



MERCATOR

AGENDA

COMPANY OVERVIEW

OUR PRODUCTS

FINANCIAL AND OPERATING RESULTS

SUMMARY

COMPANY OVERVIEW



succeeds on the global medical glove market dominated by Asian companies



Distributor of medical dressings and non-woven fabric materials in CEE



Polish parent company listed at the Warsaw Stock Exchange (WSE)

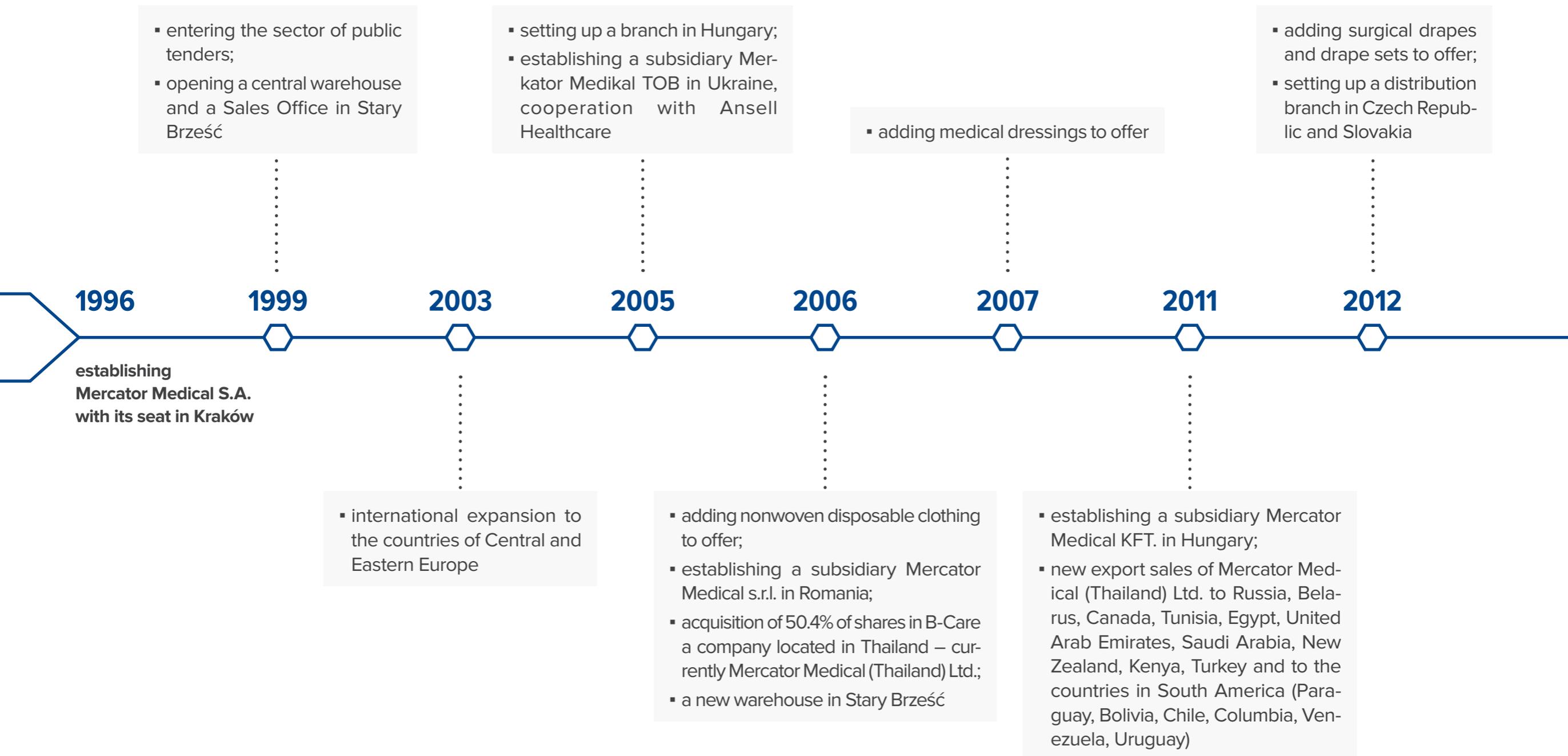
MISSION

Long-term, profitable, innovative work to combat infections and contamination

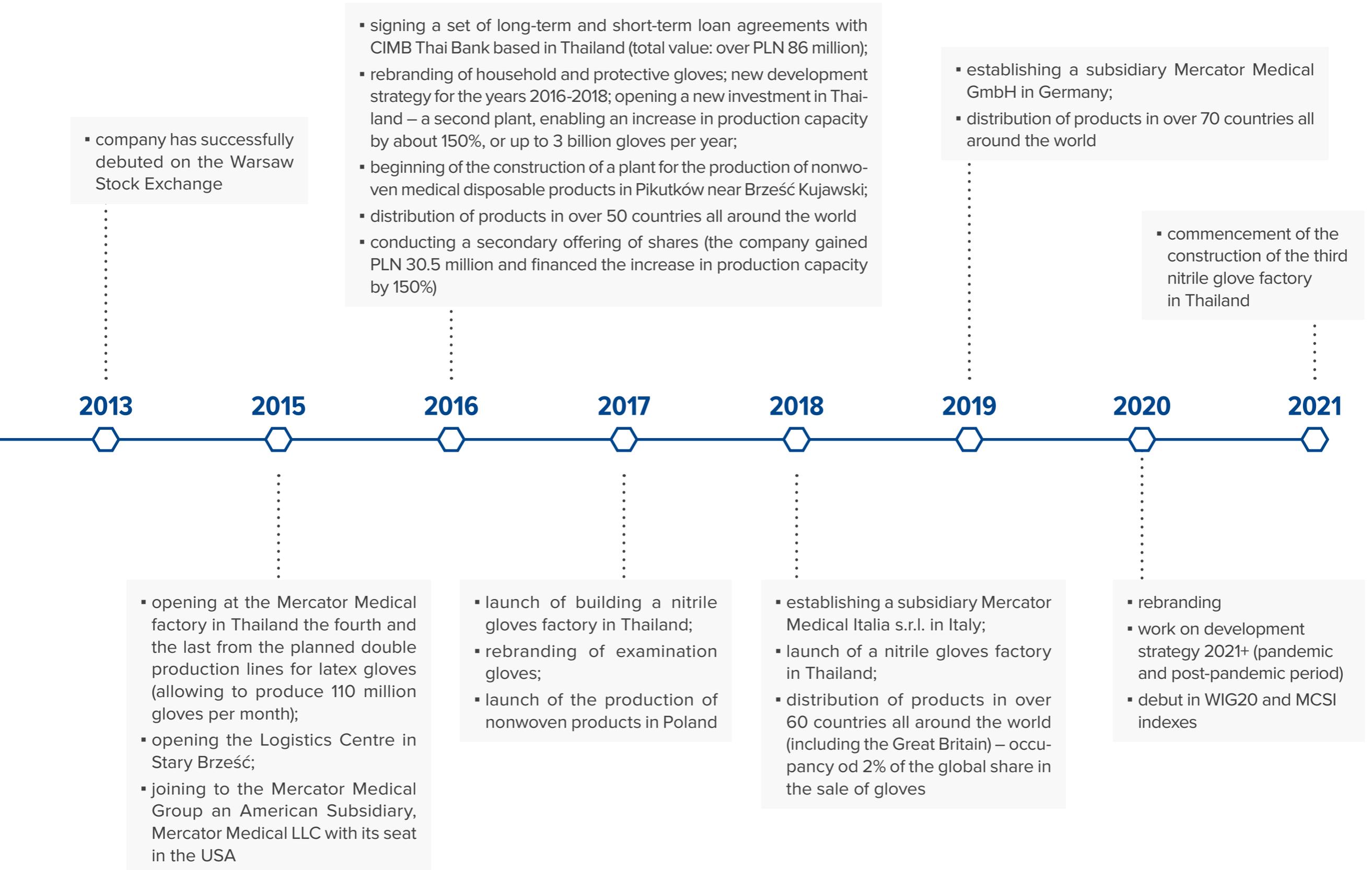
VISION

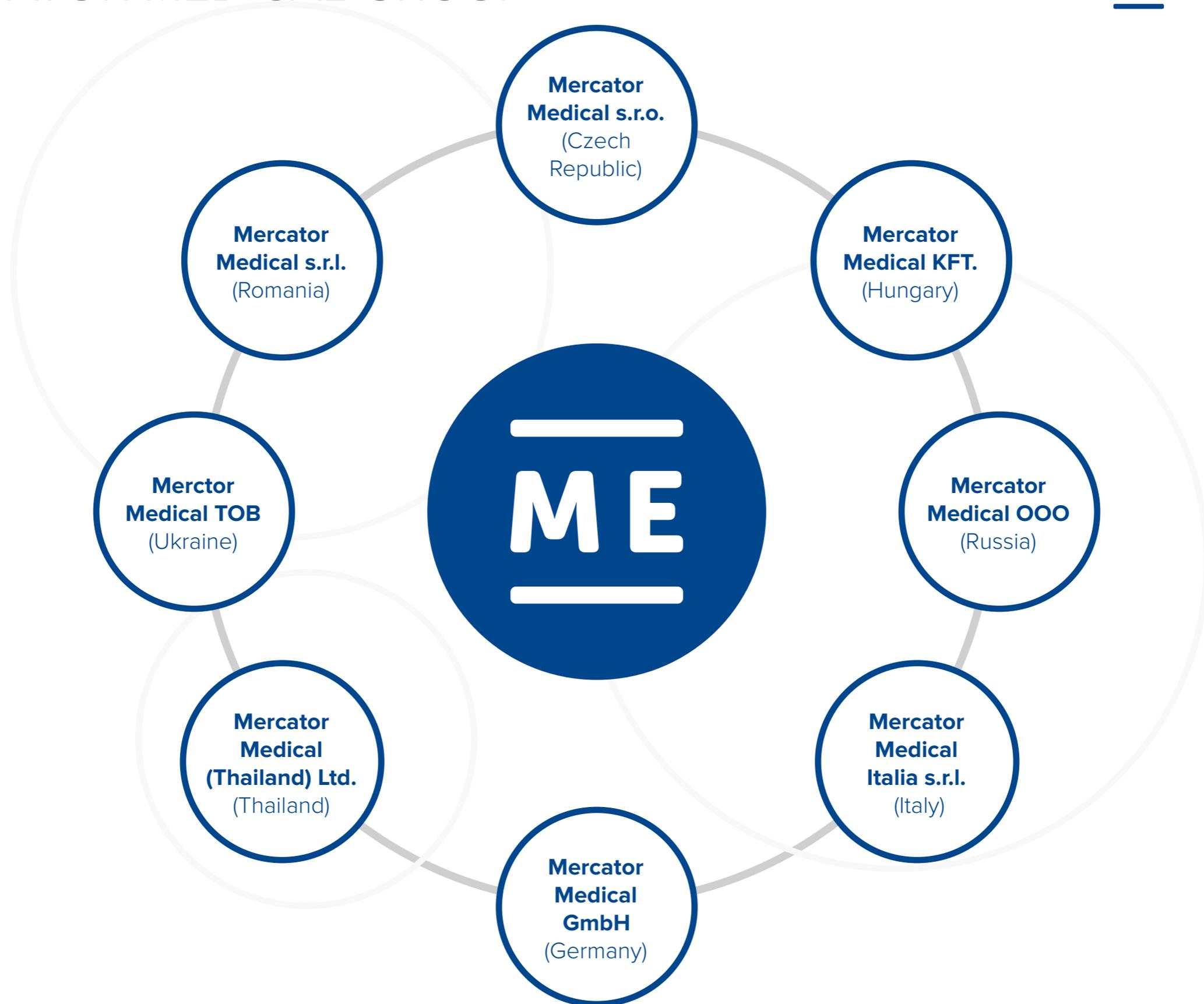
Mercator Medical – global corporation that prevents infections and contamination.

OUR HISTORY



OUR HISTORY





THE MANAGEMENT BOARD



Wiesław Żyznowski, PhD

President of the Board,
major shareholder,
founder of the company.

Monika Żyznowska

Member of the Board
since 2017

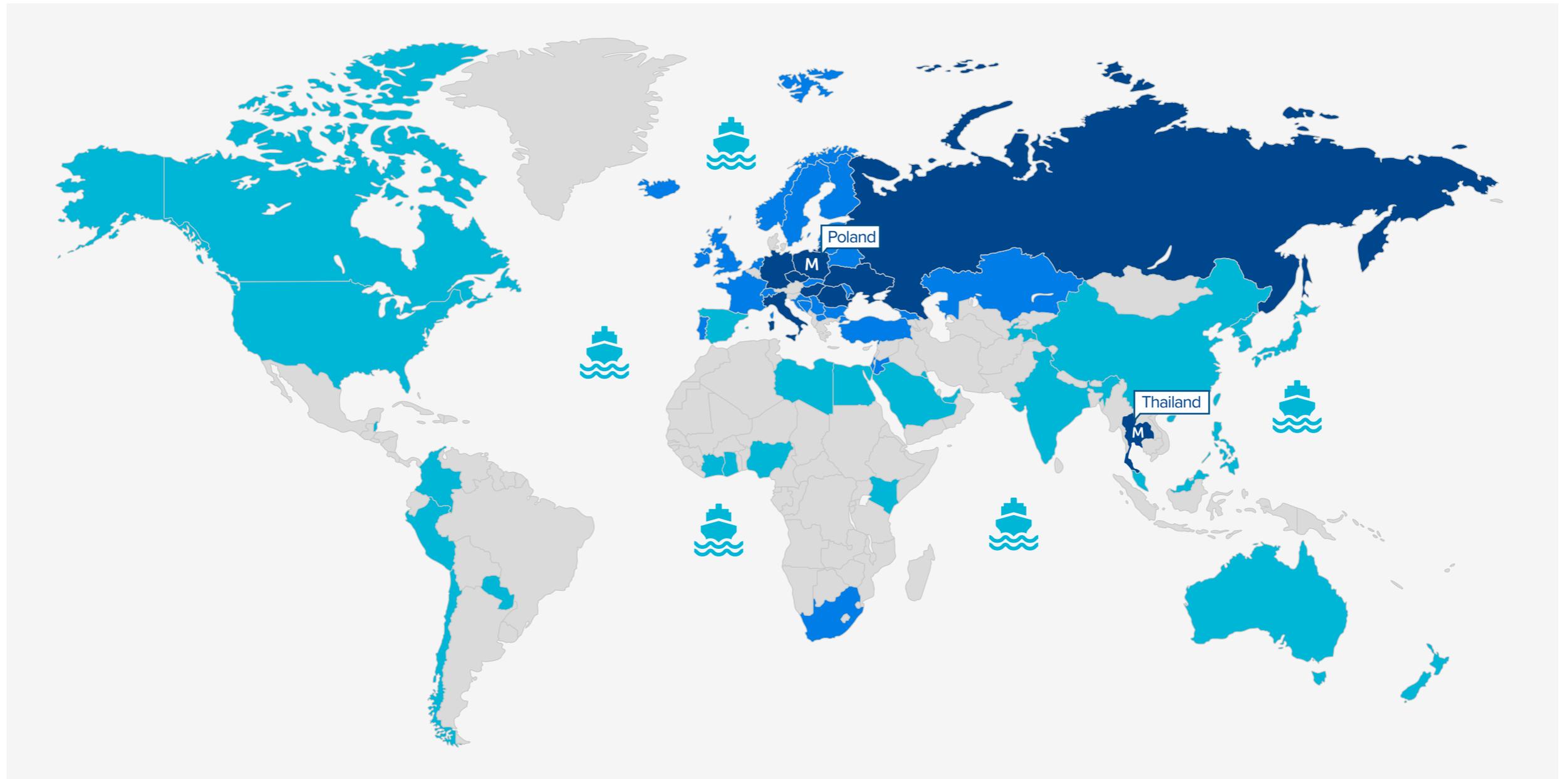
Michał Romański

Chief Financial Officer
since 2021.
Member of the Board
since 2021.

Dariusz Krezymon

CEO of Mercator Medical
(Thailand) and Member of the
Board of Mercator Medical S.A.
since November 2019

FIELD OF ACTIVITY



The companies of Mercator Medical Group are present in the following countries

- | | | |
|--------|----------|---------|
| Poland | Thailand | Hungary |
| Czech | Romania | Italy |
| Russia | Ukraine | Germany |

Sales:

- covered by the distribution of the Group branches
- covered by the factory in Thailand

2 

3bln annual production capacity

1063 today's number of employees

2006 established year



main product

examination and industrial nitrile gloves



located in the **prime rubber production area** of the Rattapum district, Songkhla province in southern Thailand



MEDICAL GLOVES PRODUCER



CONVENIENT LOCATION OF THE FACTORY NEAR 2 PORTS:

- SONGKHLA THAILAND,
- PENANG MALAYSIA

95% OF PRODUCTION CAPACITY IS SOLD UNDER OEM

CUSTOMISATION OF CONTAINER FREIGHT SUPPLIES

in the scope of the mix of products, appearance, packaging size and quality and the manner of container loading.

Euro-Thai management system, work methodology, sale methods and manner of establishing relationships.

