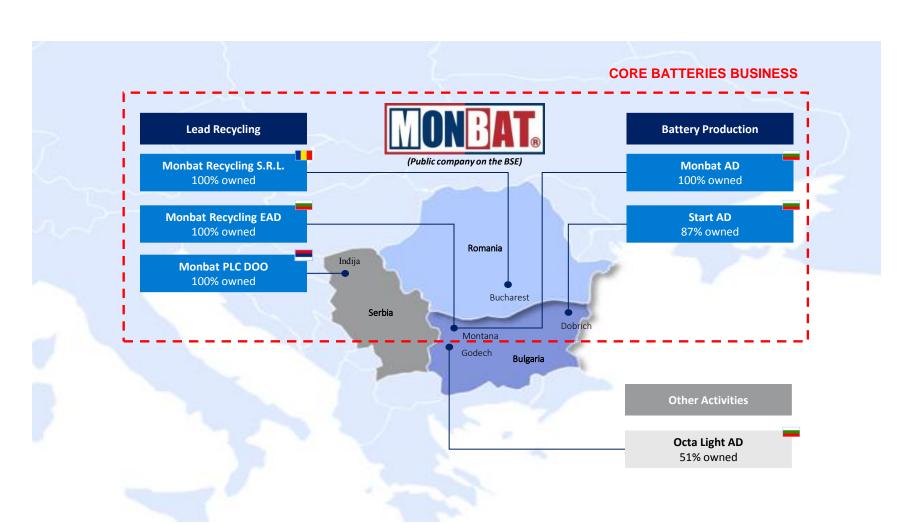


MONBAT ECONOMIC GROUP PROGRESSIVE VALUE CREATION

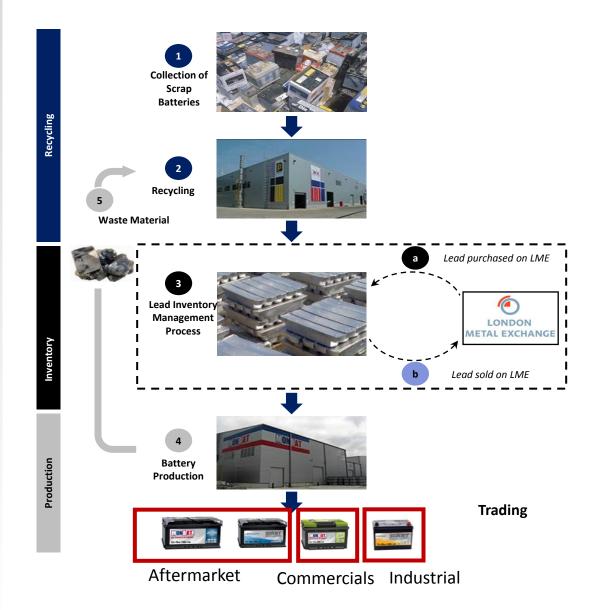
BUSINESS MODELMonbat Group at a Glance





Fully Vertically Integrated Business





Scrap battery procurement and stock insulate Monbat from negative impact of tight lead supply market pricing peaks Management of recycled lead vs. purchased lead to optimise raw material input cost Further margin optimisation via sales into lead market Efficient manufacturing yield from in-house recycling of process waste material

Company History



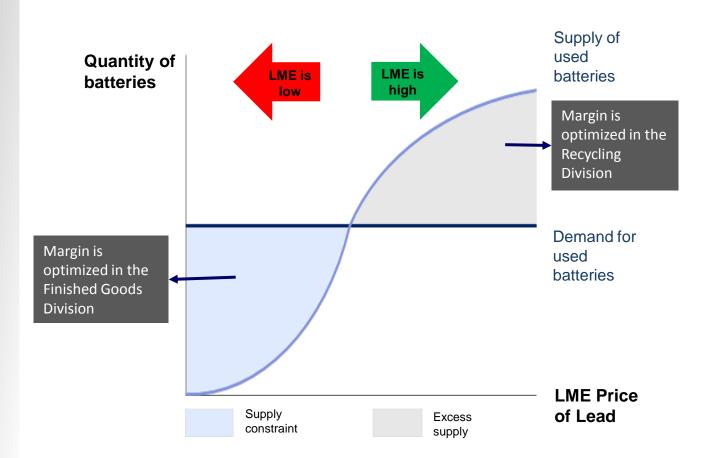
Since its inception, Monbat has transitioned from a small state-owned enterprise into a global player in the lead-acid battery market

Company inception and transition into private sector	1959	Monbat Plant established in Montana, Bulgaria, under state ownership	
 Establishment of manufacturing plants 	1965	Start Plant established in Dobrich. The facility begins production of lead-acid batteries mainly for export to AvtoVaz in Russia	
•Privatisation of the Company	1990	The Company is established under the AKUMIKAR AD name and headquartered in Mihailovgrad	
	1998	AKUMIKAR AD changes its name to Monbat AD and becomes a private company under Prista Oil EAD's majority ownership	
Development of integrated manufacturing • Added recycling capability	2000	The Company completes its first installation for recycling of used lead-acid batteries in Bulgaria	
Product diversification	2001	Monbat begins production of Absorbent Glass Mat (AGM) batteries in Montana	
	2005- 2006	The Company increases its capital from BGN0.8m to BGN14.8m through an issuance of 1.4m registered voting shares and further to BGN19.5m through an issuance of 4.7m dematerialised shares	
Building a pan-European presence		_	
IPO and Company consolidation	2006	Monbat AD successfully completes an Initial Public Offering (IPO) on the Bulgarian Stock Exchange in Sofia	
Rapid growth	2007	Start AD, a manufacturer of starter batteries for commercial vehicles, becomes a member of the Monbat AD Group of Companies	
·Product diversification	2008	The Company allocates its 2007 profit to increase the share capital from BGN19.5m to BGN39m	
Implementation of a modernisation program	2010	Monbat exceeds €100m in revenue for the first time since the Company's establishment. The recycling facility in Serbia is opened	
moderniounen program	2011	The recycling facility in Romania is opened. Monbat initiates a €23.4m five year capacity expansion program of all its facilities	
	2012	2012 Capex spending on the capacity expansion program amounts to €4.5m including €1.1m on recycling facilities	
	2013	Monbat completes further €4.4m investment as part of its capacity expansion program	
	2014	The Company spends an additional €5.5m in Capex for the new punching technology. In late 2014, Monbat initiates a "Fit for Future" modernisation program encompassing large scope of activities aimed at improving operational efficiency	

