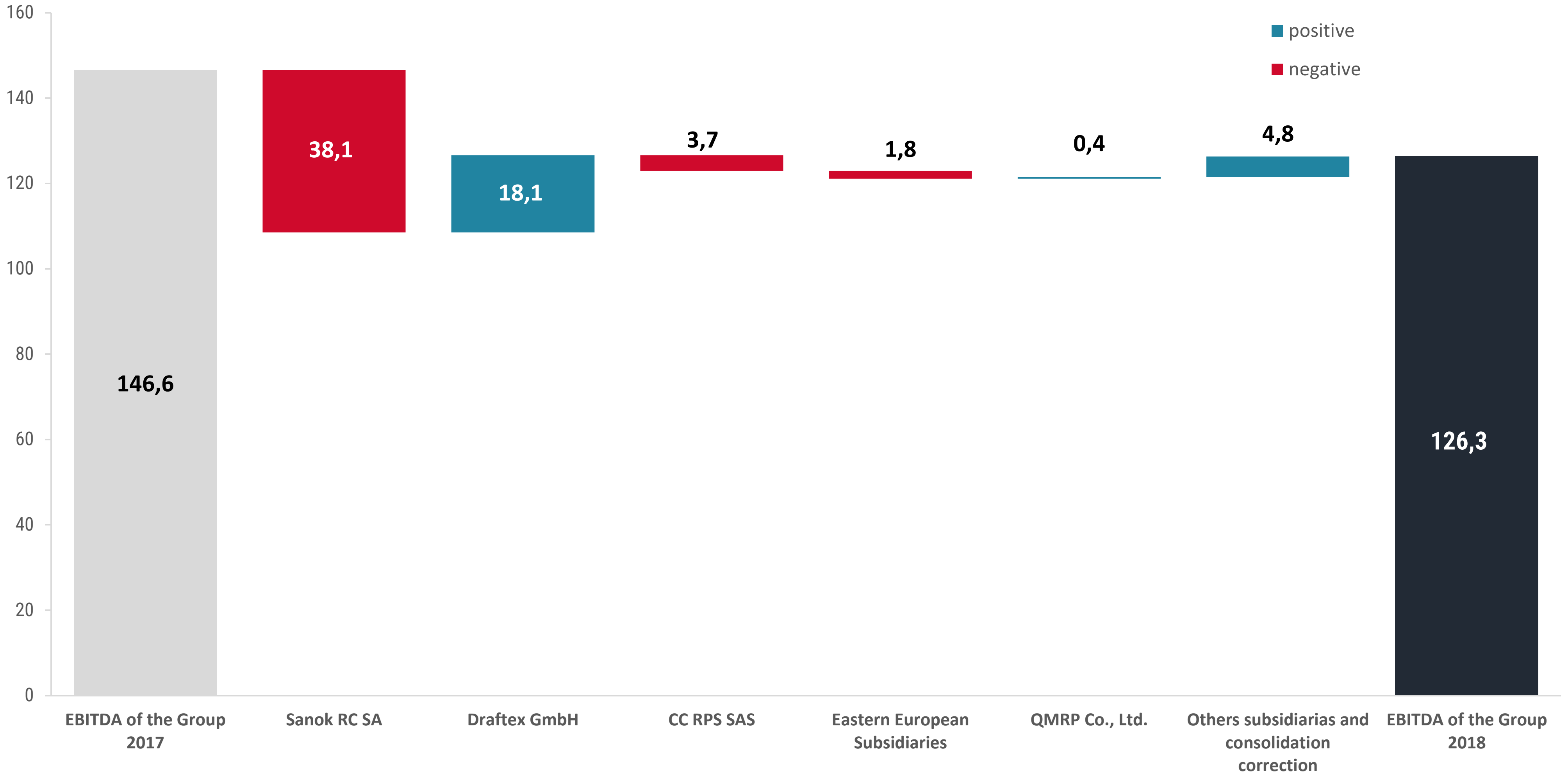
Segments

	2014	2015	2016	2017	2018
 AUTOMOTIVE	365 426	515 492	516 777	568 894	609 304
 BUILDING	152 838	106 357	108 387	117 673	110 505
 INDUSTRY	143 932	153 897	155 264	162 856	156 978
 COMPOUNDS	78 392	94 190	112 082	109 964	113 608
OTHERS	28 022	33 591	38 979	38 418	31 787