ISO QUALITY MANAGEMENT SYSTEMS IN THE FACTORIES IN THAILAND

International Organization for Standardization
ISO9001 / ISO 13485
CE Certification for examination gloves
Good Manufacturing Practices (GMP)
FDA 510(K) registration
Thai FDA



THE COMPANY IS SA 8000 CERTIFIED

SA 8000 – SOCIAL ACCOUNTABILITY CERTIFICATION



SA 8000 is an international certification standard that encourages organizations to develop, maintain and apply socially acceptable practices in the workplace.

SA 8000 certification addresses issues including forced and child labor, occupational health and safety, freedom of association and collective bargaining, discrimination, disciplinary practices, working hours, compensation, and management systems.

SOLAR PANELS

7000 m² of surface area

-25% of energy costs

dedicated computer software managing energy at the establishment



WASTE WATER TREATMENT PLANT

2000 m³ of water suitable for the production process a day

-74% of water costs



AGENDA

COMPANY OVERVIEW

OUR PRODUCTS

FINANCIAL AND OPERATING RESULTS

SUMMARY

OUR PRODUCTS



1 Diagnostic gloves are the most important factor in the process of preventing infections. They provide the best protective barrier against microorganisms.

2 The gloves protect against the adverse influence of chemicals in the hospital environment: disinfectants, detergents, medicines, cytostatics and radiopharmaceuticals.

3 They decrease the exposure of medical staff and patients to hospital-related infections.

Fields of use

- typically in healthcare,
- medical examinations, diagnostics, therapeutic activities,
- work with septic materials,
- emergency medical services,
- central sterilisation,
- analytical and biochemical laboratories,
- endoscopic laboratories,
- stomatology,
- nursing care,
- contact with foodstuffs,
- beauty salons, hairdresser's and tattoo parlours.



The gloves are safe in use

They are a mean of personal protection equipment. They are not harmful to human health. The gloves protect against occupational exposure.



Characteristic features of diagnostic gloves:

- single-use equipment,
- evenly rolled cuff's edge allowing putting the glove on easily,
- universal shape for both hands,
- wide size selection: XS-XXL,
- the gloves meet the requirements of the 93/42/EEC Medical Products Directive, and the 89/686/EEC Personal Protective Equipment Directive.

MEDICAL GLOVES FEATURES



	LATEX	NITRYL	VINYL	CHLOROPREN
GENERAL – MATERIAL/APPLICATION	M M	M M M	M	M M
SKIN-FRIENDLY	M	M M M	M M M	M M M
COMFORT OF USE	M M M	M M M	M	M M
STRENGTH/DURABILITY	M M M	M M	M	M M M
ELASTICITY	M M M	M M	M	M M
SOFTNESS	M M M	M M	M	M M
PUNCTURE RESISTANCE	M M M	M M	M	M M
TEAR RESISTANCE	M M	M M	M	M M
PROTECTION AGAINST SOLVENTS	M	M M M	M	M M M
PROTECTION AGAINST ACIDS AND BASES	M M M	M M M	M	M M M
PROTECTION AGAINST ALCOHOLS	M M	M M M	M	M M M
PROTECTION AGAINST VIRUSES AND BACTERIA	M M M	M M M	M	M M M
BIODEGRADABILITY	M M M	M	M	M
PRICE	M M	M M	M M M	M M

TOTAL SCORE

34

34

18

33

SURGICAL GLOVES

Intended for invasive surgery requiring aseptic conditions.



Packed in pairs in hermetic packaging ensuring sterility until the packing is opened.



The gloves provide protection against infections in a high-risk environment. They provide the best protection against microorganisms. High barrier capacity to chemical substances, disinfectants, chemical compounds and cytostatics.



Features

- sterile,
- anatomically shaped,
- textured glove surface,
- wide size selection:
6.0; 6.5, 7.0, 7.5, 8.0, 8.5, 9.0,
- the gloves meet the requirements of 93/42/EEC Medical Products Directive and the 89/686/EEC Personal Protective Equipment Directive.

Fields of use

- general surgery,
- microsurgery,
- neurosurgery,
- ophthalmology,
- otolaryngology,
- plastic surgery,
- reconstructive surgery,
- vascular surgery,
- cardiac surgery,
- gynecological surgery,
- orthopaedics and traumatology,
- neuro- and macrosurgery,
- transplantology.





Intended for gardening, household work and cleaning.

Protection minimising the risk.



The gloves feature a sweat-absorbing lining facilitating putting the glove on.



Different design for the left and the right hand. The gloves have an extended cuff.



Features

- packed in pairs

Available size range:

- S, M, L, XL

Available colours:

- yellow, orange, red

Fields of use

- household activities,
- gardening,
- agricultural and food processing industry,
- meat packing plants, slaughterhouses, cleaning,
- garages and paint shops,
- construction finishing works.

MEDICAL GLOVES



BENEFITS OF THE COOPERATION WITH MERCATOR MEDICAL IN THE SCOPE OF MEDICAL GLOVES
THE WIDEST OFFER OF GLOVES IN CONTINUOUS SALES IN THE **CENTRAL AND EASTERN EUROPE:**



25
YEARS

of works experience
with medical gloves



Customization of the offer
for clients in the scope
of glove type,
packaging graphics
and print types.

**Biggest stock of gloves intended
for continuous sales
in the Central
and Eastern Europe:**

- Poland ▪ Russia ▪ Ukraine
- Hungary ▪ Romania

Deliveries supplied to other countries from
the **Logistics Centre located in Brześć Kujawski.**
Advanced logistics system.

SURGICAL FIELD DRAPING, SHEETS AND DRAPES, MEDICAL SCRUBS.



Surgical field draping protects both the patient and the medical personnel against infections. They prevent microorganisms from getting into the surgical field.

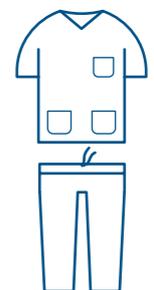
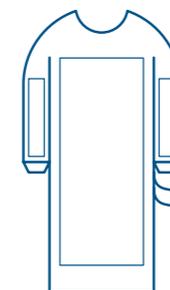
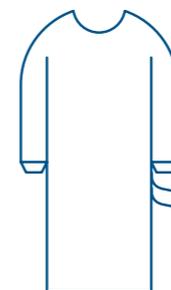
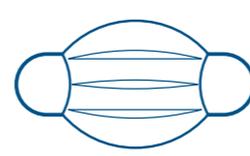
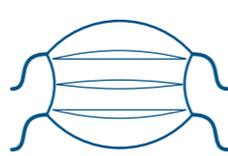
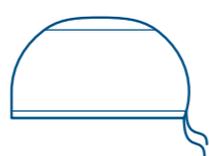
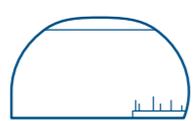
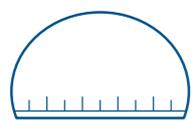
By protecting against post-surgery infections, the drapes reduce the risk of necessity to provide post-surgery treatment and the risk of incurring its cost, or the cost of any damages for the patient.



Medical clothing

Sterile SMMMS scrubs, caps and masks protect the patient and the medical personnel against infections. During medical procedures, they prevent the penetration of fluids onto the skin of medical staff and prevent inhaling any fumes that may form. The clothing protects patients against migration of contaminants such as epidermis, hair, saliva, threads and microorganism.

The applied material distributes heat and moisture to the outside to ensure comfort of work.



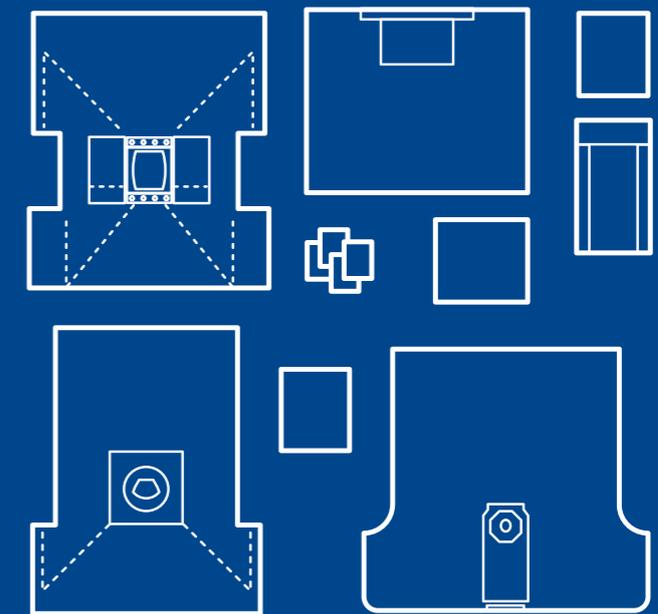
NON-WOVEN PRODUCTS

Single-use drapes are easy to use and significantly shorten the time necessary to prepare a patient for surgery. They feature numerous integrated compound elements such as fluid bags, surgical film, handles.



