

An abstract graphic featuring a perspective view of a grid of lines that recede into the distance. A yellow rectangular label is positioned diagonally across the upper left portion of the grid.

ROMCARBON S.A.

ANNUAL REPORT FOR THE YEAR ENDED 2021

Buzau, 132 Transilvaniei street

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Annual report according with ASF regulation nr. 5/2018

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Name of the Company: SC ROMCARBON SA

Headquarters: Buzau , Str. Transilvaniei, nr.132

Tel / fax: 0238/711155; 0238/710697

Sole registration code: RO 1158050

Website : www.romcarbon.com

E-mail : investor.relations@romcarbon.com

Registered business number: J10 / 83/1991

Subscribed and paid up share capital: 26,412,209.60 lei

Regulated market where the issued securities are traded: Bucharest Stock Exchange,

Standard category, Symbol : ROCE

The main characteristics of the securities issued by the company: 264,122,096 registered shares, dematerialized, with a nominal value of 0.1 lei.

LANGUAGE DISCLAIMER

This document represents the English version of the original official Romanian document. The English version has been created for English readers' convenience. Reasonable efforts have been made to provide an accurate translation, however, discrepancies may occur. The Romanian version of this document is the original official document. Any discrepancies or differences created in the translation are not binding. If any questions arise related to the accuracy of the information contained in the English version, please refer to the Romanian version of the document which is the official version.

1. ANALYSIS OF THE COMPANY ACTIVITY

1.1.a) S.C. Romcarbon S.A. has the following main activities:

2221 Manufacture of plates, sheets, tubes and plastic profiles

2222 Manufacture of plastic packaging

2223 Manufacture of plastics for construction

2229 Manufacture of other plastic products

2932 Manufacture of other parts and accessories for motor vehicles and their engines

3832 Recovery of sorted materials

3299 Other manufacturing

4677 Wholesale of waste

1.1.b) S.C. Romcarbon S.A. was founded in 1952 under the name "Fabrica Chimica nr.12".

SC Romcarbon S.A. was established under Law No. 15 and 31/1990, HG 1213/1990 as a result of reorganization of „Intreprinderii de Mase Plastice Buzau”.

1.1.c) There were no merges or reorganization of the Company during the year ended.

1.1.d) The inputs of "Property, plant and equipment" during 2021 are presented in the table below :

Category	Value
Plants	931,219
Equipment and Machineries	1,097,306
Controlling device	119,971
Vehicles	234,096
Furniture	86,295
TOTAL	2,468,886

The main "Property, plant and equipment" entries during the reporting period were:

Item	Entry value	Sections
FILTERING, REGRANULATING COMPOUNDS MANUFACTURING LINE [IMPROVEMENT]	409,853	CP7 - Compounds
PARKING AREA ARRANGEMENTS	407,583	Administrative
BUILDING – WING D	259,135	CP7 - Compounds
COOLER -KS3	210,350	CP7 - Compounds
DISCHARGE AND DEFERIZATION SYSTEM WITH MAGNETIC SEPARATOR	139,090	CP7 - Compounds

1.1.1 GENERAL ASSESSMENT ITEMS

Indicator	2020	2021	2021 vs. 2020	
Sales of finished goods	129,838,505	169,491,035	39,652,531	30,54%
Total sales (Turnover)	182,851,592	266,937,601	84,086,009	45,99%
Exports	38,919,678	50,148,679	11,229,001	28,85%
Total Revenues	191,749,200	276,378,079	84,628,879	44,14%
Total Expenses	(190,641,799)	(276,936,450)	(86,294,651)	45,27%
Gross profit/loss, total, out of which:	1,107,401	(558,371)	(1,665,772)	-150,42%
Exploitation result	3,076,364	7,363,739	4,287,375	139,36%
Financial result	(1,968,963)	(7,922,110)	(5,953,147)	302,35%
Profit tax	(238,297)	(889,087)	(650,790)	273,10%
Net profit	869,104	(1,447,458)	(2,316,562)	-266,55%
EBIT	2,267,259	394,684	(1,872,575)	-82,59%
EBITDA	10,207,661	8,112,816	(2,094,845)	-20,52%
EBITDA Operational ¹⁾	12,374,754	13,987,048	1,612,294	13,03%
Cash and bank balances	17,588,598	12,798,377	(4,790,221)	-27,23%

¹⁾ EBITDA operational is calculated only for operational activity, excluding the depreciation, sales of non-current assets, non-repeating elements and financial activity.

Market share (%) in Romania:

Group of products		% of domestic market (estimation)
Automotive and industrial filters	~CP1	2%
Active carbon	~CP2	3%
Respiratory protective equipment	~CP2	18%
Polyethylene products	~CP3	5%
PVC products	~CP4	1%
Polystyrene products	~CP5	8%
Polypropylene products (pp bags)	~CP6	16%
Regenerated plastics & Compounds	~CP7	3%

1.1.2 Technical assessment of the company

SC Romcarbon S.A. Buzau activity profile is to process polymers and convert them into plastic packaging, to manufacture filters and filter elements, protective materials, active carbon for the food, chemical and pharmaceutical industry, plastic waste recovery, regranulation and manufacture of compounds.

In 2021, production activity was carried out in 7 profit centers as follows:

- **Profit Center no.1 – Car and industrial filters.** In this center are manufactured air, oil and fuel filters for cars, trucks and tractors, railway equipment and also industrial and agriculture filter;
- **Profit Center no. 2 with 2 workshops:**
 - Workshop of Respiratory protective equipment that produce personal protective respiratory equipment - masks and cartridges - for chemical industry, mining industry, for the Ministry of National Defense, civil defense and collective protective equipment;
 - Workshop of Active Carbon that manufactures charcoal - semi finished necessary for protective equipment, as well as coal used in the oil industry, food, chemical and pharmaceutical industries.
- **Profit Center no. 3** with Polyethylene workshop where are manufactured different sizes of polyethylene packaging (little bags, bags, pouches by extrusion, printing, welding), general purpose film, foil for greenhouse, thermo foil and photopolymer clichés.
- **Profit Center. no. 4 with two workshops:**
 - PVC pipes workshop is engaged in the production of PVC pipes as semi –finished products.
 - Recycled PVC bases for traffic signs' workshop
- **Profit Center no. 5** with expanded Polystyrene Workshop, consisting of extrusion and thermoforming sector, where are manufactured casseroles and trays for food industry and products for constructions as plates and rolls.
- **Profit Center. no. 6** – Polypropylene workshop - where are manufactured polypropylene products : laminated and non-laminated woven bags in different sizes for packaging products used in agriculture, food and chemical industry.
- **Profit center no. 7** – Compounds- with two activities:
 - Treating of plastic scraps by separating the recyclable fractions, grinding, extruding and filtering the separated fractions. The finished products are plastics regranulated products, compounds and composites plastic products.
 - Treating the postproduction Polyethylene foil scraps by washing, extruding and filtering/separating. The finished products are PE and PP regranulated products and compounds.

The company has 2 working points:

- Working point - Bucharest – The main activity is commercial operations and management;
- Working point - Iasi - The main activity is renting the assets for production purpose

The main groups of products and their share in the total turnover:

	2019	2020	2021
- Sales of finished products, total, out of which:	76.10%	71.72%	63.49%
CP1~ Automotive and industrial filters,	1.40%	1.33%	1.01%
CP2~ Respiratory protective equipment and Active Carbon	1.15%	1.34%	0.84%
CP3~ Polyethylene products	14.72%	15.23%	13.49%
CP4~ PVC products	0.50%	0.38%	0.33%
CP5~ Polystyrene products	21.87%	22.01%	17.79%
CP6~ Polypropylene products	19.62%	18.65%	15.69%

CP7~ Regenerated plastics & Compounds	16.84%	12.79%	14.34%
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The difference up to 100% represents the sales of merchandises, services, rents and other sales

New products developed in 2021

In 2021 was enlarged the range filters with 53 new items from which 7 are industrial filters, 29 filters for automotive industry, 7 for locomotive, 3 filters for natural gas, 7 filters for bacteriological scope.

In Profit Center No. 7- Compounds were developed 22 new recipes of compounds manufactured from recycled plastic and virgin, which includes optimization from both costs and using of raw materials point of view. The new products are delivered to beneficiaries for testing. 5 of them are used by the clients from automotive industries.

Taking into consideration the Circular Economy Plan by the European Commission which have set the goal of using of 10 millions of tonnes of recycled material in plastic products by 2025, in the polyethylene sector, continue the assimilation of new products/clients for products with recycled content.

1.1.3 The assessment of the procurement activity (domestic and import)

The supplying chain of raw materials, materials and services is done according to the specific internal procedures. Following the analysis of a minimum 3 commercial offers, the best alternative is selected, which then becomes the acquisition. Collaborations with agreed suppliers are conducted on the basis of commercial contracts or confirmed spot orders. The portfolio of raw materials suppliers for most production sectors includes companies with the headquarters in Romania in a percentage of 44% (2020 : 54%), and companies acting on the foreign markets in a percentage of 56% (2020 : 46%). For the Compound sector, the raw material supplied comes in a percentage of 92% from romanian market, while the difference is ensured by the foreign markets.

The most important weight (63%) in the value of the raw materials and materials acquisitions are the polymers (polypropylene, polyethylene, polystyrene) and regranulated which are the basic raw materials. These are supplied by various companies with which SC Romcarbon SA has developed long term partnerships.