FINANCIAL RESULTS 2017 - 2018

Sanok Rubber Capital Group

SANOK RUBBER



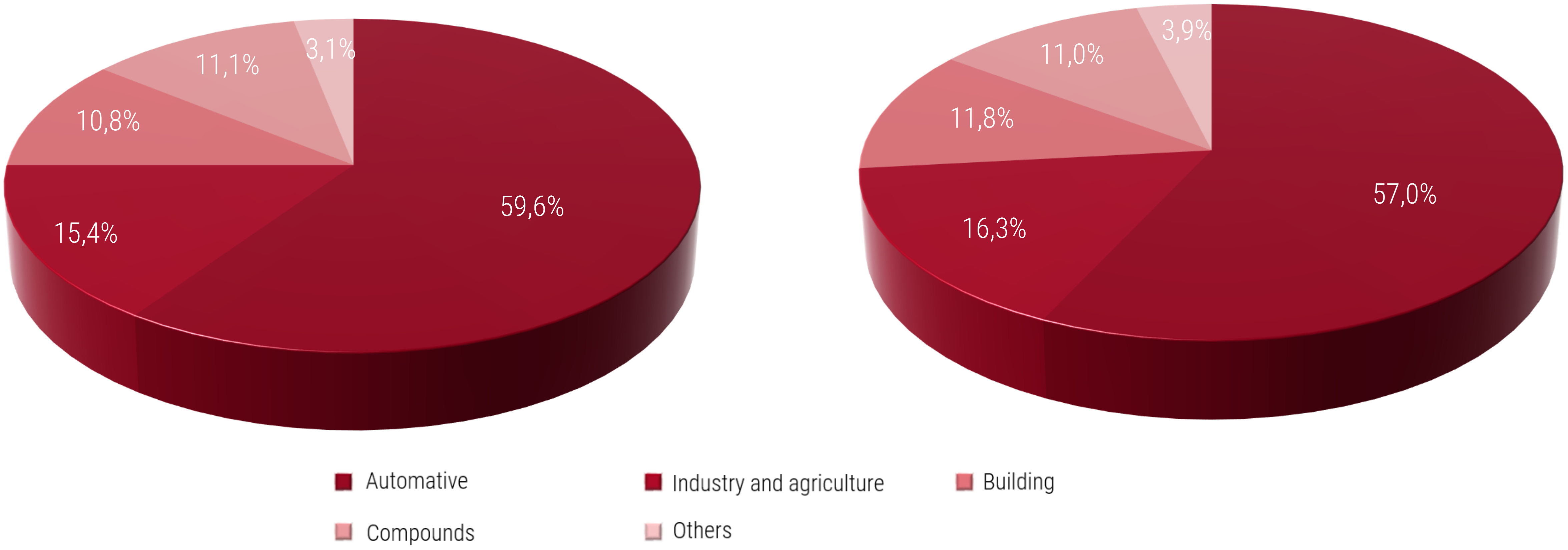
CONSOLIDATED SALES 2018

SANOK RUBBER

Capital Group

2018 r.
1022,2 mln PLN

2017 r.
997,8 mln PLN

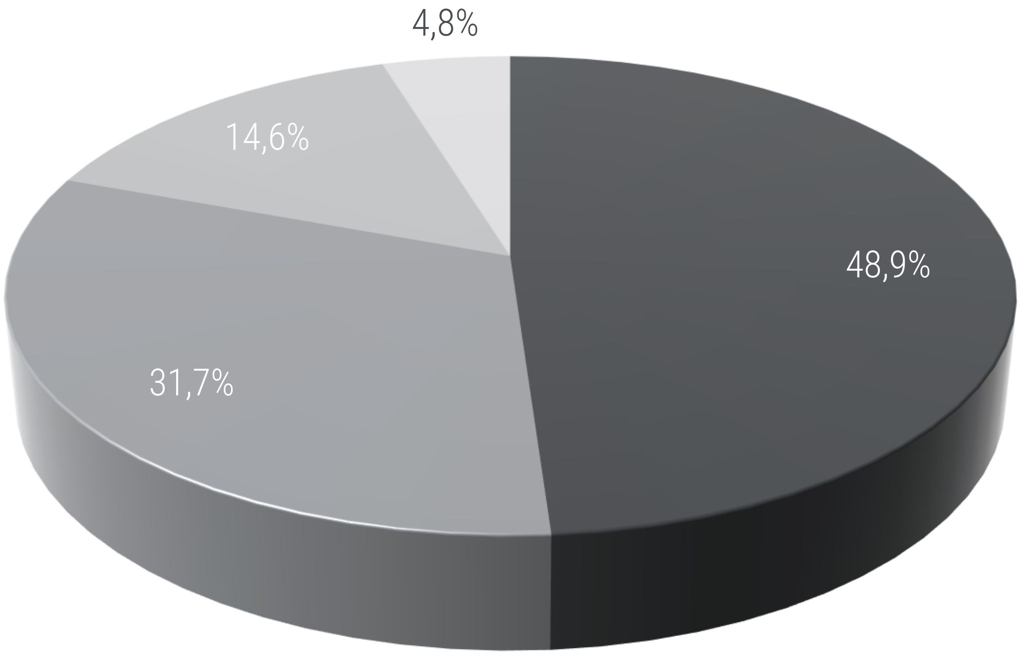


CONSOLIDATED SALES 2018

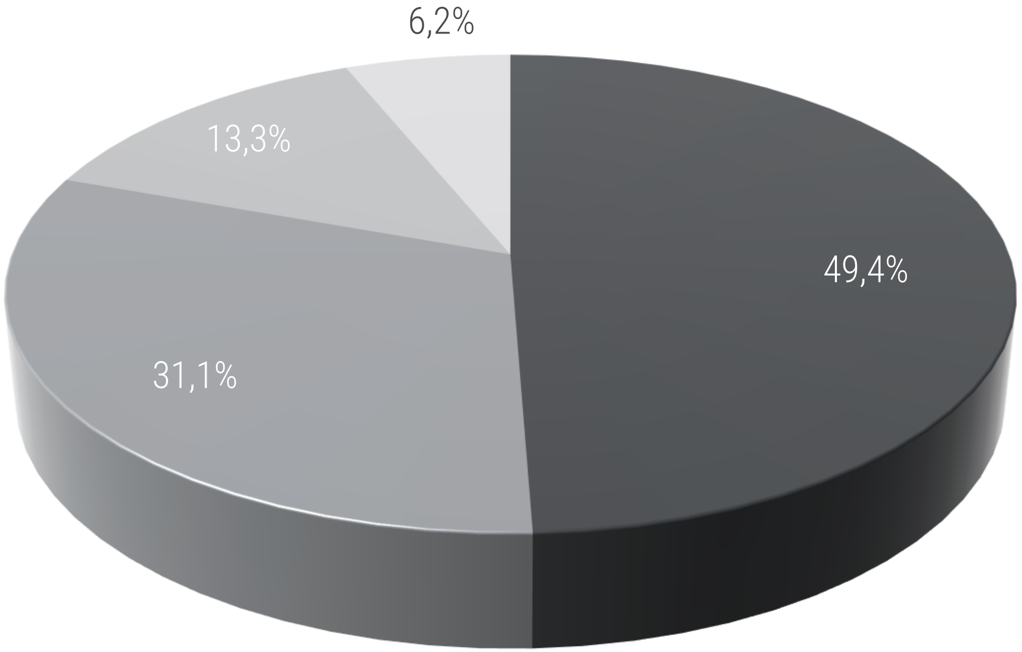
SANOK RUBBER

Capital Group

2018 r.
1 022,2 mln PLN



2017 r.
997,8 mln PLN



EU countries
Other foreign markets
Domestic sales
Eastern European countries

CONSOLIDATED BALANCE SHEET

SANOK RUBBER

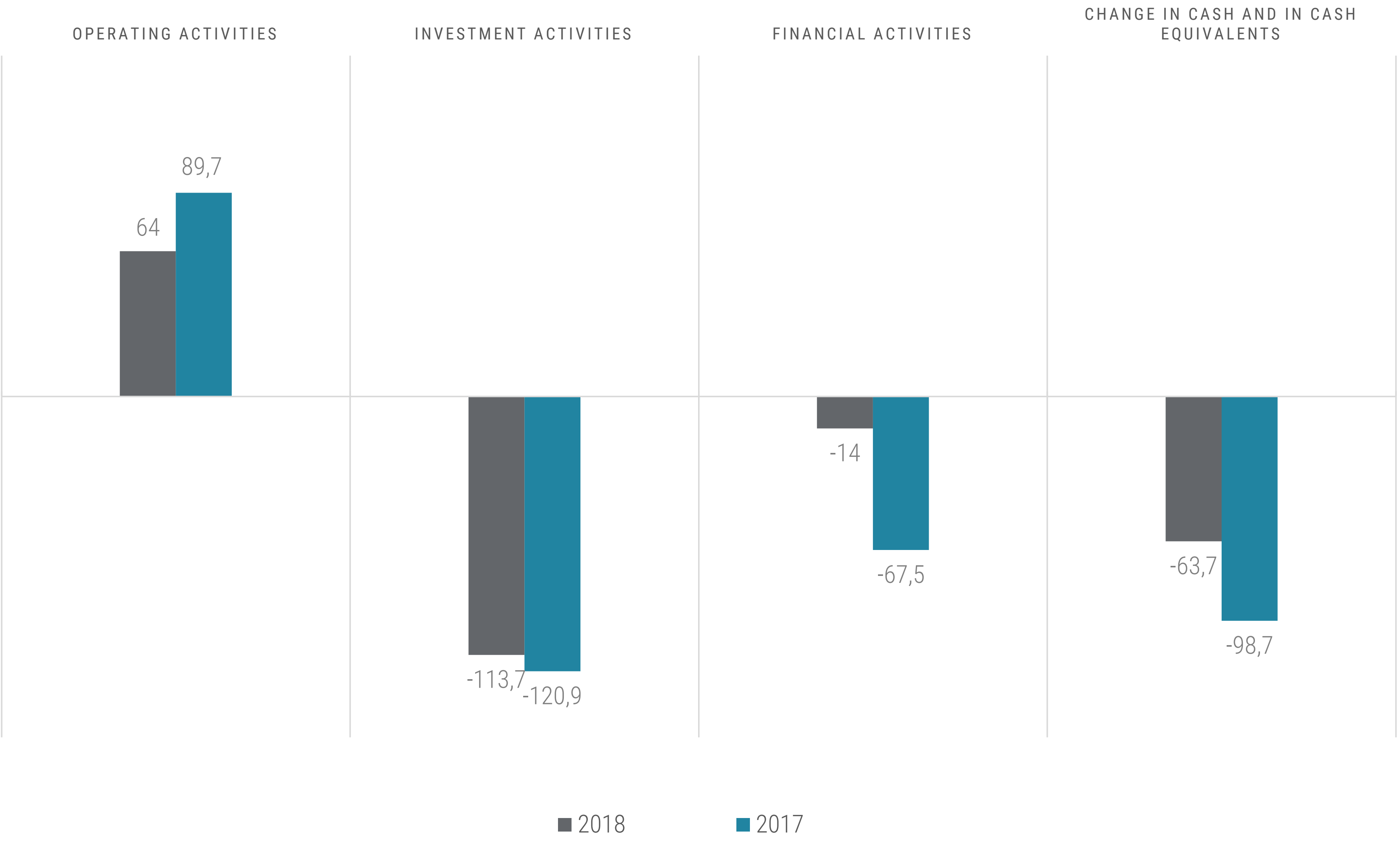
in thous. zł

ASSETS	31.12.2018	Structure'18	31.12.2017	Structure'17	Dynamics %
Fixed assets	**375 429**	**41,7%**	**309 169**	**36,6%**	**121,4%**
Current assets; in it:	**524 333**	**58,3%**	**534 404**	**63,4%**	**98,1%**
Stocks	199 098	22,1%	168 445	20,0%	118,2%
Trade accounts receivable	177 348	19,7%	172 075	20,4%	103,1%
Financial assets	59 112	6,6%	41 248	4,9%	143,3%
Cash	86 525	9,6%	150 232	17,8%	57,6%
Others	2 250	0,3%	2 404	0,3%	93,6%
Total assets	899 762	100%	843 573	100%	107,0%

LIABILITIES	31.12.2018	Structure'18	31.12.2017	Structure'17	Dynamika %
Equity capital	**452 726**	**50,3%**	**473 796**	**56,2%**	**95,6%**
Long-term liabilities	**30 941**	**3,4%**	**36 006**	**4,3%**	**85,9%**
Short-term liabilities	**416 095**	**46,3%**	**333 771**	**39,6%**	**124,7%**
Short-term credits and loans	259 959	28,9%	187 114	22,2%	138,9%
Short-term payables	129 727	14,5%	117 750	14,0%	110,2%
Other short-term liabilities	26 409	2,9%	28 907	3,4%	91,4%
Tolat liabilities	899 762	100%	843 573	100,0%	107,0%