Draping systems

opero[®]SET, opero[®]SET TRI,
opero[®]DRAPE, opero[®]



BENEFITS OF COOPERATION WITH MERCATOR MEDICAL IN THE SCOPE OF NON-WOVEN PRODUCTS:

Excellent market knowledge due to **25 years of experience**.

Reputation of an international group accompanied with the flexibility of a small local company.

We are willing to listen to advice and to provide it, react to current needs, modify the product offer.

Unique features of non-woven products. **Safety, comfort, modernity.**

We create **tailor-made products**, personalized to meet the requirements of customers and users.

OPERO - brand representing all the non-woven products.

WE ARE CONSTANT TO DEVELOP

We try to respond to the needs of our clients.

This is why we make sure that our product portfolio is constantly expanding.

Last year alone, we introduced 9 types of gloves, and more are being implemented.



AGENDA

COMPANY OVERVIEW

OUR PRODUCTS

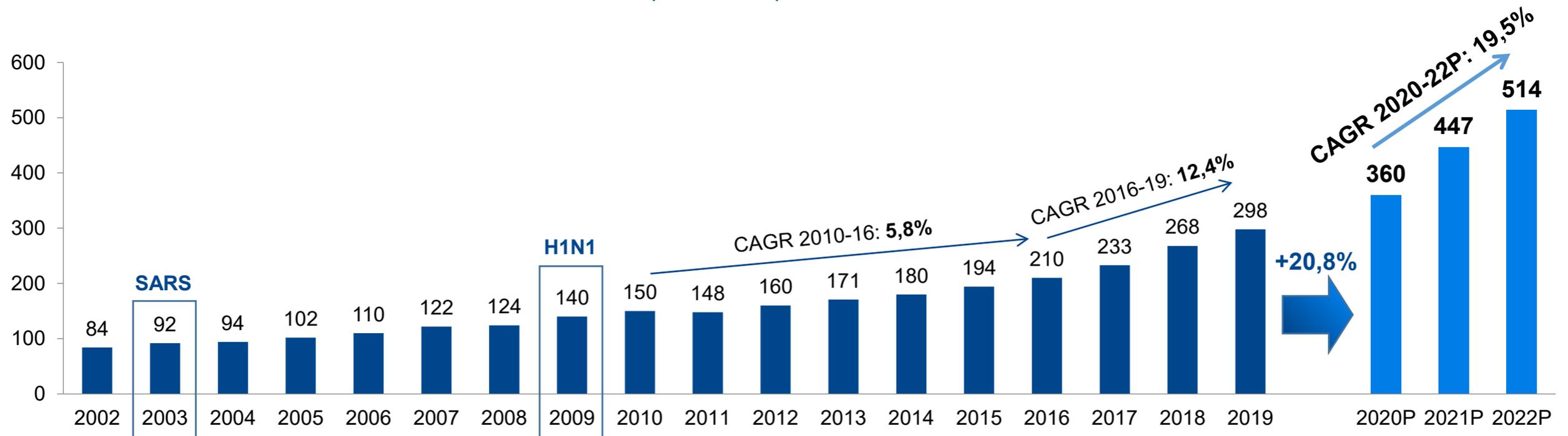
FINANCIAL AND OPERATING RESULTS

SUMMARY

FINANCIAL AND OPERATING RESULTS

DYNAMIC MARKET GROWTH ACCELERATED BY THE COVID-19 PANDEMIC

GLOBAL SALES OF SINGLE-USE GLOVES (BN PCS)

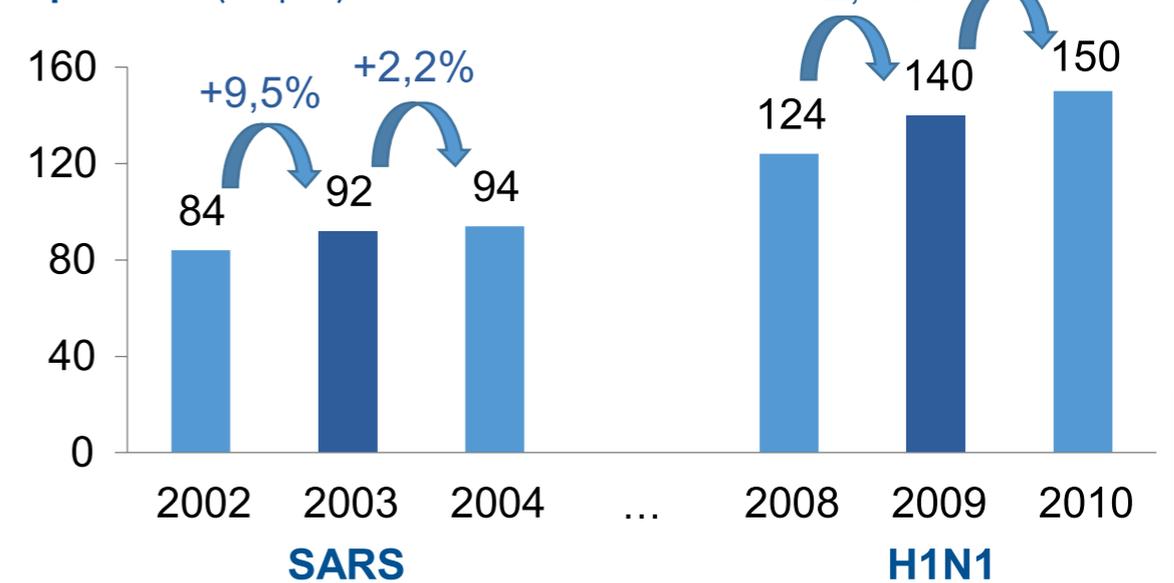


Before the pandemic, the increase in global glove sales accelerated from the average rate of 5.8% in 2010–2016 to the average rate of 12.4% in 2016–2019.

Forecast acceleration of the increase in global glove sales to nearly **20% on the average in 2020–2022**. **Shortage of gloves in 2020 is 215 bn pcs (60% of production)**, strategic resources of states on a record low level.

In the case of earlier key epidemics in the 21st century, the sale of gloves never fell below previously observed levels in years **following the epidemic and increased further in subsequent years**.

Global glove sales in periods of historical epidemics (bn pcs)

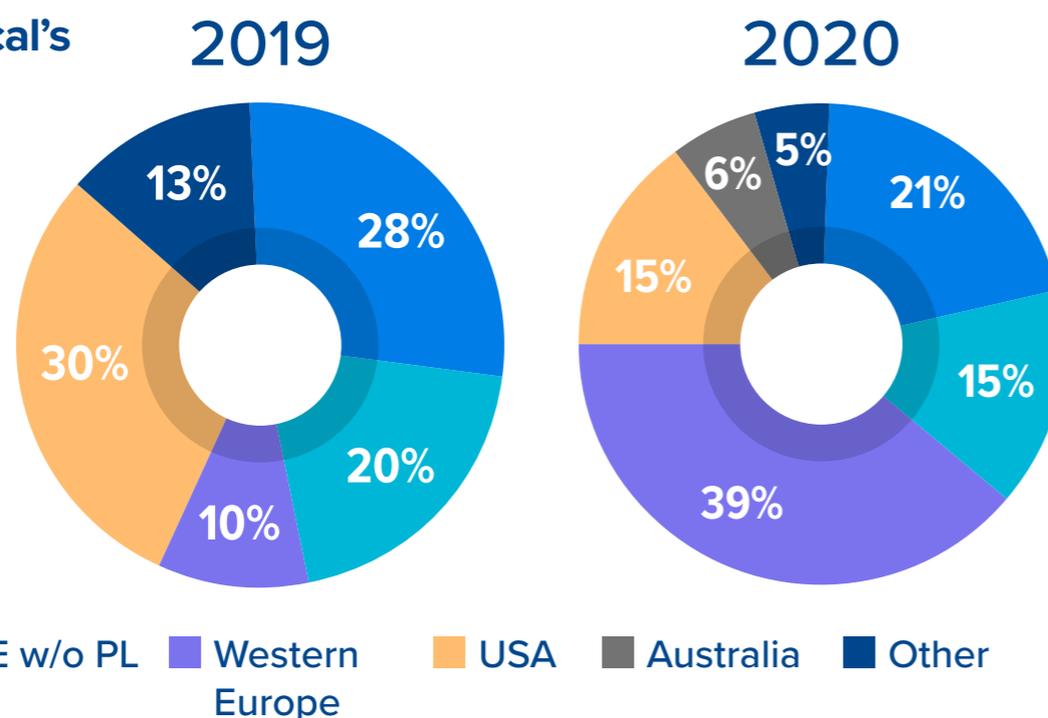


▪ Source: Malaysian Rubber Glove Manufacturers Association (MARGMA), market information, Health Industry Distributors Association