In order to provide the customers with the best products, Romcarbon is continually involved in developing new projects and is open to new collaborations.

Related to the supplier's domicile in 2021 the acquisitions of raw materials and materials had the following structure:



1.1.4 The assessment of sales activity

Evolution of turnover resulting from the sales of finished products is presented in the following table:

Group	2019	2020	2021	2021 vs. 2020	
CP1~ Auto and industrial filters,	2,579,380	2,409,202	2,703,153	▲	293,951 12%
CP2~ Respiratory protective equipment and Active Carbon	2,111,661	2,423,505	2,247,391	▼	-176,114 -7%
CP3~ Polyethylene products	27,058,540	27,570,557	36,010,670	▲	8,440,113 31%
CP4~ PVC products	916,070	679,304	881,364	▲	202,060 30%
CP5~ Polystyrene products	40,214,038	39,839,387	47,497,169	▲	7,657,782 19%
CP6~ Polypropylene products	36,075,081	33,761,931	41,879,984	▲	8,118,053 24%
CP7~ Regenerated plastics & Compounds	30,961,367	23,154,619	38,271,305	▲	15,116,686 65%
Total	139,916,137	129,838,505	169,491,035	▲	39,652,530 31%

Evolution of turnover resulting from the sales of finished products according to its distribution on the domestic/foreign market is presented below:

Sales of finished products	2019		2020		2021	
	Value	%	Value	%	Value	%
Domestic market	92,908,312	66.40%	91,948,262	70.82%	122,114,658	72.05%
Exports	47,007,826	33.60%	37,890,243	29.18%	47,376,377	27.95%
Total	139,916,138	100.00%	129,838,505	100.00%	169,491,035	100.00%

1) AUTOMOTIVE AND INDUSTRIAL FILTERS

a) Market

The products of this center are delivered on the domestic market. Of the total sales of this profit center, 31% represent the sales of car filters, 28% railway and naval filters, 13% industrial filters and 28% agricultural filters and others. The process of selling the filters is made both directly by Romcarbon and through distributors. The main objectives in marketing and sales process are increasing the sales of automotive filters to large domestic and foreigner spare parts distributors and diversifying the range of auto filters in order to cover much of the vehicles brands sold on Romanian market. Also our intention is to increase the sales of auto filters to the vehicles manufacturers under their own brand and to increase the exports. For 2022 we intend to increase the sales of industrial and railways filters and for agriculture.

b) Competition :

In terms of the product brand:

- Large manufacturers of automotive filters as MANN, MAHLE, BOSCH have the advantage of owning big budget marketing departments but also strong research – development departments being able to offer the full range of air, fuel and oil filters;
- Low-cost brands that invade the European market through a single competitive advantage, a very low price.

Romcarbon products are recognized as having adequate quality, are risk-free, and at fair prices.



2) ACTIVE CARBON AND RESPIRATORY PROTECTIVE EQUIPMENTS

a) Market

ROMCARBON S.A. Buzau is a long-standing producer of activated carbon and individual and collective respiratory protection equipment. ROMCARBON SA BUZAU produces complete masks, semi-masks, filters against industrial toxins existing in the working atmosphere.

Although Romania is among the last countries in the EU in terms of spending on the purchase of respiratory protection equipment, ROMCARBON SA has an important portfolio of clients.

Also in 2021 the main market was the domestic market. Of the total value of sales of the sector, 95% represent sales to Romanian companies activating in the pharmaceutical and food industry, companies that design and execute filter ventilation installations, companies whose field of activity is metal coatings. , public institutions (schools, town halls, etc ...), biogas production and purification stations / farms and a small number of companies in the chemical industry.

For the whole sector, the sales were decreasing compared to the special year 2020 by 7% but increasing compared to 2019 by 5%. The decrease in sales of individual protective equipment was 5%. However, we registered a 33% increase in sales compared to 2019 for individual protective equipment. The products were sold both directly to the end user (73% of the number of customers) and to distributors. (27%).



b) Competition

Although large manufacturers have entered the Romanian market (DRAEGER SAFETY Germany, SPERIAN Italy, HONEYWELL USA, MSA AUER Germany) managing to offer these types of products, and a large number of distributors of individual protective equipment have invaded the domestic market, ROMCARBON has proven a reliable partner and kept its traditional clients in 2021, proving professionalism, honesty and respect for customers. The customers satisfaction rate of 96% achieved in 2021 highlight the fact that the respiratory protection equipment and the activated carbon produced by ROMCARBON SA continue to satisfy the clients' requirements. Hoping that companies will understand that "safety" is not just a legislative obligation, that investment in respiratory protection equipment must become a priority and that "safety" means preventing costs that may increase in the event of future accidents, ROMCARBON aims to 2022 increase sales by attracting new customers.

**3) POLYETHYLENE PRODUCTS****a) Market**

The distribution of sales of Polyethylene products is: 88% on domestic market and 12% on foreign markets.

Polyethylene products market shows a high degree of dispersion of demand, there is a large number of customers that pack food or non-food products by thermoshrinking or without thermoshrinking and is far away of being a market with a single customer or group of customers to dictate the market price. The price of this type of products is formed naturally in the market, free, due to the process of meeting the supply and the demand.

b) Competition

S.C. ROMCARBON S.A. kept up, in general, with competition that, in this field was only the internal, adapting to customer requirements and applying competitive price, reasonably payment terms and fast delivery conditions .

It could be observed a move of market demand to general use foil and garbage bags produced out of regenerated plastic.

**4) PVC PRODUCTS**

In 2021, sales of PVC supports recycled material for road signs have a share of 58% on foreign markets and 42% on the domestic market.



5) POLYSTYRENE PRODUCTS

a) Market

- **Expanded polystyrene trays** (68% of total sales of the sector)

In this sector are produced trays for the food industry (standard trays, catering trays and absorbent trays)

National Institute of Statistics' data could not provide the market situation for the specific products but only all packaging material made of polystyrene at large. According to Romcarbon's own market analysis Romanian market is dominated mainly by local producers (Romcarbon is one of the two biggest local suppliers)and there are some insignificant % from the import.

In 2021, the distribution of sales of trays was 63% on domestic market and 37% to export, mainly to Balkans countries.Regarding the catering trays, which hold a share in terms of quantity of 30% in total sales of the sector, the sales are divided according to the market, as follows: EU market 80%; non-EU market 20%.

- **Extruded polystyrene underlayment for floor insulation** (32% of total sales of the sector)

For the EPS underlayment, Romcarbon is in a dominate position as local producer. The import is around 26% of the market share.

Romcarbon main market for this type of products is the domestic one. The sale of this range of products is achieved both through national distributors and directly to final consumers. In 2021, the distribution of sales of EPS underlayment was 64% on domestic market and 36% to export. The largest foreign market for extruded polystyrene underlayment is Bulgaria.

b) Competition

The main competitors for polystyrene packaging are: British Foam Group and Euroconf Impex SRL Belcesti - local producers, and other European manufacturers such as Linpac, Sirapgema, Coopbox.

For XPS underlayment, the main competitors are manufacturers from Poland (DECORA, VTM) and Germany (SELITAC).

6) PROLYPROYLENE PRODUCTS

a) Market

In 2021, in the conditions of the crisis generated by the COVID-19 pandemic, the consumption of plastic packaging remained high. Romcarbon, as a producer acting in this market, has registered an increased demand in certain segments, such as the food sector or that of the animal feed production This good demand, in addition to the much higher volume of sales to DIY stores due to the changing habits of the end consumers during pandemic, led to compensate the low demand in the industrial sector.

The type of sale that we practice is one consultative. We always try to meet the requirements of our customers and offer them the right packaging solutions for their products.

The sales structure was 72% on the domestic market and 28% on the foreign market.



a.1) Domestic market

The customers operating on the domestic market represent an increasingly important part of our portfolio. The main clients are active in milling and bakery industry, in sugar and salt processing industry, in the animal feed production or in the DIY activity sector.

Industrial customers registered in 2021 a diminution of activity caused by the spread of coronavirus in the world. Once the pandemic is over, we expect the demand to return to be one good, as before, in the coming years.

a.2) Foreign market

Our customers on the foreign market are mainly big traders and distributors of packaging from many European countries such as Poland, Greece, the Netherlands, Spain, France, Serbia, Hungary, Latvia, Croatia etc.

We do not have any data to help us to determine the share on the foreign market, but what we can say is that we have to deal with very competitive prices practised by importers from the Asian market. Our clients mainly appreciate the flexibility, the delivery period and also the lower delivery costs that we can offer them due to taking the advantage of having the production capacity nearby, in Europe.

b) Competition

There are two other big manufacturers on the domestic market of polypropylene packaging, Romtextil SA and Luna Plast SRL and also the other small importers of polypropylene bags from Asia. On the external market, our competition is determined, in addition to the flows of large quantities of polypropylene bags from Asia, by nearby producers such as those from Bulgaria. Major dependents. There are no significant customers who, in terms of turnover with them, to represent a risk factor for our company.

7) COMPOUNDS

a) Main market

Division of Plastics compounds is the latest investment of ROMCARBON SA and completes its long such experience in processing plastics. The new profit center (compounds) began production in August 2012.

By adding and mixing different additives and fillers in polymers are obtained improved mechanical properties, resistance to UV radiation, flame resistance, shock resistance etc.