CONSOLIDATED CASH FLOW

[mln PLN]



FINANCIAL RESULTS SANOK RC SA

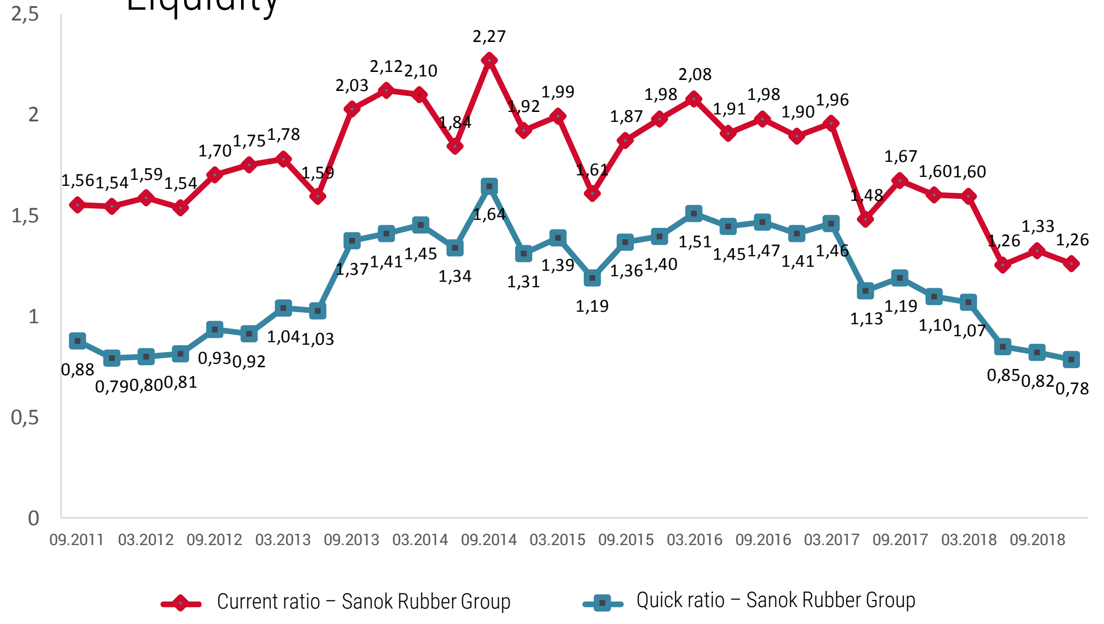
SANOK RUBBER

	Q4			1Y		
	2018	2017	%	2018	2017	%
Revenues from sales [thous. PLN]	184 179	180 763	101,9	733 969	737 571	99,5
EBITDA [thous. PLN]	24 249	26 631	91,1	112 928	150 997	74,8
[%]	*13,2*	*14,7*		*15,4*	*20,5*	
EBIT [thous. PLN]	15 808	18 721	84,4	80 893	121 309	66,7
[%]	*8,6*	*10,4*		*11,0*	*16,4*	
Net result [thous. PLN]	13 064	16 241	80,4	71 084	107 753	66,0
[%]	*7,1*	*9,0*		*9,7*	*14,6*	
Cash from operatingactivities [thous. PLN]	14 587	29 448	49,5	69 986	97 915	71,5