GLOBAL AND GEOGRAPHICALLY DIVERSIFIED ACTIVITY WITH OUR OWN DISTRIBUTION NETWORK

- As a result of such factors as the dynamic increase of market prices of gloves and the persistent surplus of global demand over supply, the Mercator Medical Group incrementally increased the scale of revenues through their geographical diversification and territorial expansion, particularly on developed markets.
- In 2020, sales to English-speaking countries (**Great Britain, USA, Australia**) was responsible for 44.6% of total sales and Great Britain became the market no. 1
- **Maintaining a very strong position in Poland with 2.5x higher sales than in the previous year**, three-digit increase rate on main Eastern markets (Ukraine, Russia)
- **Successful expansion in Western Europe**, responsible for 39% of sales in 2020 vs. 10% in 2019; focus on the biggest and most profitable markets (a decline in the significance of the Other category from 13% to 5% of sales)

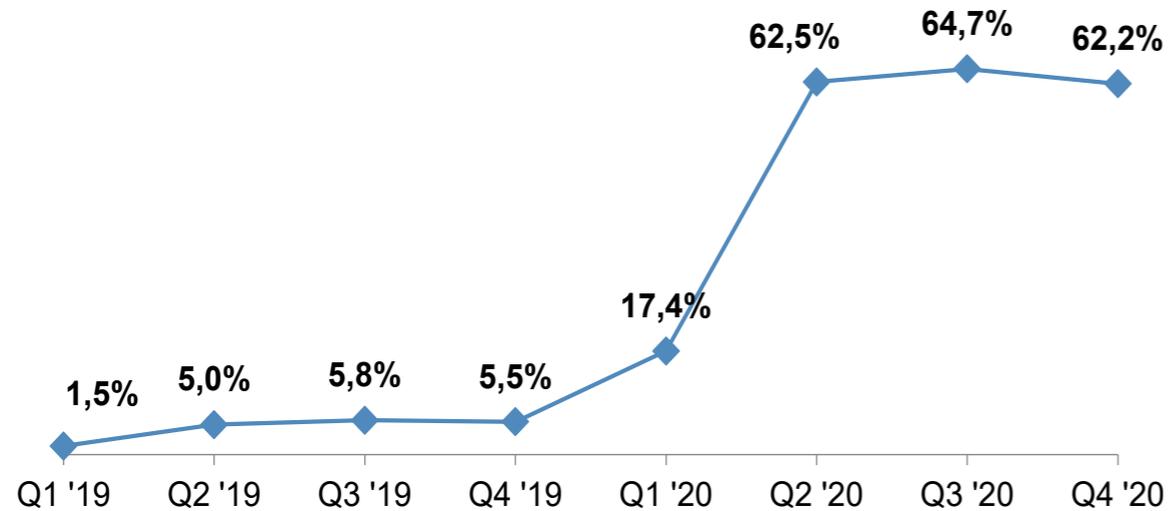
Mercator Medical's revenues by geography



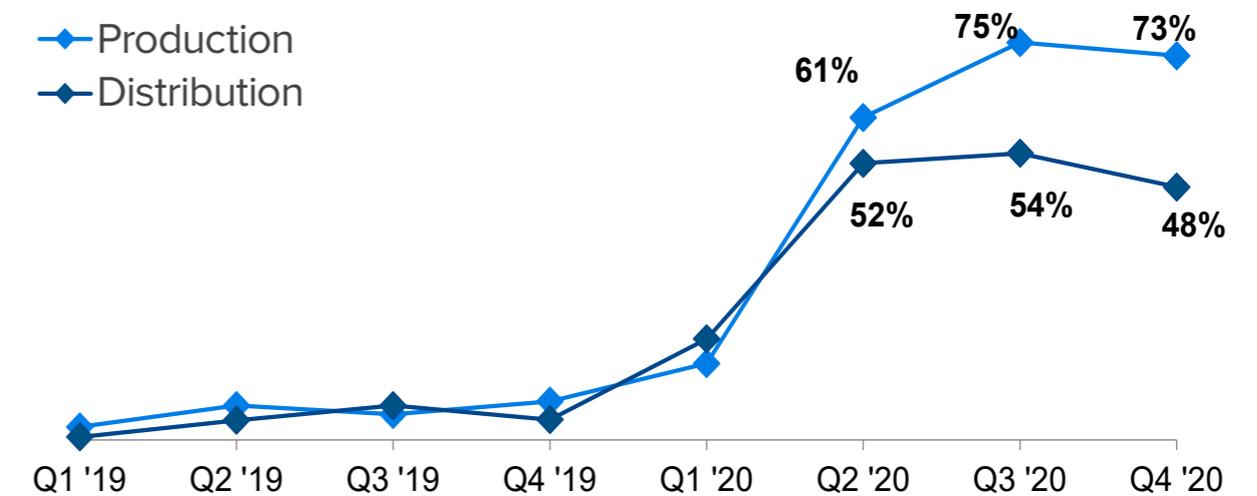
	2020	2019	Change (m PLN)	Change (%)
United Kingdom	449,0	4,2	444,7	x105
Poland	376,1	3,5	226,5	151,5%
United States	267,3	159,1	108,2	68,0%
Australia	102,7	0	102,7	-
Ukraine	82,2	35,5	46,7	131,7%
Germany	81,7	2,8	78,9	2812,8%
Russia	66,4	31,7	34,7	109,5%
Spain	54,0	8,7	45,3	520,5%
Sweden	45,0	0,1	44,9	x724
Netherlands	43,0	0,0	43,0	x8600
Romania	32,8	23,3	9,5	40,7%
Italy	27,8	10,4	17,4	166,7%
Hungary	24,4	14,3	10,1	70,2%
Czech Republic	20,7	10,8	9,8	91,1%
Other	161,3	89,2	72,1	80,8%
Razem	1 834,2	539,7	1 294,5	1,239.8%

IMPRESSIVE INCREASE OF PROFITABILITY

Over 11 times higher EBITDA y/y
EBITDA on a quarterly basis (%)

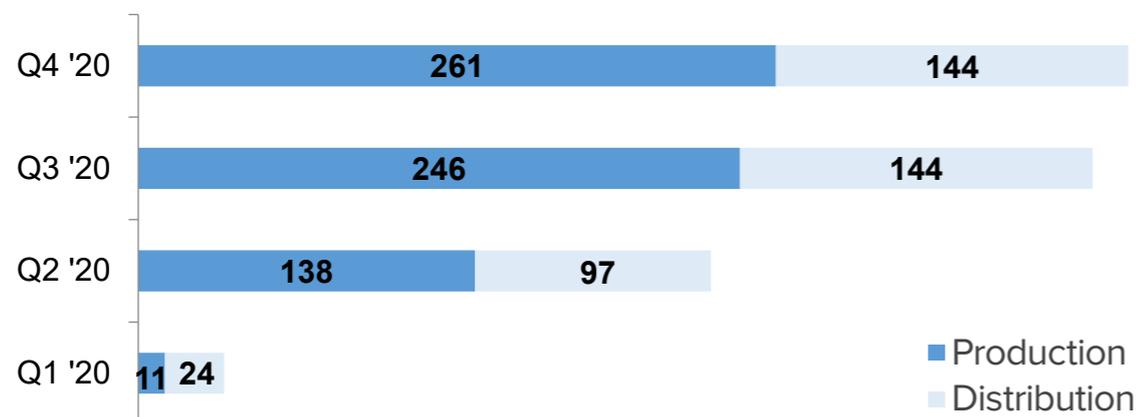


Over 11 times higher EBITDA y/y
EBITDA on a quarterly basis (%)



Simultaneous increase of profits from production and distribution

Decomposition of EBITDA* into production and distribution (m PLN)



- Strong increase of profitability in both segments of activity. In the case of production activities, the margin exceeds 70%; in the distribution segment, profitability is around 50%.
- In Q4 2020, manufacturers' sales prices in distribution increased along with the sellout of previously purchased "cheap" stocks and the delayed transmission of the sales price increase process in distribution; in production, prices of raw products and logistics increased with the implementation of large-volume contracts with the constant sales price.
- **Throughout 2020, the distribution area earned 409.8 m PLN of EBITDA (11.2 m PLN in 2019) and the production area earned 656.3 m PLN (13.4 m PLN in 2019)**

NET PROFIT AS A RESULT OF PROFITABILITY ON HIGHER LEVELS OF THE P&L ACCOUNT

CONSOLIDATED NET PROFIT/LOSS

(M PLN)



- **High conversion into cash in spite of the general market increase of restrictiveness of suppliers' payment policy (cash prepayments): operating cash flow + 712 m PLN (76% of net profit, 67% of EBITDA)**
- Net profitability reached 51% in 2020, which shows the high effectiveness of the Group's activities and the potential of generating margins on each level in successive periods
- Low profitability in previous years was largely due to fast business development and the construction of development and optimisation foundations; organic growth from 2020 would be visible even in an unchanged market environment.