The center is equipped with the latest technology from some of the world leaders in the field of extrusion equipment and laboratory equipment. Current production capacity of the factory of compounds is about 15,000 tons/ year.

The production capacity increased in 2020 as a result of the investment in a new polymers fractions sorting equipment.

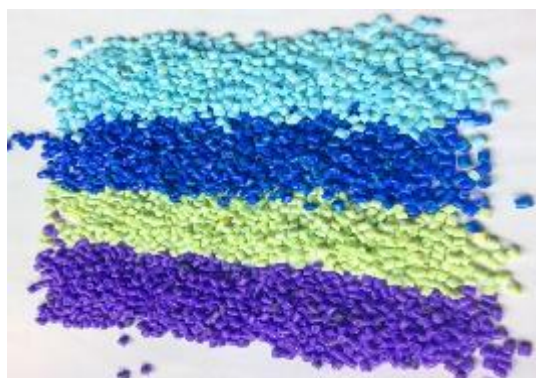
The product range consists of two main categories:

➤ Plastics compounds made from virgin polymers

(2% of CP7-Compounds sales)

At this time, the products assimilated in production are based on:

- Polypropylene (PP reinforced with calcium carbonate in various proportions and colors, PP reinforced with talc in various proportions and colors, glass fiber reinforced PP);
- Polyamide (PA6 or PA66 reinforced with fiberglass in various proportions, natural or black);
- ABS with various colors masterbatch.



Our clients are plastics processors who produce articles for various applications in the automotive industry, electrical and appliances industry, furniture, construction, pipes, packaging etc.

➤ **Compounds and re-granulated recycled polymers**
(98% of CP7-Compounds sales)

Recycled polymers represent a cost saving alternative to virgin raw materials. Depending on the purity of the material, Romcarbon technology is able to provide its clients both regranulated with exclusive content of recycled polymers, combinations in different proportions of virgin polymers with recycled polymers, and to provide optimized products from the combination of recycled polymers reinforced with various materials (calcium carbonate, talc, glass fiber).

The potential of this market segment is determined by the presence of Renault in Romania and, implicitly, of its subcontractors that supply various plastic injection parts; it is shown a growing trend for recycled plastic (especially polypropylene) to certain parts of the vehicles.

In 2021, a new product made out of recycled was added to the range of products dedicated exclusively to the automotive industry, and at the same time the customer portfolio grew with two new companies supplying injected parts to Renault.

In parallel with the research and development of products for the automotive industry, we have made new products for the home furniture and interior design market, forming a partnership with one of the largest international retailers.

In present, similar products in this subcategory are:

- Polypropylene regranulated in various colors.
- Polypropylene recycled compounds for various industries;
- Polystyrene regranulated in various colors;
- ABS (Acrylonitrile Butadiene Styrene) regranulated;
- High and low density Polyethylene regranulated;
- Low density linear polyethylene regranulated;
- Polycarbonate regranulated.
- .

In 2021 sales were distributed as follows : 66% on the domestic market and 34% on foreign markets.

The foreign market is represented by clients from Italy, China, Germany, Spain, Poland, Hungary, Macedonia, Bulgaria, Greece, Slovakia.

he demand for recycled polymers is estimated to increase with the new EC regulations for increasing the quantities of recycled plastic in the EU by 10,000,000 tons, the target being 2025.

b) Concurenta:

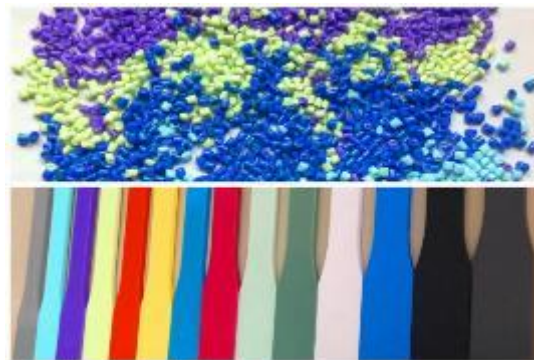
For virgin compounds the competition is mainly represented by the big producers from oil industry.

➤ Domestic market – Recycled products

The main competitors are: Ecofriend Recycling, Crilemar, Calnex, Remat, Total Recycling, Italplast Group, Total Recover, Iza SRL, Ecosistem SRL, Amzay Factory Impex, Remat Holding, Recycling Mondo Plast, Plastic Recycling Export

➤ Foreign market – Recycled products

The main competitors are: Ecoinvest (Bulgaria), PMB (Bulgaria), Sky Plastic (Austria), Atus Recycling (Poland), Rego Plast (Hungary), Pokas Recycling (Greece) , Megaport (Bulgaria), Galoo Plastics (Belgium), Synova (France), Borealis (Germany), Versalis (Italy), LyondellBasell Industries (Netherlands).



In 2021, the Plastic Compounds Division was certified by EuCertPlast. The certification is based on the European standard EN 15343: 2007 and offers the company's suppliers and customers the assurance that pre- and post-consumer processed plastics are treated according to best practices and with respect for the environment.



EuCertPlast

Obtaining EuCertPlast certification enables the company to meet the requirements of the REACH Directive and contributes to the application of best practices on the traceability of recycled plastics (throughout the recycling process and the supply chain) and on the quality of the recycled content in the final product.

1.1.5 The assessment of the aspects related to the personnel of the company

The number of employees at 31.12.2021 was 840, grouped according to the level of education as follows:

Total personnel, out of which:	840	%
• higher education*	96	11%
• post-secondary school	12	1%
• technical school for foreman	10	1%
• secondary education	321	38%
• vocational school	211	25%
• 9 – 11 classes/apprentice school	101	12%
• occupational qualification	6	1%
• school	83	10%

*Out of the total personnel with higher education, 63 persons are employed on positions which require higher education.

The relationships between managers and employees are relations of subordination according to the Company's organizational chart, job descriptions and individual labor contract.

Each employee is directly subordinated to their superior. Superiors are responsible for the legality and validity of the instructions they issue, and the consequences of these instructions.

There were no conflicts in the relations between managers and employees. Employees are not organized in a trade union.

1.1.6 The assessment of the impact of the company's activity on environment

S.C. ROMCARBON S.A. holds the new environmental authorization in accordance with the new NACE codes Classification of Activities of National Economy, Revised Edition, NACE Rev. 2 according to INS Order 337/2007, published in Official Gazette of Romania, Part I, no. 293 / 03.05.2007.

S.C. ROMCARBON S.A. comply with environmental protection legislation, not being involved in litigation regarding infringement legislation. Periodically evaluates compliance with laws, regulations and other requirements to which the organization subscribes.

S.C. ROMCARBON S.A. has implemented and certified an integrated quality management system - environment - occupational health and safety standards ISO 9001 :2015, ISO 14001 : 2015 si ISO 45001 :2018, applicable to the design and manufacture of protective equipment for respiratory tract - SRAC certificate.

The activity of assessment/reassessment of the environment aspects is based on the internal procedure - PS-03-Environment aspects. This procedure founds the process through which the company evaluates the environment aspects of its activities and its products, - aspects that the company can control, and also the impact of its products on the environment after the products had finished their life cycle.

For evaluating the environment aspects are taking in consideration the air emissions, water leaks, soil impregnances, raw materials and natural resources usage, energy consumption, energy emissions (heat, rays, vibrations (noise), light), wastage generation, space usage.

A special attention is given to the products' life cycles stages which can be controlled or influenced by the company. The list of the significant environment aspects is updated yearly or whenever appear changes in the company, in regulations in force or other requires to whom the company choose to comply with.

Based on the significant environment aspects, the top management together with the Environment responsible and MCM Office (Quality and Environment Management) setup the strategic objectives (Level 1) and operational objectives(Level 2) founded in the Annual management program.

The objectives are setup in accordance with Policy for Quality, Environment, Health and Safety, with the engagements in preventing the pollution, with obligations for compliance and improving.

The changes and developing new activities or products could invalidate the aspects previously identified or may demands additions in the list of the significant environment aspects, in which cases is made a reassessment of the environment aspects.

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Exemples of such changes:

- Change of the applicability area of Integrated Management System;
- Development of new products or services;
- Changes of the production processes, changes of tehnology, or insertion of new processes;
- Significant increase or decrease of the production capacity;
- Extension or relocation of an activity;
- Changes in compliance obligations with environment issues;
- Emergency situations

At the beginning of 2021 were evaluated the environment aspects and the list of significant environmental aspects was drawn up in normal, abnormal conditions and emergency situations.

1.1.7 The assessment of the research and development activity

The research - development activity was carried out by the Department of Technical and Investment in collaboration with internal departments involved and with agreed service providers, includes:

- certification of products regulated in accordance with national and European legislation.

In 2021 were renewed the certifications of the following products in the Workshop Filters and Protective Materials: air and oil filters, automotive filters and auto-motors and it was renew the technical approval for XPS sheet for mounting under the lamination floor

In 2021 it was obtained the EuCertPlast certification in recycling sector, certification with aim of recognising the company as a recycler which respect high standards.

