



Current report No. 18

Date: October 27, 2021

Subject: Revision of the Forecast of results for 2021

Legal basis: Art. 17 sec. 1 of MAR Regulation

Contents of the report:

The Management Board of Mangata Holding S.A. informs about the update performance of the forecasts for 2021 year the Group , published in the current report No. 17/August 2, 2021

(data in PLN thousand	Forecast 02.08.2021	Forecast 27.10.2021	change
Sales revenue	730 000	765 000	35 000 (+5%)
EBITDA	110 000	125 000	15 000 (+14%)
Net profit	56 000	67 000	11 000 (+20%)

The Issuer's Management Board updated the forecast for the Mangata Holding Capital Group based on the financial results after three quarters of 2021 and based on the outlook for results in the fourth quarter of this year. The following factors influenced the update of the forecast:

- Continued high market demand in the segment of Automotive Components and Components. Despite the turmoil in the passenger car industry resulting from the lack of components for production, other industries show an increase in demand for products manufactured by this segment.
- Favorable market environment and increased demand in the Fasteners segment. European customers increase their orders, and at the same time the favorable euro exchange rate supports the margin on export sales.
- The increase in sales revenues was achieved both through a significant increase in volumes as well as an increase in the prices of raw materials, which translated into higher prices of the Group's final products.
- Slowing down the growth and relative stabilization of the prices of the main raw materials and materials used by the Group. For the purposes of the forecast, these prices were assumed to be at the same levels as in the third quarter of this year.

- Predictable electricity price by the end of 2021 due to the full contracting of electricity purchases by the Group's companies by the end of 2021.
- Stabilization of the employment situation, reduction of employee turnover and regulation of wage pressure by the end of 2021.
- The persisting, favorable for the Group, EUR / PLN exchange rate (the EUR / PLN exchange rate adopted for the forecast was 4.50, the average NBP exchange rate in 2021 was 4.54). Assuming that the trend of the euro exchange rate will continue later this year, one should expect a positive influence of the euro on the value of the margin on export sales.
- No significant restrictions in Q3 regarding the epidemiological situation (COVID-19).

At the same time, the Management Board draws attention to the risk factors for the implementation of the updated forecast:

- In the case of the automotive industry, the key factor hampering the growth of production and sales is the limited availability of microprocessors, which negatively affects the production capabilities of key car manufacturers.
- Operation of the supply chain. Supply chain structures have yet to be rebuilt after a difficult 2020. The transport sector is also struggling with a lack of employees, which is reflected in high prices of freight, inland transport, queues at ports and increasing waiting times for deliveries.
- The shaping of the euro exchange rate. The Group has a long position in euro, which, given the strengthening of the PLN exchange rate, will have a negative impact on balance sheet valuations.

The current forecast is the current estimate of the Issuer's Management Board as of October 27, 2021 and will be subject to further analyzes. The Group monitors the development of the market situation and assumes that a decline in demand in the fourth quarter cannot be ruled out, with the course of the COVID-19 pandemic remaining the main challenge for the economies.