As on 31.12.2020

Shareholders' equity

+907.8 m PLN, to 1,043.1 m PLN

Cash

+385.1 m PLN, to 399.8 m PLN

Temporary investments in FIO units

+149.1 m PLN, to 149.1 m PLN

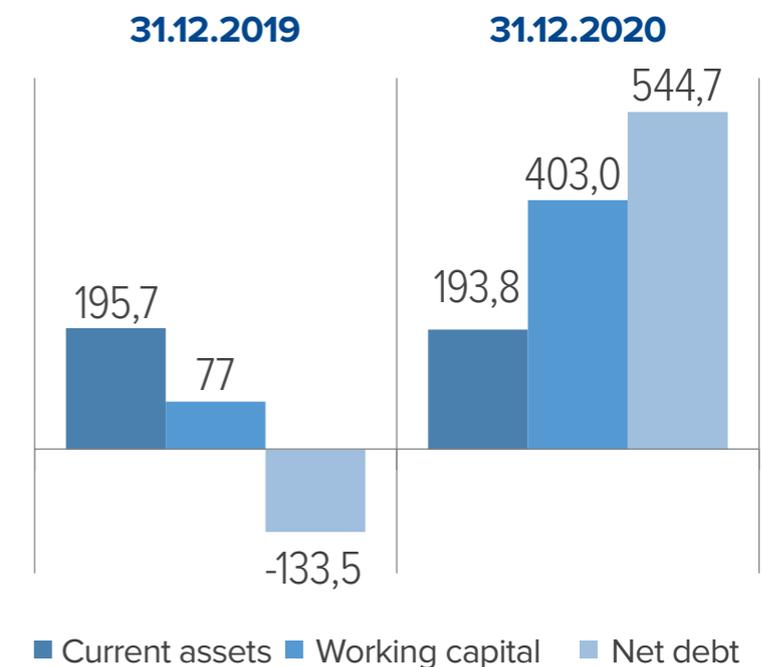
Total investment debt repaid ahead of schedule

(75.5 m PLN)

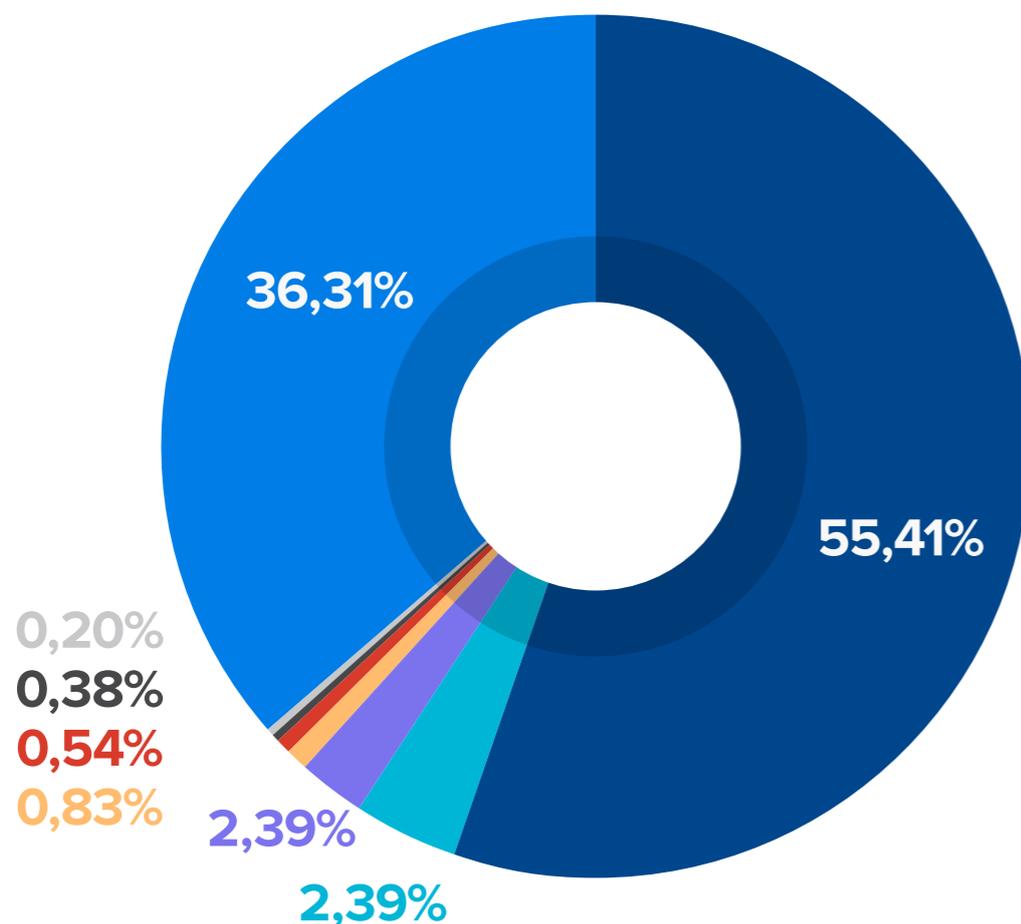
Net debt / EBITDA ratio

on the level of -0.51 vs. 5.4 at the end of 2019

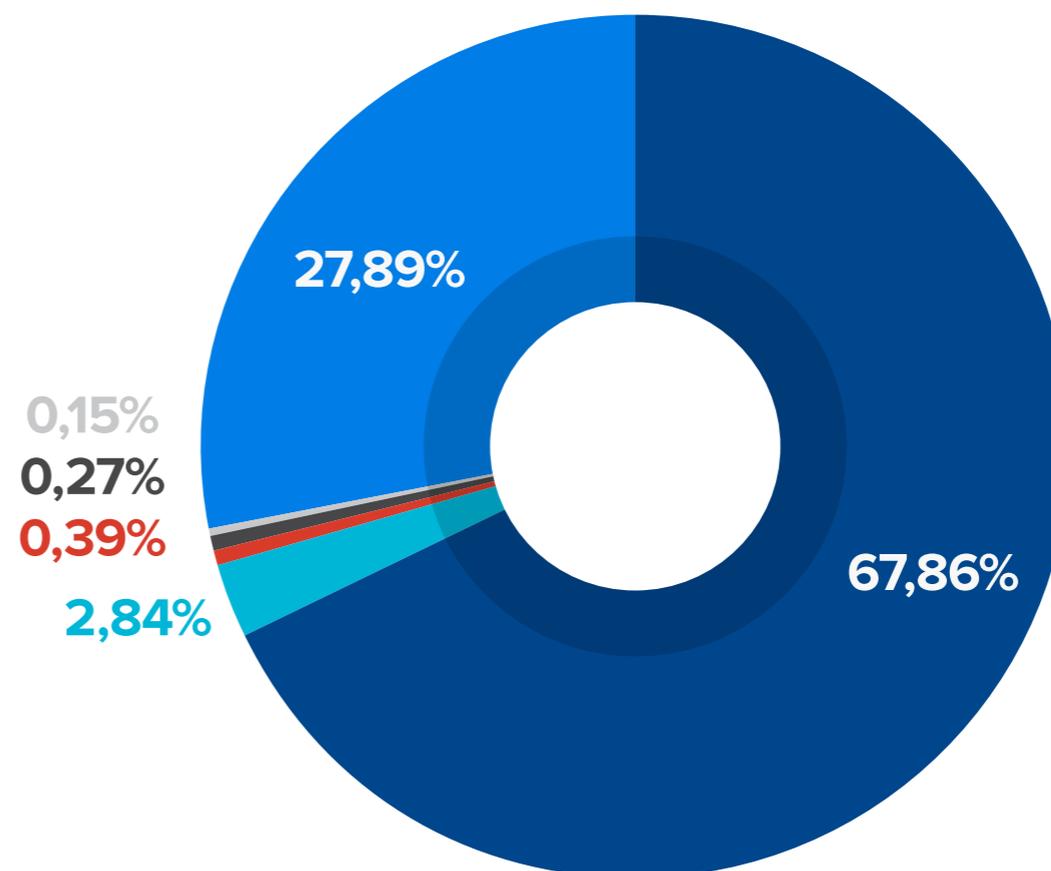
Elements of the balance-sheet in m PLN



SHARE IN THE SHARE CAPITAL



SHARE IN THE TOTAL NUMBER OF VOTES



- Anabaza LTD.*
- Wiesław Żyznowski
- Mercator Medical
- TFI NN Investment Partners SA
- TFI PZU
- OFE Metlife
- TFI Generali
- Others

* Taking into account also the shares held by the entities controlled by Wiesław Żyznowski (Anabaza Ltd. and equity shares owned by the Company) and persons with respect to whom it is deemed that there exists the agreement referred to in Article 87 Section 1.5 in conjunction with Article 87 Section 4 of the Act on Public Offer and the Conditions for Admitting Financial Instruments to the Regulated System of Trading and on Publicly Traded Companies, Wiesław Żyznowski held, directly and indirectly, the total of 6,556,356 shares which makes up, in total, 61.83% of the Issuer's share capital, giving him, directly and indirectly, the total of 10,663,106 votes, i.e., 72.48% of the total number of votes at the General Meeting.