- Obtaining annual health certificate required for expanded polystyrene packaging for export to non-EU countries.
- Registration of Romcarbon mark with new logo at EUIPO, European level.
- Development of new products and technologies while developing existing ones (ex. the full-size range of woven polypropylene packaging has been expanded with over 350 products).
- Acquisition of the new equipment in order to increase the company productivity and the products quality (separately feeding system for polypropylene fractions on existing densimetric line of mix plastic fractions).
- Updating the technical documentation of the expanded polystyrene, polyethylene, compound products and protective equipment.
- Installation of a photovoltaic system for self-consumption with an installed capacity of 60 kW, consisting of placing solar panels on the roof of the administrative building, which will bring annual energy savings and will help at protection of the environment by reducing CO2 emissions.
- Obtaining European funds for the implementation of an intelligent energy consumption monitoring system co-financed by the European Fund having as general objective the identification and implementation of energy efficiency measures in order to record savings in energy consumption and avoid greenhouse gas emissions at the level of society.

The cost of reaserch and development activity in 2021 was RON 601,446, while for 2022 it was budgeted a cost of RON 712,487.

1.1.8 The assessment of the company's activity related to risk management

SC ROMCARBON SA had implemented the management of risk according to the standard SR EN ISO 31010-Risk management. Using valuation techniques were identified and analyzed risks in all functional departments within the organization. It had been have issued registers of risks for each functional department, a register of risks for the entire organization and a Action plan to deal with risks.

Market risk

In 2021, the company registered an increase in total turnover by 46%, reaching RON 266,937,601 (2020: RON 182,851,592). Regarding the sales of finished products, it was registered an increase of 31% (2020: RON 129,838,505).

The main market for Romcarbon S.A. products is the local market, the turnover related to the main activity (Revenues from the sale of finished products) obtained in Romania had a share of 72% in 2020 (71% in 2020).

The clients' portfolio for the main activity (sales of finished products) is diversified, there is no clear dependence on certain clients. However, for the activity of sales of goods SC Romcarbon SA has two clients (Kasakrom Chemiclas SRL and Livingjumbo Industry SA) that in 2021 had a turnover representing 10% and 20% of total turnover. The sales to Livingjumbo Industry SA in 2020 included also sales of finished products, rents and income from other activities, which accounted for 4% of turnover.

In 2019, Directive (EU 2019) / 904 on reducing the impact of certain plastic products on the environment was adopted, and in 2021 the provisions of the directive were also transposed into national legislation (Ordinance No. 6/2021 on reducing the impact of certain plastic products on the environment the sale on the EU market of some categories of disposable products, among which the catering trays produced within the polystyrene products sector (Profit Center 5). Thus, starting with 01.09.2021, only catering trays existing in stock at that date could be marketed on the EU market.

In 2021, the catering trays have a quantitative share of 30% in CP5 sales, divided according to the sales market, as follows: internal market and EU-80%; non-EU market - 20%. As a result of the changes made, in the fourth quarter of 2021 the catering trays had a quantitative share of 11% in CP5 sales, divided according to the sales market, as follows: internal market and EU-49%; non-EU market - 51%.

In order to replace the lost market segment, it was considered to increase the sales of other product groups where there is a growing demand: standard trays and XPS boards.

One risk that influenced the company's business in 2021 was the supply chain. The main difficulty faced by the company was the unprecedented crisis, worldwide, in the market of raw materials (plastic granules), translated into a significant reduction in availability and rapid and sharp rise in prices.

Currency risks

Currency exposure of SC Romcarbon SA is generated mainly by the loans denominated in euro for financing the production and the investments activities. As at 31.12.2021 the balance of these loans was EUR 9,407,930 (2020: EUR 8,297,956).

Cash flow in foreign currency in 2021 has the following structure:

Item	EURO	USD	GBP
Proceeds from foreign clients	9.924.195	350.114	0
Payment to the foreign suppliers (raw materials and equipment)	-15.798.836	-130.326	0
Proceeds from credits	1.912.453		
Payments of credits, interest, bank fees	-1.005.806	-805	-23
Other currency payments	-74.287	-65.539	0
Flux de numerar net	-5.042.280	153.444	-23

In 2021 the loss generated by the fluctuation of foreign currencies rate was - RON 651,119 (2020: - RON 918,847).

Liquidity risk

Current liquidity of SC Romcarbon SA (calculated as a ratio between current assets and current debts) recorded an increase in 2021, i.e. 1.19 as compared with 1.05 in 2020.

Cash-flow risk

SC Romcarbon SA is not exposed to a high risk in terms of cash flow as the company cash management is very rigorous; by forecasting cash inflows and outflows over a period of three months and daily tracking performance of this projection, surplus cash is placed in term deposits, aiming at getting the best interest rates on the market. Regarding loans to finance production activity, they are contracted for a period of 12 months with the possibility of extending the due date for a similar period, and in this sense are not anticipated higher cash outflow during the year 2021.

1.1.9 Perspective elements regarding the company's activity

a) *Presentation and analysis of trends, items, events or uncertainty factors that affect or could affect the company's liquidity compared to the same period last year.*

For 2022, the company budgeted the following financial indicators:

- A total turnover of RON 298,625,647 (up with 12% as compared with 2021) out of which the turnover related to the sales of finished products is budgeted at the level of RON 196,945,919 (16% higher as compared with 2021);
- a gross profit of RON 1,905,038.

b) *Presentation and analysis of the effects of capital spending, current or anticipated on the company's financial situation compared to the same period last year.*

The main inputs of capital assets are set out in paragraph 1.1.d.

c) *Presentation and analysis of events, transactions economic changes that significantly affect revenues from the base activity.*

At the date of this report, no risks have been identified that would significantly affect basic income. However, in February 2022, global geopolitical tensions escalated significantly following military interventions in Ukraine by the Russian Federation. As a result of these escalations, economic uncertainties in the energy and capital markets have increased, with global energy prices expected to be highly volatile in the foreseeable future. At the date of this report, management cannot reliably estimate the effects on the Company's financial outlook and cannot rule out negative consequences for the business, operations and financial condition. Management considers that it is taking all necessary measures to support the sustainability and growth of the Company's business in the current circumstances and that the professional reasoning in these financial statements remains adequate.

2. TANGIBLE ASSETS OF THE COMPANY

2.1. S.C. Romcarbon S.A. Buzau has the following tangible assets:

- land and industrial and civil construction located in the municipality of Buzau, Transilvania Street no. 132, with a total area of 158,005 square meters of which built area of 62,838.52 square meters;
- land and industrial and civil construction located in Transilvania Street no. 132 - the sport facility - a total area of 22.830 square meters of which 1.053 square meters built area.
- land and commercial space located in Buzau city, Unirii Street, total area of 287 square meters of which 287 square meters built area;
- land and industrial buildings located in town of Buzau, Zone B, capture water - total area of 111,340 square meters, of which built area of 265 square meters;
- land and industrial buildings located in Iasi, str. Calea Chisinau, no. 29 total area of 12,443.50 square meters, built area of 1,766 square meters;

Main production facilities :

I.)BUZAU

I.1.) The main building used for production activity, services and warehousing:

- Filter housings stamps hall with an area of 2,575 square meters, built of prefabricated foundation type glass columns, beams precast concrete, masonry brick on concrete foundation;
- Band filters hall - 1,830 sqm building area of prefabricated foundation pillars of glass type with precast concrete beams, brick masonry and glass, the foundation of reinforced concrete roof;
- Protective materials hall - area 1,458 sqm prefabricated foundation pillars of glass type, prefabricated reinforced concrete beams, brick masonry and glass reinforced concrete roof;
- Active charcoal Hall 1 - area of 639 sqm built in reinforced concrete foundation, brick walls, concrete roof;
- Active charcoal Hall 2 - area of 1,803 square meters, built of prefabricated foundation pillars of glass type prefabricated reinforced concrete beams, brick masonry on concrete foundation;
- Polyethylene- Polypropylene Hall - an area of 11,666 square meters, built of prefabricated foundation pillars glass type with precast concrete beams, brick masonry and reinforced concrete foundation, reinforced concrete slab;
- Production hall + expansion and modernization of EU funds (Compounds Hall) - total area of 4,106 square meters of prefabricated foundation pillars of glass type with precast concrete beams, brick masonry and glass, the foundation of reinforced concrete roof in which the extent of 1,806 sqm - hall with glass type foundation, metal poles and steel structure; Tristram wall panels 6 cm, aluminum joinery and double glazing and roof panels Tristram 8 cm floor made of concrete and reinforcing mesh with a mesh of 100 * 100 * 8 mm quartz elicoptrizat and treatment resistance to wear and dust ; access to the plant is made by six industrial doors with electric drives; electrical facilities have been fully restored;
- Production hall – total area 873 sqm, built on the foundation of reinforced concrete, structure of concrete pillars, aluminium frames, thermopane windows;

- Polystyrene hall and Warehouse - an area of 4,367 square meters, built of prefabricated foundation pillars of glass type precast concrete beams, brick walls, glass panels and three-layer, reinforced concrete floor and roof panels Tristram;
- PSE mill hall and warehouse area of 577 sqm built on reinforced concrete foundation, brick walls, concrete roof;
- Wiring Hall 1 -Surface 415 sqm built on reinforced concrete foundation, brick walls, concrete floor;
- Laboratory - area 642 sqm, built on concrete foundation, brick masonry, roof;
- Compressor hall with an area of 396 sqm, built on the foundation of reinforced concrete, brick walls, concrete slab, of which 276.5 sq rent;
- Deposit filters - area of 1,144 square meters, built on the foundation of reinforced concrete, reinforced concrete walls, prefabricated roof;
- Administrative building - area 361 sqm, built on the foundation of reinforced concrete, brick masonry, reinforced concrete roof slab;
- Hall with an area of 1,653 square meters, prefabricated foundation pillars of glass type precast concrete beams, brick masonry and glass, the concrete foundation of reinforced concrete roof;



I.2.) Rented buildings :

- Hall area of 717 sqm built on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor;
- Hall - an area of 3,153 sqm, prefabricated foundation pillars of glass type precast concrete beams, brick masonry and glass, the concrete foundation concrete roof;
- Hall - an area of 2,718 sqm, prefabricated foundation pillars of glass type precast concrete beams, brick masonry and glass, the concrete foundation concrete roof; .
- Wiring Hall 2 - area of 479 sqm built on reinforced concrete foundation, brick walls, floor of corrugated sheets;
- Hall with an area of 655 sqm, brick walls, concrete roof;
- Hall with an area of 1,034 sqm, built of prefabricated foundation pillars of glass type precast concrete beams, brick masonry, roof prefabricated concrete.
- Hall with an area of 1,795 sqm, built of prefabricated foundation pillars of glass type precast concrete beams, brick masonry, roof prefabricated concrete.
- Warehouse with an area of 436 sqm, built on the foundation of reinforced concrete, metal pillars, walls and roof from prefabricated panels;
- Warehouse with an area of 743 sqm, built on the foundation of reinforced concrete, metal pillars, walls and roof from prefabricated panels.