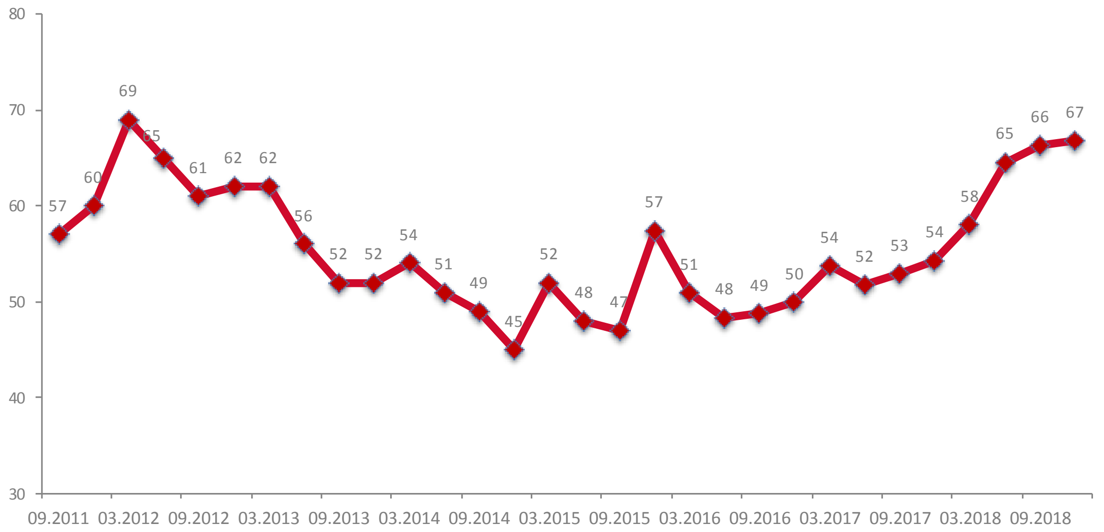
OPERATIONAL INDICATORS

SANOK RUBBER

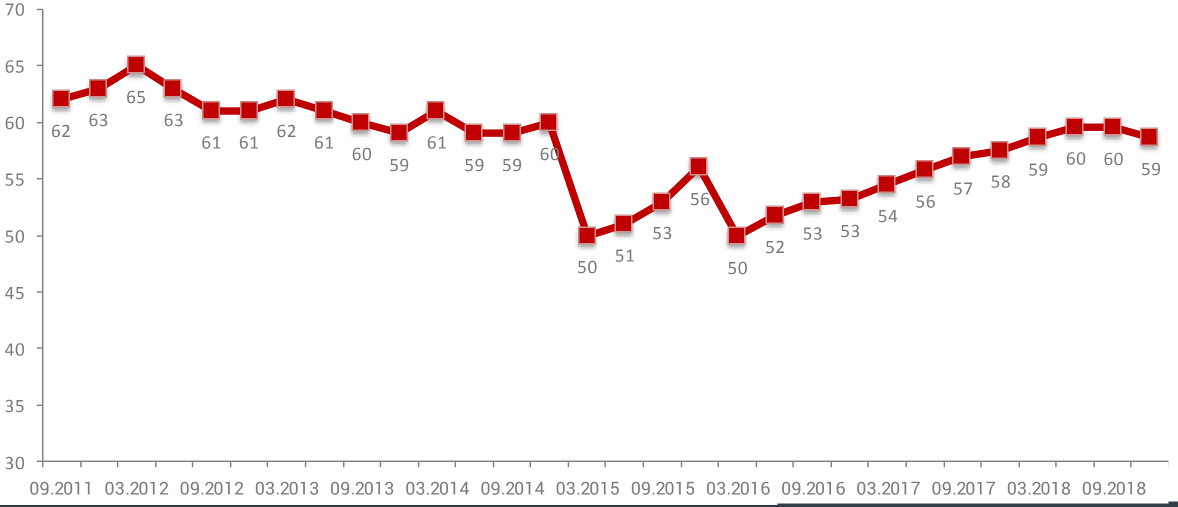
Liquidity



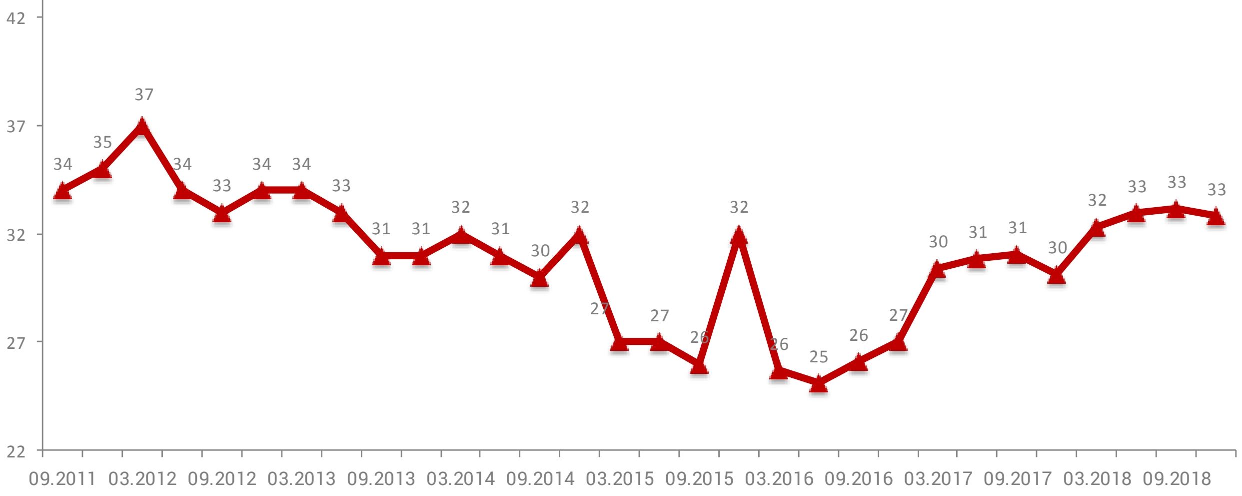
Stock turnover



Debt turnover



Turnover of liabilities



SUBSIDIARIES SITUATION

SANOK RUBBER

SMX RUBBER
member of SANOK RUBBER GROUP

- finalization of the machine park installation
- audits of production processes
- crew training

COLMANT CUVELIER RPS
member of SANOK RUBBER GROUP

- sales development of V-belts
- implementation of current contracts

SANOK RUBBER

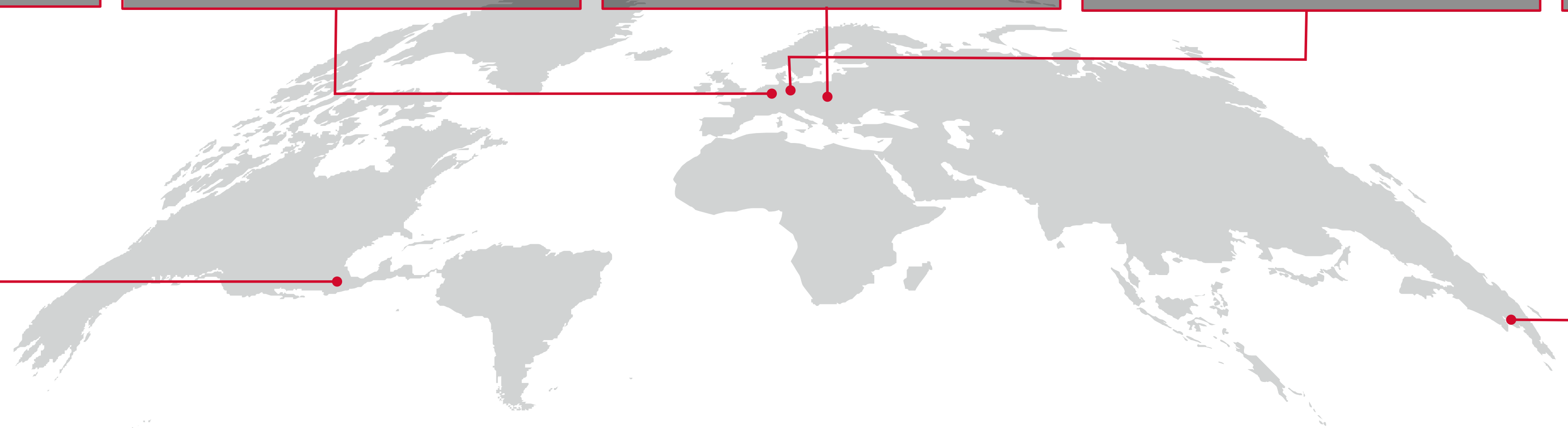
- organic development
- implementation of projects as part of the nominations obtained
- investments in production capacity