AGENDA

COMPANY OVERVIEW

OUR PRODUCTS

FINANCIAL AND OPERATING RESULTS

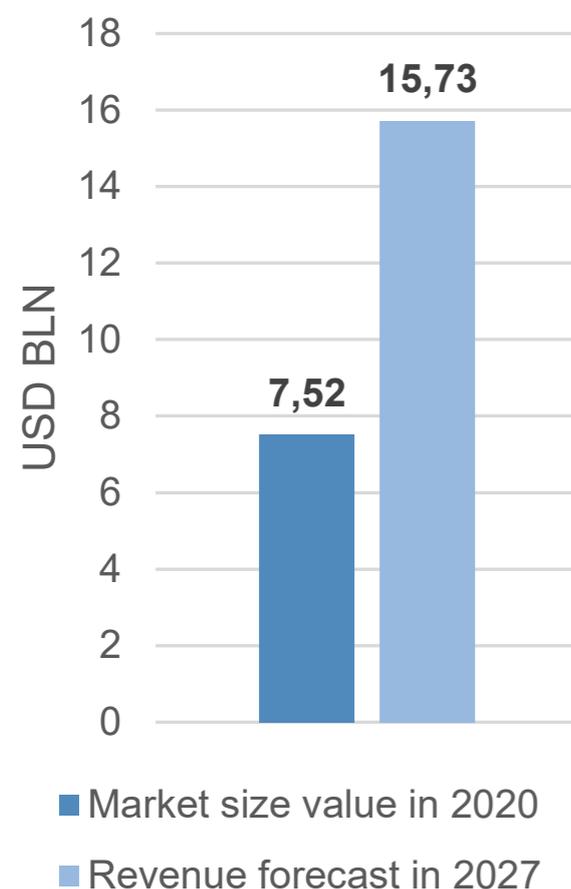
SUMMARY

SUMMARY

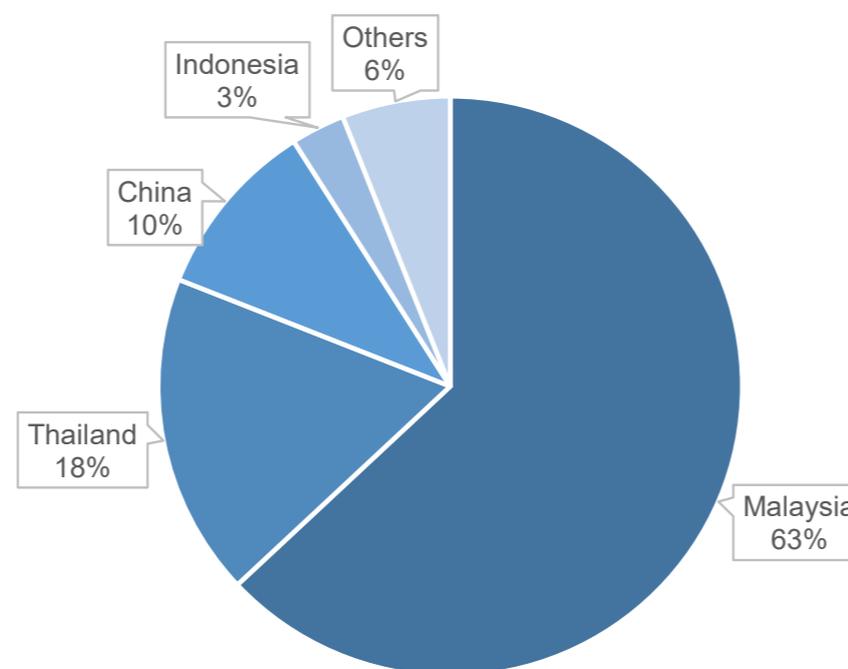
The value of the global single-use glove market was estimated at 6.71 bn USD in 2019 and was expected to grow with CAGR on the level of 11.2% from 2020 to 2027 without the impact of COVID-19. **Current market prices are much higher than those in 2019.**

The growing demand for products in the medicine and health care, pharmaceutical, automotive finish, chemical, petroleum and gas industries is the main driver of market growth.¹

PROJECTED MARKET SIZE VALUE WITHOUT COVID-19 IMPACT¹



MANUFACTURERS²

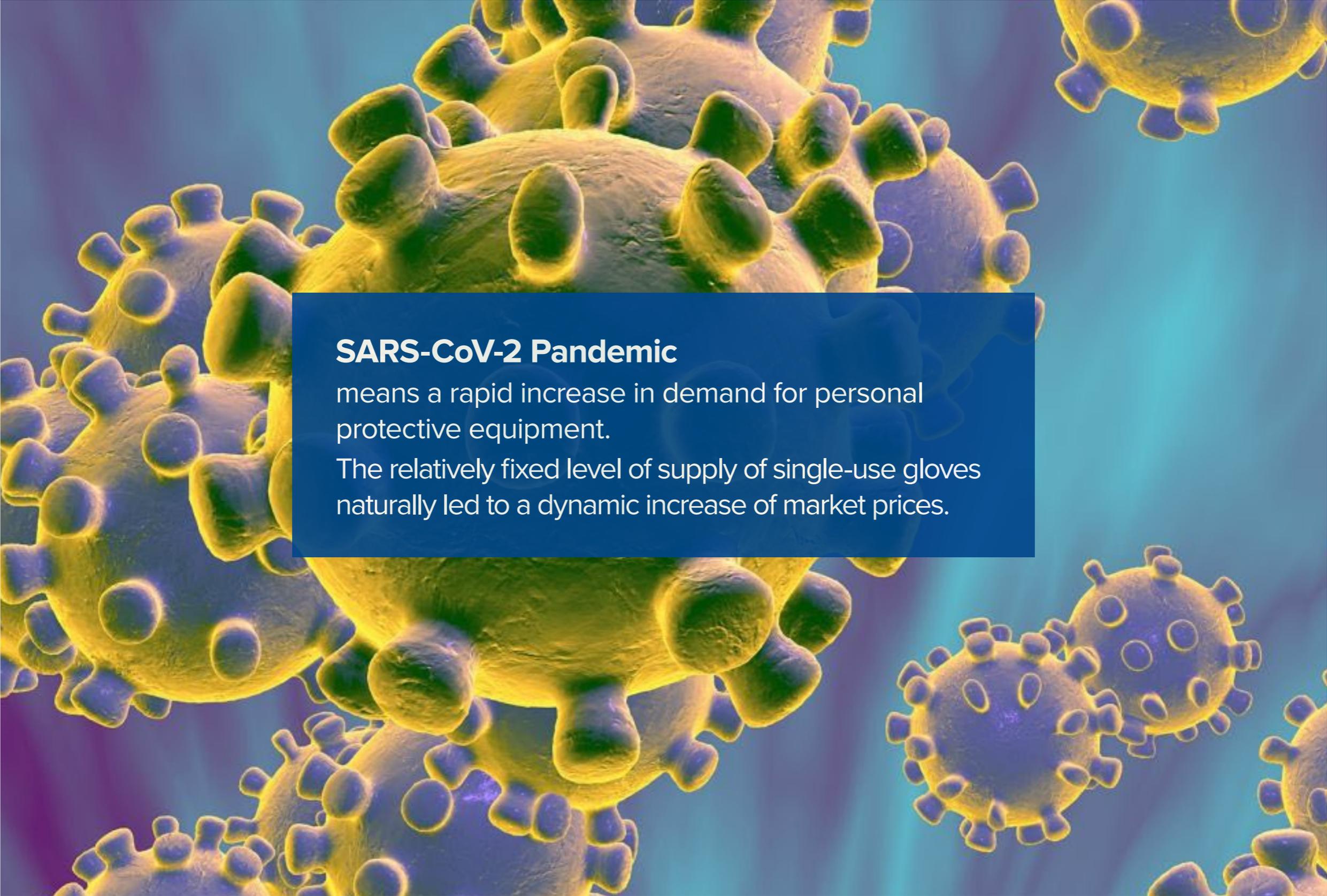


GROWTH FACTORS:

- **consistent market growth supported by the lack of direct substitutes for disposable medical gloves;**
- **expected further increase due to a larger number of medical treatments, higher social awareness, the introduction of more severe laws and the global COVID-19 pandemic;**
- **consequences of a growing contagious diseases problem:**
 - an increase in the number of cases of hepatitis B and C, HIV and other infectious diseases
 - an increase in the number of cases of infectious diseases and infections in hospitals
 - a trend of double gloving.
- **growth of the medical sector:**
 - reforms of the health care system, the ageing of society and the development of advanced technologies,
 - growing health care standards and tightened regulations,
 - expected growth of spending on health care due to emerging markets' convergence with developed market and growing demand for health care.