II.) WORKING POINT IASI

ASSET 18.

- Fiber house 1 body A - area of 675 square meters built on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor ;

ASSET 19

- Fiber house 1 body B - area of 1,076 square meters built on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor ;

At the work point in Iasi, SC Romcarbon SA does not conduct production activity, but some of these buildings and constructions have been rearranged for renting.

2.2 Some of the company's buildings have a significant age and a wear rate of 15% up to 50%.

These buildings are in the Active Carbon section, and few of them in Filters section, Materials for protection section, PE and PP sections.

2.3 S.C. Romcarbon S.A. Buzau holds property documents over all the tangible assets.

3. SECURITY MARKET

3.1 The Company' shares are traded on the Bucharest Stock Exchange SA, Section Equities, **Standard category**, under the symbol **ROCE**.

In order to ensure transparency in the capital market and a permanent information both for shareholders and potential investors in the Extraordinary General Meeting of Shareholders dated 20.11.2007, the shareholders decided admission to trading of the company on BSE, Equities Section, Category II. At the hearing dated 11.03.2008, National Securities Commission decided, by Decision no. 469 / 11.03.2008, the approval of the Prospectus prepared for admission to trading on the regulated market administered by SC Bucharest Stock Exchange S. A. of the shares issued by SC ROMCARBON S.A.

The main characteristics of the securities issued by the company: 264,122,096 shares, dematerialized, with a nominal value of 0.1 lei.

3.2 The total amount of dividends due in the last 3 financial years:

2019 - 0 lei

2020 - 2,641,220.96 lei

2021 - according to the GSM from 28/29.04.2022

3.3 The Company has not undertaken activities to acquire own shares.

3.4 If company has branches, specifying the number and nominal value of shares issued by the parent company owned subsidiaries.

Not applicable.

3.5 S.C. Romcarbon SA did not issue bonds or other debt securities in 2021.

4. THE MANAGEMENT OF THE COMPANY

4.1. DIRECTORS

a) The Board of Directors in 2021:

Huang Liang Neng – Chairman of the Board, appointed on Ordinary General Meeting of Shareholders decision of SC ROMCARBON SA dated 23.01.2020 for a mandate of 4 years, expiring on 04.02.2024, 51 years old;

Wang Yi Hao – Deputy chairman of the Board , appointed on Ordinary General Meeting of Shareholders decision of SC ROMCARBON SA dated 23.01.2020. **The mandate ended on 29/11/2021.**

Wey Jiann-Shyang - Deputy chairman of the Board , appointed on Ordinary General Meeting of Shareholders decision of SC ROMCARBON SA dated **29.11.2021** for a mandate which will expire on 04.02.2024, 59 years old;

Toderita Stefan Alexandru – Member of the Board , appointed on Ordinary General Meeting of Shareholders decision of SC ROMCARBON SA dated 23.01.2020 for a mandate of 4 years, expiring on 04.02.2024, 27 years old;

b) Not applicable.

c) Participation of administrators to share capital of SC Romcarbon SA, at the reference date 31.12.2021:

Huang Liang Neng- 0 shares

Wang Yi Hao - 0 shares

Toderita Stefan Alexandru – 30,600,000 shares (11.59%)

d) Company' s affiliates as per 31.12.2021:

d.1. Legal entities in which SC Romcarbon S.A. owned, on 31.12.2021, directly, at least 25% holdings :

Company	Total number of shares	Nominal Value (lei)	Social capital (lei)	No. of shares held	Investment value	Interest quota (%)
RECYPLAT LTD CIPRU	26,000	4.3521	113,154	26,000	20,261,120	100.0000%
RC ENERGO INSTALL SRL	200	10	2,000	200	15,112	100.0000%
INFO TECH SOLUTIONS SRL	200	10	2,000	199	1,990	99.5000%
LIVINGJUMBO INDUSTRY SA	1,400	4,032	5,644,800	1,398	6,477,632	99.8571%
GRINFILD LLC UCRAINA					2,687,755	62.6200%
YENKI SRL	32,800	10	328,000	10,934	100,000	33.3354%
ECO PACK MANAGEMENT SA	144,600	10	1,446,000	36,670	586,625	25.3596%

d.2. Legal entities who have in SC ROMCARBON S.A. a direct holdings of at least 25% - SC LIVING PLASTIC INDUSTRY S.R.L.- 32.8540%.

4.2. Executive members

In 2021, the management of the company was exercised by the following persons:

a.1) Limited period (mandate):

Huang Liang Neng- Chief Executive Officer (17.02.2020- 17.02.2024)

a.2) Unlimited period:

Manaila Carmen – Deputy General Manager for Administrative operations starting with 17.02.2020;

Dobrota Cristinel – Deputy General Manager for Development starting with 17.02.2020;

Cretu Victor- Manager of the Profit Centers no.6 – Polypropylene products starting with 17.02.2020;

Pindaru Marina Alina - Manager of the Profit Centers no.3 – Polyethylene products starting with 17.02.2020;

Ungureanu Ion - Manager of the Profit Centers no. 5– Polystyrene products starting with 17.02.2020;

Constantinescu Gabriel - Manager of the Profit Centers no.1 si 2 – Auto and Industrial filters and Individual protective equipments starting with 17.02.2020;

Titi Mihai - Technical Manager since 21.01.2019;

Zainescu Viorica Ioana - CFO starting on 15.01.2010

For more details regarding the directors and managers please access the following link :

<https://www.romcarbon.com/about-romcarbon/#Corporate-governance>

b) Not applicable.

c) Not applicable.

4.3. There were not any litigations or administrative proceedings to be involved the management members (administrators) or senior executives or persons listed in pct.4.1 and 4.2.

5. FINANCIAL STATEMENTS OF THE COMPANY

Attachments:

-Separate financial statements for the year ended on 31.12.2021 prepared in accordance with Accounting Act no. 82/1991, republished, Order no. 2844/2016 as subsequently amended, O.M.F.P. no. 881/2012 on the application by the companies whose securities are admitted to trading on a regulated market of International Financial Reporting Standards - standards adopted under the procedure provided for in art. 6 para. (2) of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The company will issue for the year 2021 consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") (Including: Independent-auditor Report of Deloitte Audit SRL -, Income and expenses statement, Statement of comprehensive income, Statement of financial position, Statement of changes in equity, Cash flow statement, Notes to financial statements, the Administrators Financial Report attached to the financial situations;

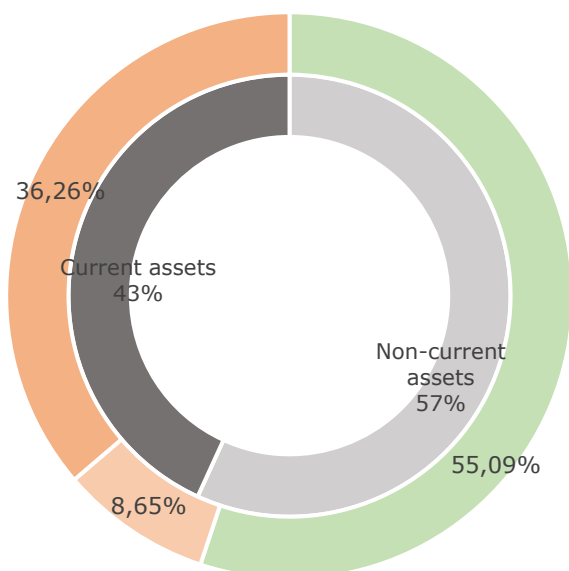
- The decision of the Ordinary General Meeting of Shareholders dated 28/29.04.2021, which approved the 2021 financial statements;

- Declaration of the management company of the conformity of the accounting statements.