DRAFTEX
member of SANOK RUBBER GROUP

- continuation of restructuring
- launching new projects
- working on increase productivity

QMRP
member of SANOK RUBBER GROUP

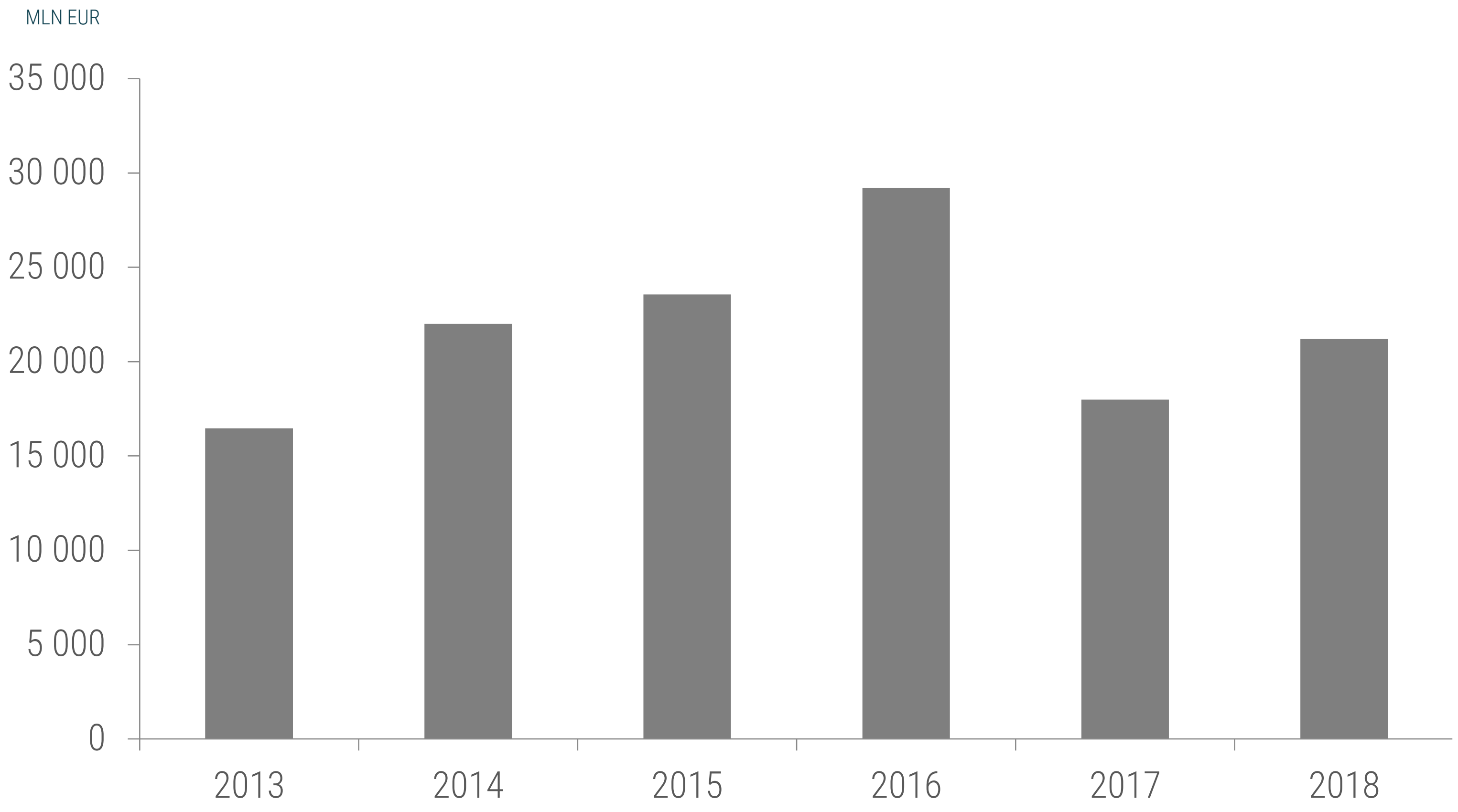
- significant improvement in operational parameters
- stabilization of functioning in the current location