¹ 'Grand View Research Disposable Gloves Market Size, Share & Trends Analysis Report By Material (Natural Rubber, Nitrile, Neoprene, Polyethylene), By Product (Powdered, Powder Free), By End Use (Medical, Non-medical), And Segment Forecasts, 2020 – 2027', www.grandviewresearch.com/industry-analysis/disposable-gloves-market

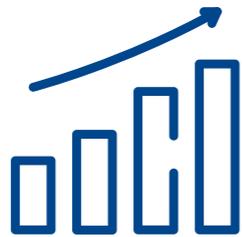
² 'MARGMA Industry Brief 2019 on the Rubber Glove Industry' Prospectus



SARS-CoV-2 Pandemic

means a rapid increase in demand for personal protective equipment.

The relatively fixed level of supply of single-use gloves naturally led to a dynamic increase of market prices.



Demand for gloves **considerably increased** during a pandemic

In accordance with the rules of the new sanitary regime, end users are obliged to replace gloves more frequently during work, and they also have to use them for a larger number of activities.



Single-use gloves have become **the most essential products**

Not only medical personnel, but also non-medical specialists and consumers taking care of their safety look for single-use gloves.



Learning **more about** gloves

When looking for relevant products, customers learn more about single-use gloves, which allows them to build awareness regarding this product category.

Our goal is to **maximize the benefits** resulting from changes on the global market (which were visible already in Q2 2020).



Our Group is working on a new development strategy for the next years. This strategy will take into account not only the current market situation, which should continue in the next quarters, but also the situation of the industry in the post-pandemic period.

IN 2020, WE COMPLETED THE REBRANDING PROCESS

based on changing the brand logo while retaining the existing corporate name



Expected benefits from planned and completed investments with the use of public funds supported by the EU:

EU's pharmaceutical strategy

– elaborated by the European Commission in order to increase the competitiveness of the European pharmaceutical system. It is to include financial incentives for enterprises for the purpose of investment and production in the EU.

Cost reimbursement procedure for the development of RTR Plus

– programme of the Ministry of Development, Labour and Technology supporting the activity of companies influencing the development of the pharmaceutical industry in Poland.

Budget: ca. 2 bn PLN.

EU4Health Programme

increasing the health safety of the Europeans. **Budget: EUR 9.4 bn.**

Horizon Europe

research and innovation development. **Budget: almost EUR 100 bn.**

#Together
against
the virus.

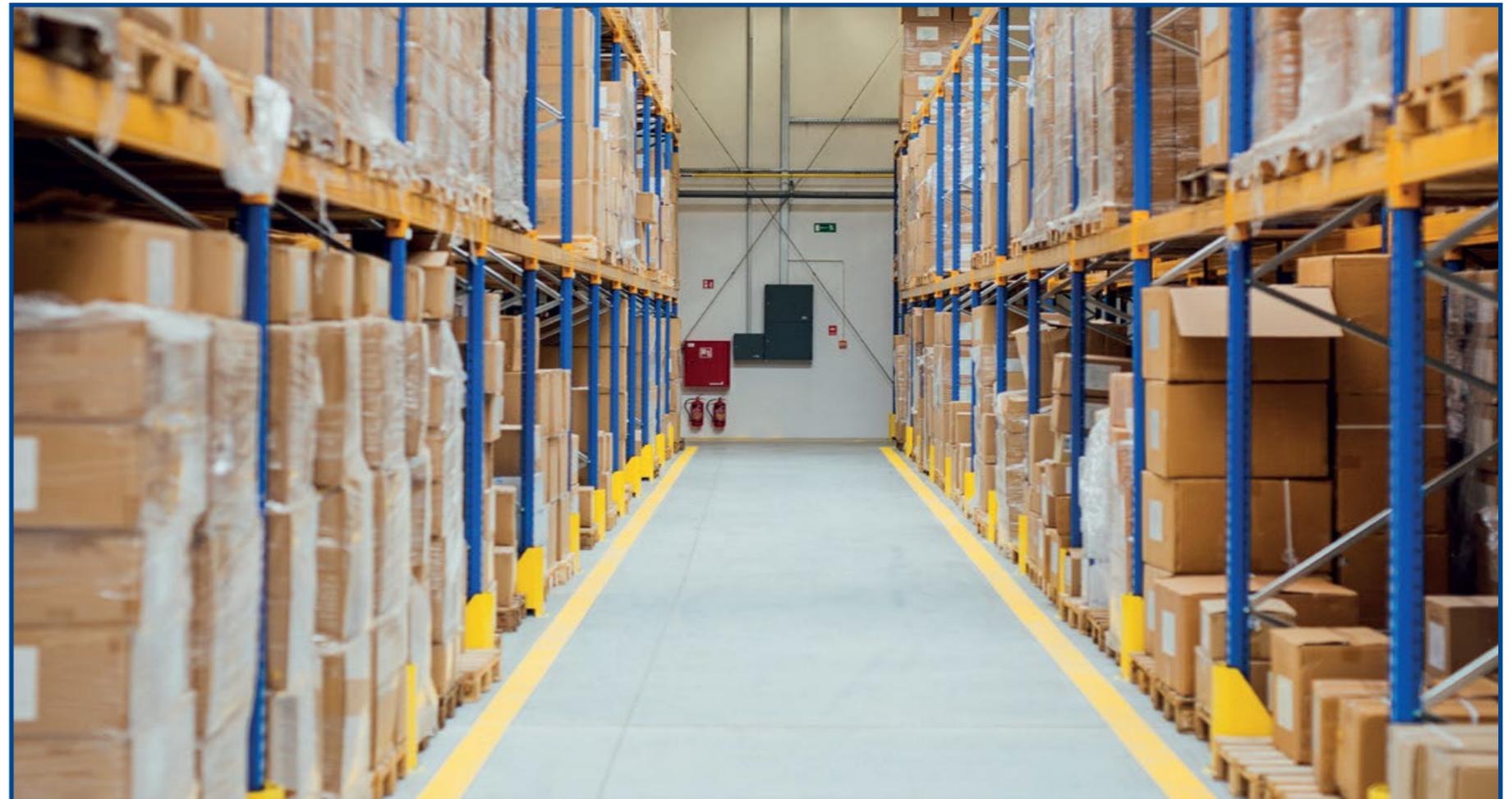
Since the beginning of the pandemic, we have been involved in the fight against COVID-19. We are carrying out the #TogetherAgainstTheVirus (#WspólniePrzeciwWirusowi) campaign to support medical and care facilities by donating personal protective equipment from our own portfolio. Our products were also sent to the Police Headquarters, the Material Reserves Agency, the Ministry of Health and a soup kitchen for the homeless.

Donations

1,8 mln
single-use gloves

50
thousand facial
masks

3
thousand
of dressings





The Mercator Medical Group is recognised and appreciated in many contests and competitions due to its dynamic business growth, geographic expansion and strong increase of capitalisation at the **Warsaw Stock Exchange**.

SELECTED PRIZES AND AWARDS:

- **Rzeczpospolita's Eagle in the Debut category**
- **Investor Without Borders**
(prize of the European Economic Congress in Katowice)
- **Polish Company – International Champion**
(award in the Foreign Investment Pioneer category, granted by PwC Polska and Puls Biznesu)
- **Family Ambassador of the Year 2020 from Forbes**
- **Listed Company of the Year 2020 – Success 2020 category and WSE Master title (Puls Biznesu)**



For more information on non-financial activities of the **Mercator Medical Group**, see the summary non-financial report for the year 2020.

The report is available on the website of **Mercator Medical** in the **Investors** tab.

www.mercatormedical.eu



CONTACT US

Mercator Medical S.A.

ul. H. Modrzejewskiej 30
31-327 Kraków

ph. +48 12 66 55 400

fax +48 12 66 55 415

e-mail: medical@pl.mercatormedical.eu