5.1 STATEMENT OF THE FINANCIAL POSITION

Indicator	31.12.2019	31.12.2020	31.12.2021	31.12.2021 vs. 31.12.2020		
Property, plant and equipment	122,648,084	113,644,666	106,567,874	-7,076,792	▼	-6.23%
Investment property	13,432,444	11,885,346	10,894,586	-990,760	▼	-8.34%
Intangible assets other than goodwill	314,136	302,737	294,483	-8,254	▼	-2.73%
Investments in subsidiaries, joint ventures and associates	27,085,581	27,085,181	20,607,559	-6,477,622	▼	-23.92%
Total non-current assets	163,480,245	152,917,930	138,364,502	-14,553,428	▼	-9.52%
Current inventories	25,346,355	22,285,771	27,647,515	5,361,744	▲	24.06%
Trade and other current receivables	45,865,813	36,839,898	57,463,153	20,623,255	▲	55.98%
Other current financial assets	335,912	570,774	1,265,317	694,543	▲	121.68%
Other current non-financial assets	1,249,969	1,080,363	2,187,278	1,106,915	▲	102.46%
Cash and cash equivalents	5,549,445	17,588,598	12,798,377	-4,790,221	▼	-27.23%
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	4,367,166	70,845	3,760,155	3,689,310	▲	5207.59%
Total current assets	82,714,661	78,436,251	105,121,795	26,685,544	▲	34.02%
Total assets	246,194,905	231,354,181	243,486,297	12,132,116	▲	5.24%
Issued capital	26,412,210	26,412,210	26,412,210	0	▲	0.00%
Share premium	2,182,283	2,182,283	2,182,283	0	▼	0.00%
Other reserves	58,845,305	59,466,597	58,542,209	-924,388	▼	-1.55%
Retained earnings	49,614,454	50,151,453	47,008,179	-3,143,274	▼	-6.27%
Total Equity	137,054,252	138,212,543	134,144,881	-4,067,662	▼	-2.94%
Other non – current provisions	-	200,000	400,000	200,000	▲	100.00%
Deferred tax liabilities	8,368,626	7,857,468	8,012,574	155,106	▲	1.97%
Other non-current financial liabilities	12,705,852	6,420,472	4,017,590	-2,402,882	▼	-37.43%
Other non-current non-financial liabilities	13,138,559	10,879,379	8,619,928	-2,259,451	▼	-20.77%
Total non-current liabilities	34,213,037	25,357,319	21,050,092	-4,307,227	▼	-16.99%
Trade and other payables	23,643,049	26,129,532	37,161,910	11,032,378	▲	42.22%
Other current financial liabilities	46,071,939	37,277,228	46,860,194	9,582,966	▲	25.71%
Other current non-financial liabilities	5,212,628	4,377,559	4,269,220	-108,339	▼	-2.47%
Total current liabilities	74,927,616	67,784,319	88,291,324	20,507,005	▲	30.25%
Total liabilities	109,140,653	93,141,638	109,341,416	16,199,778	▲	17.39%
Total equity and liabilities	246,194,905	231,354,181	243,486,297	12,132,116	▲	5.24%

STRUCTURE OF THE STATEMENT OF THE FINANCIAL POSITION AS AT 31.12.2021



Current liabilities: 88,291,324 lei | 36%

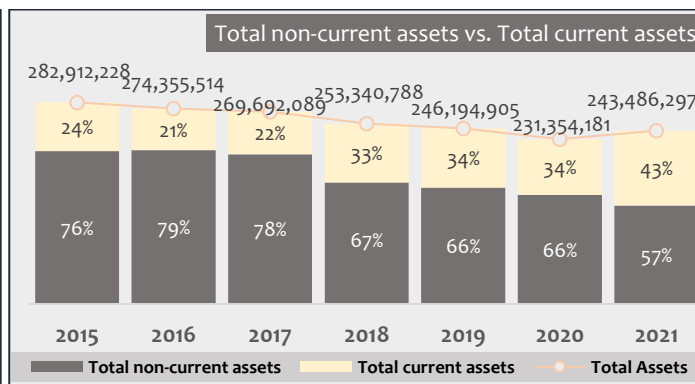
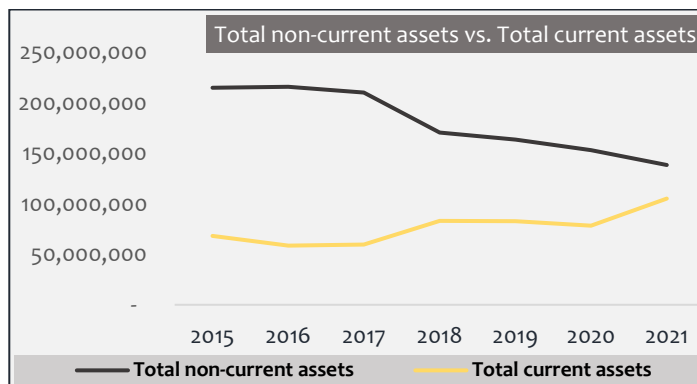
Non-current liabilities: 21,050,092 lei | 9%

Equity: 134,144,881 lei | 55%

Non-current assets: 138,364,502 lei | 57%

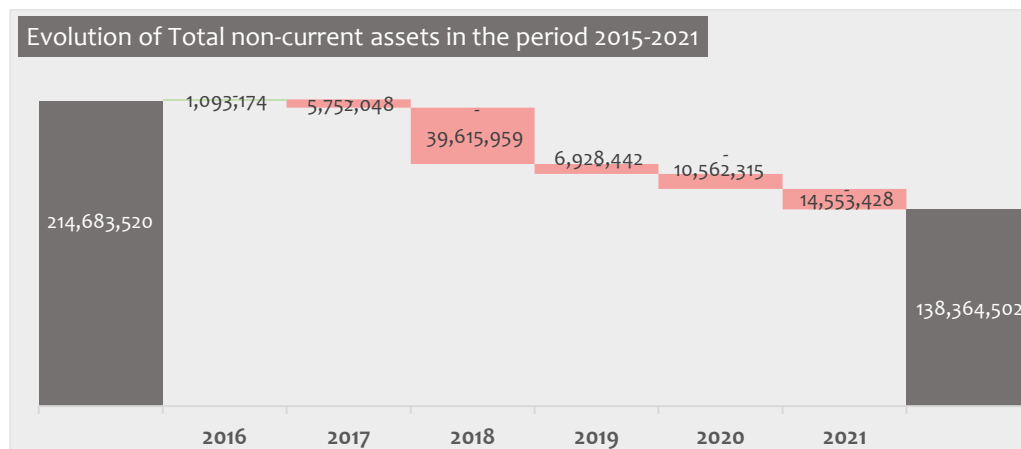
Current assets: 105,121,795 lei | 43%

ASSETS



NON-CURRENT ASSETS

As at 31.12.2021, **Non-currents assets** hold 56.83% of the company's assets, recording a decrease of - Lei 14,553,428, i.e. 9.52 %, as compared with the beginning of the year



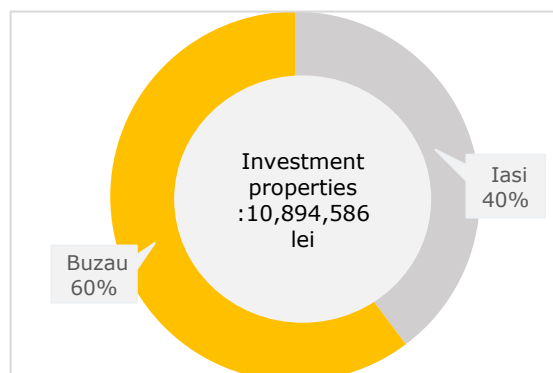
Non-current assets (NCA)	31.12.2021	% in total NCA	% in total Assets	2021 vs. 2020
Property, plant and equipment	106,567,874	77.02%	43.77%	-6.23%
Investment property	10,894,586	7.87%	4.47%	-8.34%
Intangible assets other than goodwill	294,483	0.21%	0.12%	-2.73%
Investments in subsidiaries, joint ventures and associates	20,607,559	14.89%	8.46%	-23.92%
Total active pe termen lung	138,364,502	100.00%	56.83%	-9.52%

In the reporting period the entries of Non-current assets (except the investments in progress) are presented in the following table:

· Buildings (including re-arrangements and improvement)	:	931,219 lei
· Equipment and installations	:	1,537,667 lei

The non-current assets entries in 2021 had the following destinations: CP7-Compounds : Lei 1,250,354; Administrative and others: Lei 1,218,532.

The Investment property (land & plants) have the following geographical distribution:



On December 31, 2021, the Company revalued the investment property held at the end of the financial year, resulting in an increase in the net value of 1,377,918 lei, the amount was recorded as a result of the year.

The outflows of Property, plant and equipment in 2021 at the registration price were of Lei 1,264,987 representing: Lei 652,564 sales, Lei 600,397 cassations/dismantle and Lei 82,706 reclassification in Investment property.

Outflows of investment property

In July 2021 was sold a land having a total surface of 11,525 sq m, located in built-up area of Buzau, for which it was cashed the price of Lei 1,853,603 (equivalent of Eur 376,176).

In November 2021 was sold a land having a total surface of 2,266 sq m, located in Iasi, Calea Chisinaului no. 29, for which it was cashed the price of Lei 1,009,014 (equivalent of Eur 203,940).

Financial Investments hold 8.46% of Total Assets, and 14.89% of Non-current assets.