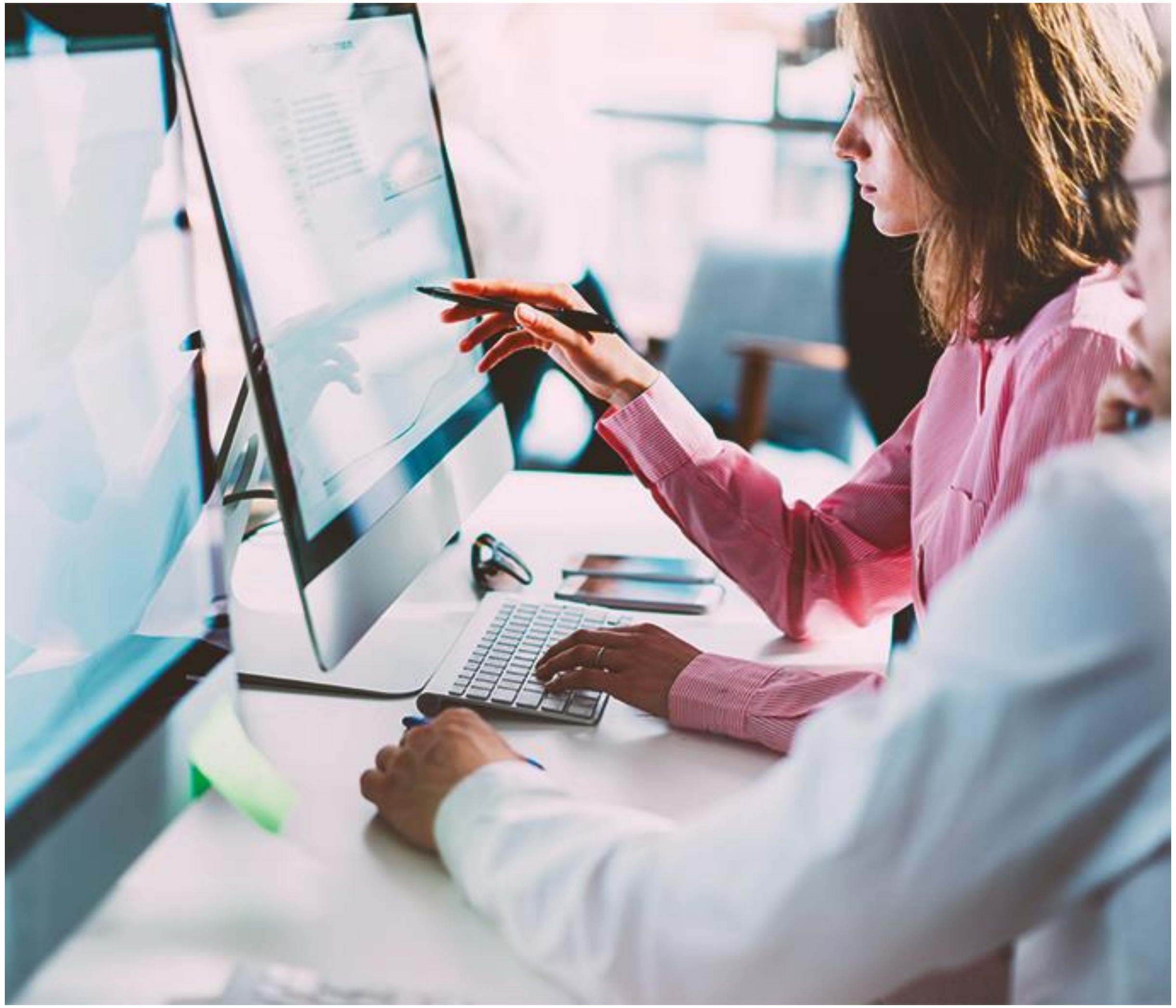
NOMINATION FOR NEW PROJECTS

SANOK RUBBER

2013 - 2018 Sanok RC Group - Automotive



The values presented in the above chart in particular years inform about the size of the average annual revenues that will be realized in the future, and for which nominations were received in a given year. Based on the assumptions adopted at the moment of receiving the nomination.