Vertical Integration Levers



NATURAL HEDGING AND MASS MATERIAL BALANCE ARE DRIVING MARGIN OPTIMISATION IN CASE OF THE TWO EXTREME MARKET CONDITIONS



	LME 📤	LME_
Time to price Indexation	+	-
Recycling margin	+	-
Weighted average CoGS of inventory	+	-
Finished Goods Margin	+	+/-
Scrap batteries /Raw Lead stock re-build	+	-/+

In Low LME Market context, Monbat is aiming to minimize the market spread hit on its integrated margin.

In High LME Market context, Monbat is aiming to maximize the margin from the market spread.

Recycling Contributes Significantly to Total Gross Profit



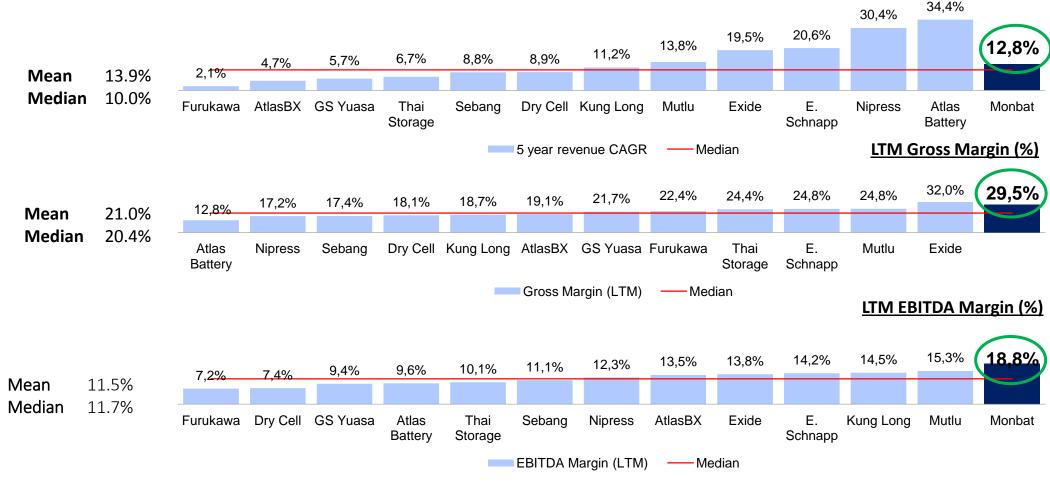
Through its recycling operations, Monbat generates superior gross profitability when compared to its peers



Monbat Gross Profit and EBITDA Outperform Industry Peers





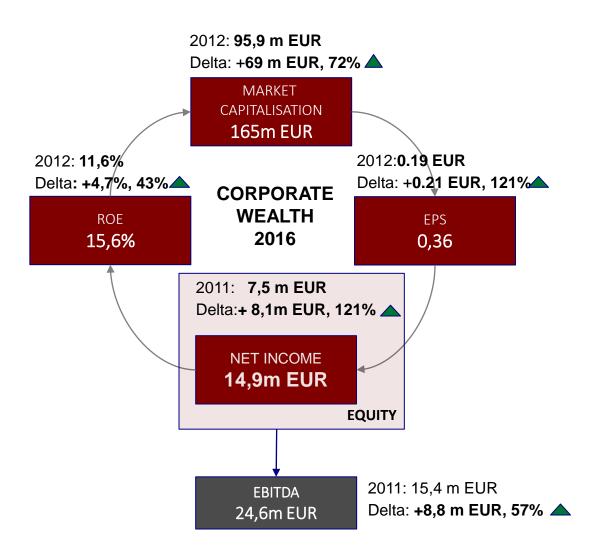


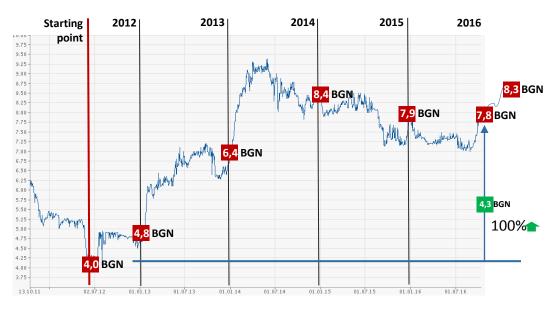
Source: Capital IQ, Company Data

PROGRESSIVE VALUE GROWTH

What Has Been Achieved till 2016







- Reached market cap of 165m EUR, representing 72% increase to baseline (2012)
- 2016E EBITDA of 24,6m EUR vs 16,9m EUR (2011)
- Maintained a healthy 18% EBITDA profitability ratio
- Employment growth of 24% reaching an employment level of 745 FTEs
- 2013 National Award "Employer of the Year" 3rd Place, Enhanced Social Package in conformity with Eurobat standards
- 5th consecutive times Award for Corporate Governance, Capital Forum
- Award of the Bulgarian Stock Exchange on Corporate Management and Governance of a listed company, awarded only once.