As at 31.12.2021, S.C. ROMCARBON S.A. held shares in other companies totalizing Lei 30,339,197, as follows:

Company	Total no. of shares	Nominal value (lei)	Capital (lei)	Capital held (lei)	No. of shares held	Acquisition value of the shares (lei)	Participation quota (%)
RECYPLAT LTD CIPRU	26,000	4,3521	113,154	113,154	26,000	20,261,120	100.00%
RC ENERGO INSTALL SRL	200	10	2,000	2,000	200	15,112	100.00%
INFO TECH SOLUTIONS SRL	200	10	2,000	1,980	199	1,990	99.50%
LIVINGJUMBO INDUSTRY SA	1,400	4,032	5,644,800	5,636,736	1,398	6,477,632	99.8571%
GRINFILD LLC UCRAINA						2,687,755	62.62%
YENKI SRL	32,800	10	328,000	109,340	10,934	100,000	33.34%
ECO PACK MANAGEMENT SA	144,600	10	1,446,000	366,700	36,670	586,625	25.36%
KANG YANG BIOTECHNOLOGY CO.LTD	2,889,993			0	139,000	203,963	1.95%
REGISTRUL MIORITA SA	10,500	10	105,000	3,980	398	5,000	3.79%
TOTAL						30,339,197	

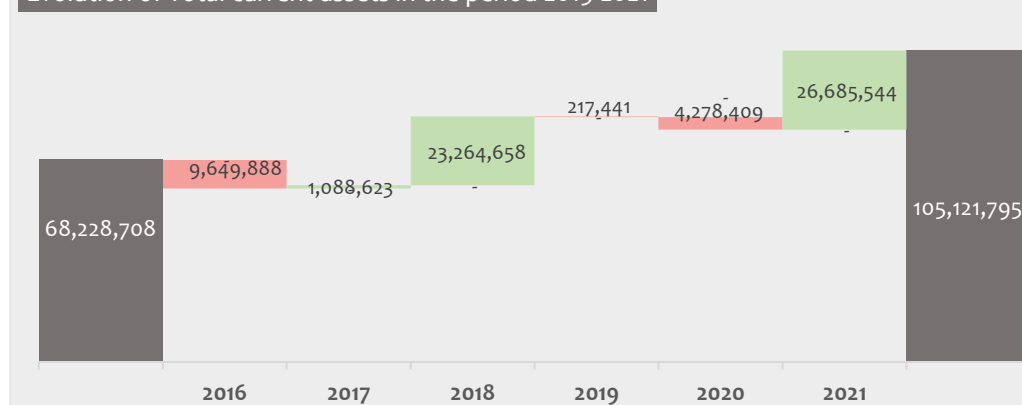
The impairment of financial investments are presented in the following table:

Company	Holdings (%)	Adjustments
GRINFILD LLC UCRAINA	62.62%	2,687,755
YENKI SRL	33.34%	11,989
ECO PACK MANAGEMENT SA	25.36%	554,262
LIVINGJUMBO INDUSTRY SA	99.86%	6,477,632
Total		9,731,638

CURRENT-ASSETS

As at 31.12.2021, **Current assets** hold 43.17% of total assets recording an increase of Lei 26,685,544, i.e. 34.02% as compared with the beginning of the year.

Evolution of Total current assets in the period 2015-2021



Current assets (CA)	31.12.2021	% in total CA	% in Total Assets	2021 vs. 2020
Current inventories	27,647,514	26.30%	11.36%	24.06%
Trade and other current receivables	57,463,153	54.66%	23.60%	55.98%
Other current financial assets ¹	1,265,317	1.20%	0.52%	121.68%
Other current non-financial assets	2,187,278	2.08%	0.90%	102.46%
Cash and cash equivalents	12,798,377	12.17%	5.26%	-27.23%
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners ²	3,760,155	3.58%	1.54%	5207.59%
Total current assets	105,121,795	100.00%	43.17%	34.02%

¹ Loan granted to affiliates

Company	Value of the contract	Balance as at 31.12.2021	Interest	Total	Tenor
RC Energo Install SRL	1,231,700 lei	1,231,700 lei	33,617 lei	1,265,317 lei	03/06/2022
Total	1,231,700 lei	1,231,700 lei	33,617 lei	1,265,317 lei	

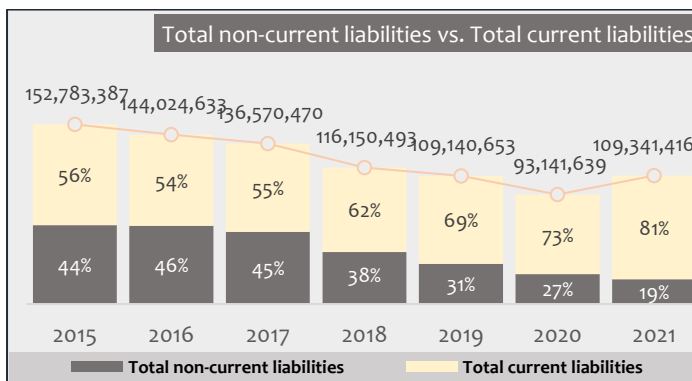
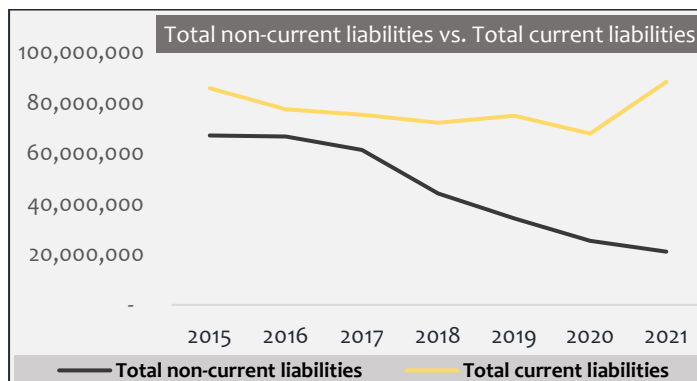
In June 2021, the loan granted in 2019 to the subsidiary RC Energo Install SRL with a maximum ceiling of EUR 250,000 was converted into lei and its maturity was extended by 12 months.

² Non-current assets classified as held for sale

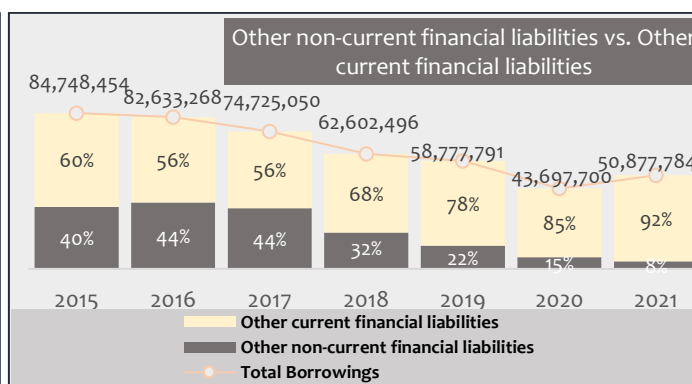
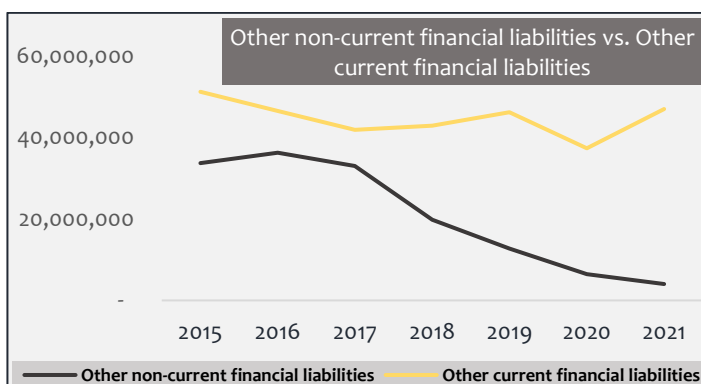
In December 2021, it was purchased a building located in the vicinity of Romcarbon SA having a total area of 3,723 sq.m., land together with the three buildings erected on it for a total price of Lei 3,164,050, equivalent to Eur 639,370. From the acquired building, the surface of 3,450 sqm together with a land with an area of 3,957 sqm from the company's patrimony will be the object of the sale-purchase transaction with LIDL Romania, which will materialize in 2022, this building being classified as fixed assets held for sale.

LIABILITIES

Total Liabilities hold 44.91% of the company's Equity&Liabilities recording an increase of Lei 16,199,778, i.e. 17.39% as compared with the beginning of the year.