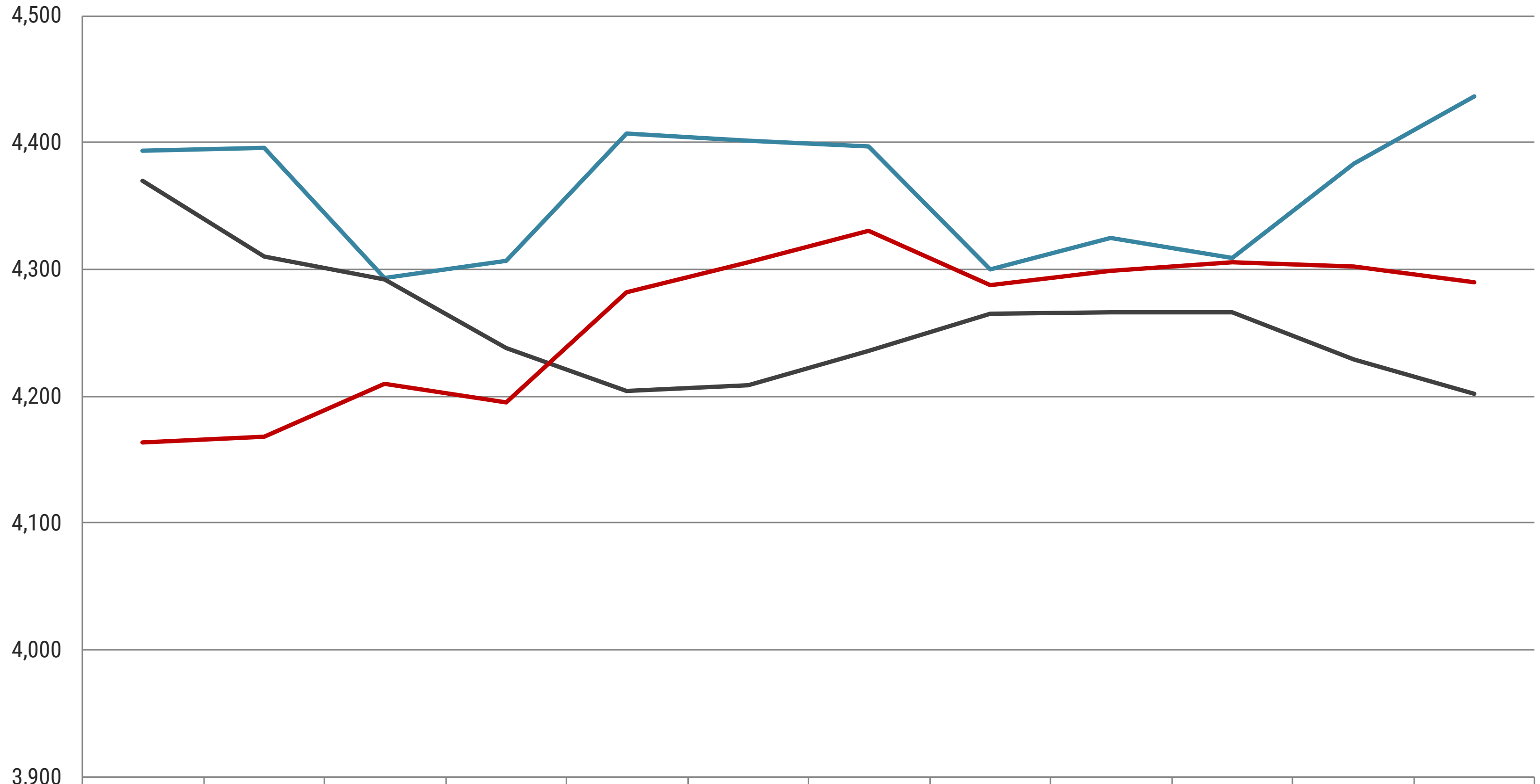


MACROECONOMIC ENVIRONMENT

CURRENCY EXCHANGE

SANOK RUBBER

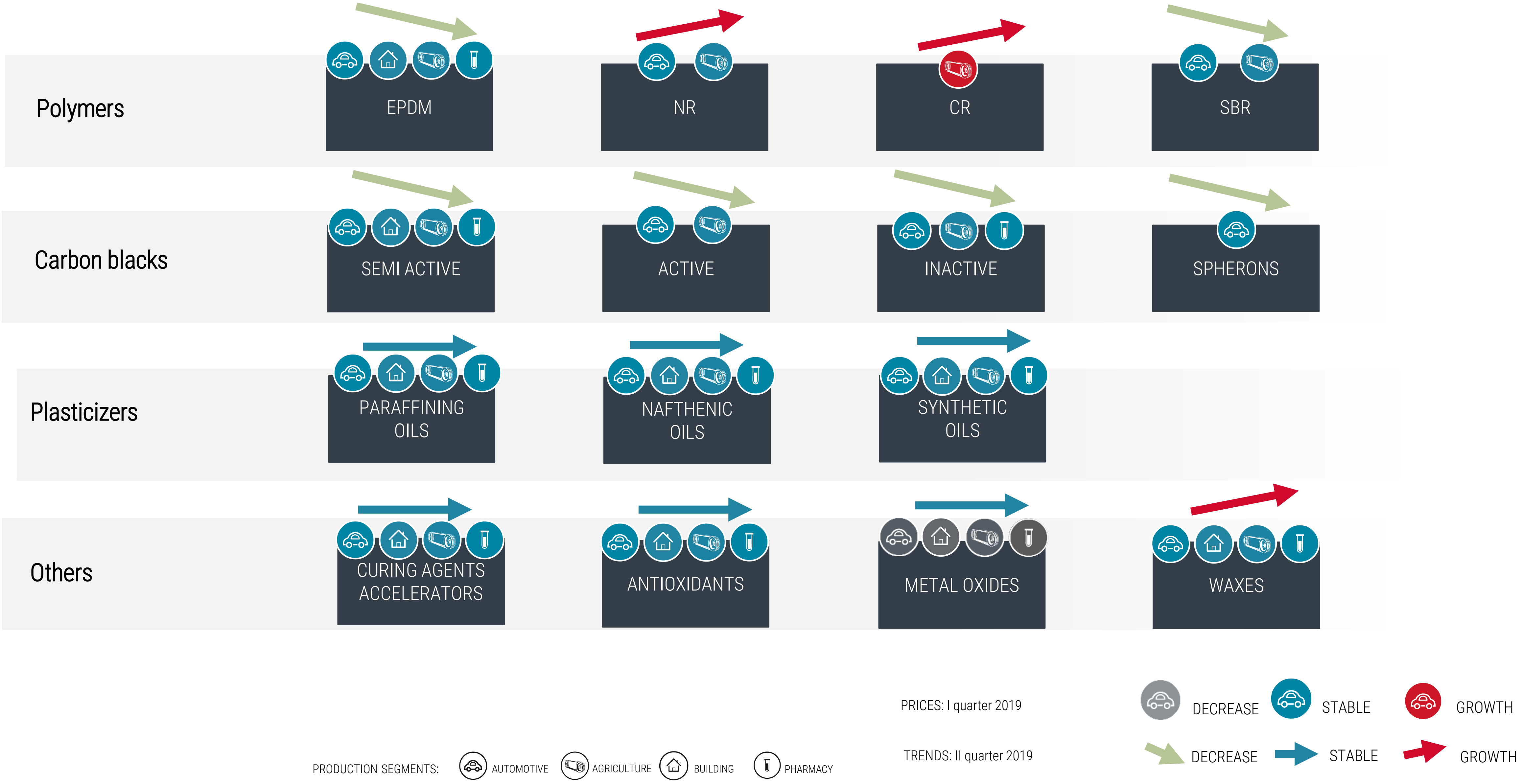
EUR/PLN



	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
2016	4,394	4,396	4,293	4,307	4,408	4,402	4,397	4,300	4,325	4,309	4,384	4,437
2017	4,371	4,310	4,292	4,239	4,204	4,208	4,236	4,266	4,266	4,267	4,229	4,202
2018	4,164	4,168	4,210	4,195	4,282	4,305	4,330	4,287	4,299	4,306	4,303	4,291

RAW MATERIALS TRENDS

SANOK RUBBER



FURTHER DEVELOPMENT OF THE GROUP

STRATEGIC OBJECTIVES

SANOK RUBBER

Reorientation of the building segment to new products giving greater growth potential.

Searching for opportunities for the current businesses development based on the automotive expansion. Expanding the product portfolio through acquisitions or partnerships.

Expanding the products portfolio and markets in the V-belt segment.

Consistent building of the global supplier position in the automotive segment.

2016

STRATEGY 2020

- Completion of the Draftex restructuring
- Restructuring and development of QMRP
- Further expansion

2020

- Investments in SANOK RC in accordance with the current policy

SANOK RUBBER

Thank you