BORROWINGS



As at 31.12.2021 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Type	Balance as at 31.12.2021		< 1 Year	>1 Year
	in euro	in lei		
Credit lines in euro ³	€ 7,202,309	35,637,747 lei	35,637,747 lei	- lei
Short term credits in euro ⁴	€ 1,058,395	5,237,047 lei	5,237,047 lei	- lei
Investment loans in euro	€ 1,147,226	5,676,587 lei	2,773,983 lei	2,902,604 lei
Total credits in euro	€ 9,407,930	46,551,381 lei	43,648,777 lei	2,902,604 lei
Short term credits in lei ⁴		1,894,696 lei	1,894,696 lei	- lei
Investment loans in lei		2,431,708 lei	1,316,721 lei	1,114,986 lei
Total credits in lei		4,326,404 lei	3,211,417 lei	1,114,986 lei
Total bank exposure		50,877,784 lei	46,860,194 lei	4,017,590 lei

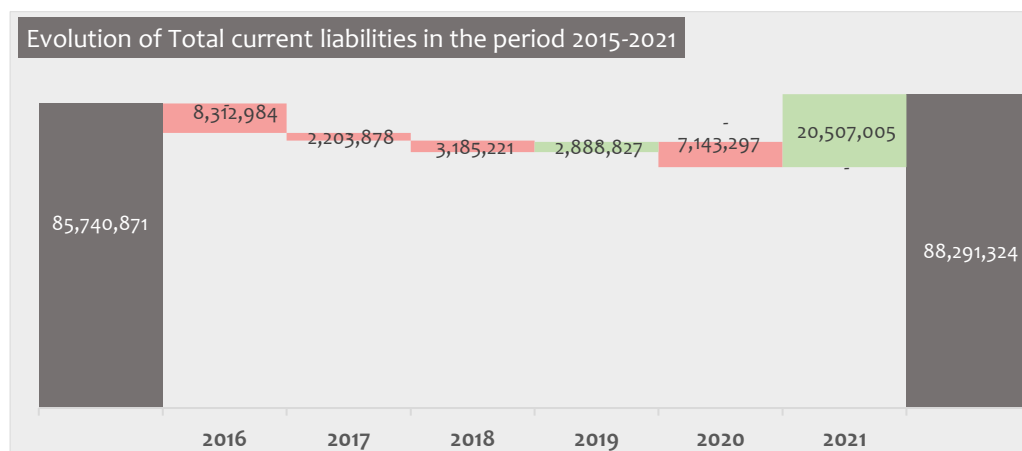
³ In April and May, the credit lines contracted with UniCredit Bank SA (EUR 5,450,000) and EximBank SA (EUR 2,550,000) were extended by 12 months.

⁴ In June 2021, a short-term credit facility was signed with UniCredit Bank SA (maturity 08.12.2021), multi-currency (RON and EUR) with a maximum ceiling of EUR 500,000 for financing the acquisition of raw materials. In June, withdrawals were made in both lei and euro. In November 2021, the balance of the loan from that moment was repaid (1,671,498 lei and 162,060 euros) and a new loan was contracted to finance the acquisition of raw materials, a multi-currency loan (RON and EUR), with a ceiling of EUR 2,000,000 and a tenor 18.11.2022.

Also in June 2021, a credit agreement was signed with UniCredit Bank SA in the amount of EUR 1,000,000, multi-currency (RON and EUR), maturing on 08.06.2026, for the co-financing of the investment plan for 2021.

CURRENT LIABILITIES

Current liabilities of the Company, representing 80.75% of the Total Liabilities and 36.26% of Total Equity & Liabilities have increased by Lei 20,507,005 as compared with the beginning of the year, i.e. 30.25%.

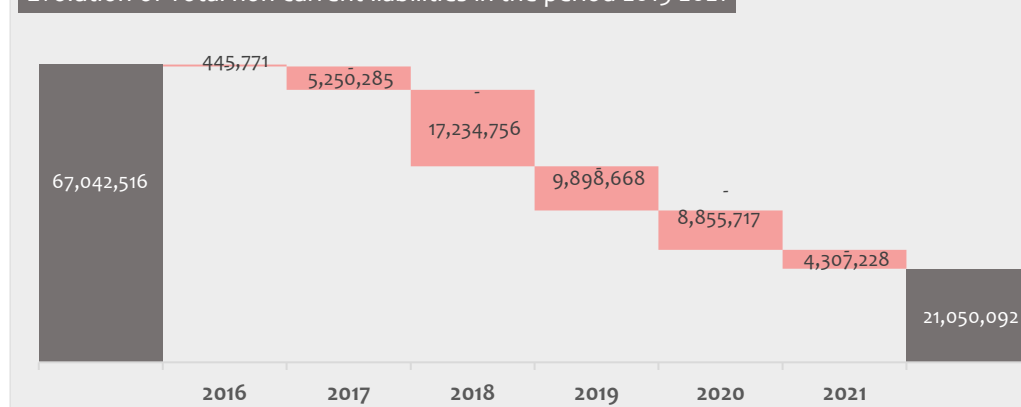


Current liabilities	31.12.2021	% in total liabilities	% in Total current liabilities	% in Total Equity and Liabilities	2021 vs. 2020
Trade and other payables	37,161,910	33.99%	42.09%	15.26%	42.22%
Other current financial liabilities	46,860,194	42.86%	53.07%	19.25%	25.71%
Other current non-financial liabilities	4,269,220	3.90%	4.84%	1.75%	-2.47%
Total	88,291,324	80.75%	100.00%	36.26%	30.25%

NON-CURRENT LIABILITIES

Non-current Liabilities representing 8.65% of the company's Equity & Liabilities recording in the reporting period a decrease of - Lei 4,307,228, i.e. -16.99%, as compared with the beginning of the year.

Evolution of Total non-current liabilities in the period 2015-2021

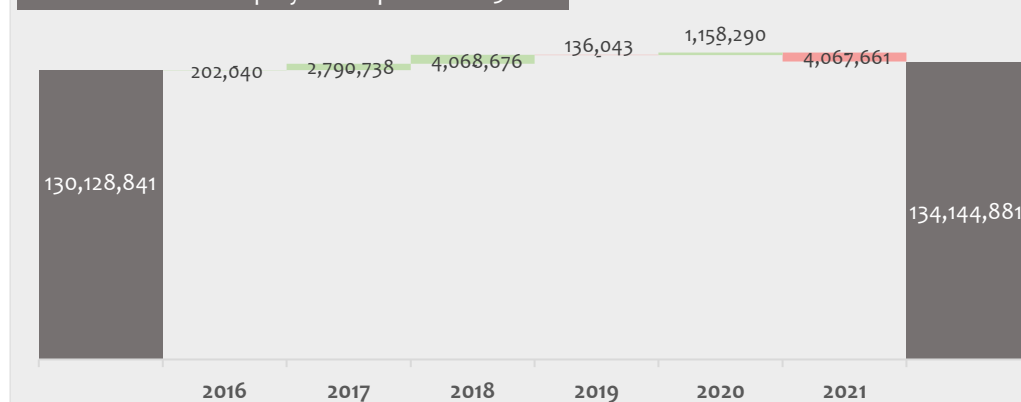


Non-current liabilities	31.12.2021	% in total liabilities	% in Total current liabilities	% in Total Equity and Liabilities	2021 vs. 2020
Other non – current provisions	400,000	0.37%	1.90%	0.16%	100.00%
Deferred tax liabilities	8,012,574	7.33%	38.06%	3.29%	1.97%
Other non-current financial liabilities	4,017,590	3.67%	19.09%	1.65%	-37.43%
Other non-current non-financial liabilities	8,619,928	7.88%	40.95%	3.54%	-20.77%
Total	21,050,092	19.25%	100.00%	8.65%	-16.99%

EQUITY

Total Equity holds **55.10%** of Total Equity & Liabilities, recording in the reporting period a decrease of - Lei 4,067,661 as compared with the beginning of the year.

Evolution of Total Equity in the period 2015-2021



Equity	31.12.2021	% in Total Equity and liabilities
Issued capital (264,122,096 shares at Lei 0.10/share)	26,412,210	10.85%
Share premium	2,182,283	0.90%
Reserves	58,542,209	24.04%
Retained earnings	47,008,179	19.31%
Total equity	134,144,881	55.10%

5.2 STATEMENT OF THE COMPREHENSIVE INCOME

Indicator	12 Months of 2019	12 Months of 2020	12 Months of 2021	2021 vs. 2020	
Revenues (Net sales)	183,857,280	181,146,472	264,737,647	▲	83,591,175 46%
Other Income ⁵	4,140,237	3,967,550	4,459,406	▲	491,856 12%
Increase (decrease) in inventories of finished goods and work in progress	3,560,611	(843,348)	872,217	▲	1,715,565 -203%
Raw materials and consumables used	(123,157,911)	(117,623,988)	(197,945,281)	▲	(80,321,293) 68%
Employee benefits expenses and social charges	(38,593,735)	(37,639,734)	(40,568,395)	▲	(2,928,661) 8%
Depreciation and amortisation expenses	(10,634,489)	(10,202,833)	(9,977,583)	▼	225,250 -2%
Other expenses	(15,482,186)	(15,084,038)	(15,900,695)	▲	(816,657) 5%
Other gains and losses ⁶	(253,283)	(524,439)	1,883,115	▲	2,407,554 -459%
Profit (loss) from operating activities	3,436,523	3,195,643	7,560,431	▲	4,364,788 137%
Finance Income	86,398	105,139	128,719	▲	23,580 22%
Finance Cost	(2,935,382)	(2,303,519)	(1,769,889)	▼	533,630 -23%
Gain/loss from the impairment of financial investment	-	110,138	(6,477,632)	▲	(6,587,770)
Profit (loss) before tax	587,539	1,107,401	(558,371)	▼	(1,665,772) -150%
Income Tax	(217,442)	(238,297)	(889,087)	▲	- 650,790 273%
Profit (loss) of the year	370,097	869,104	(1,447,458)	▲	(2,316,562) -267%
Deferred tax adjustment for non-deductible tax revaluation reserves	74,009	289,186	21,017	▼	(268,169)
Total comprehensive income	444,106	1,158,290	(1,426,441)	▲	(2,584,732) -223%
EBITDA Operational	12,318,776	12,374,754	13,987,048	▲	1,612,294 13%

EBITDA operational is calculated only for operational activity, excluding the depreciation, sales of non-current assets, non-repeating elements and financial activity.

Indicator	2019	2020	2021
Average no. of personnel	874	803	807

⁵ In the item « Other income » are comprised the following items :

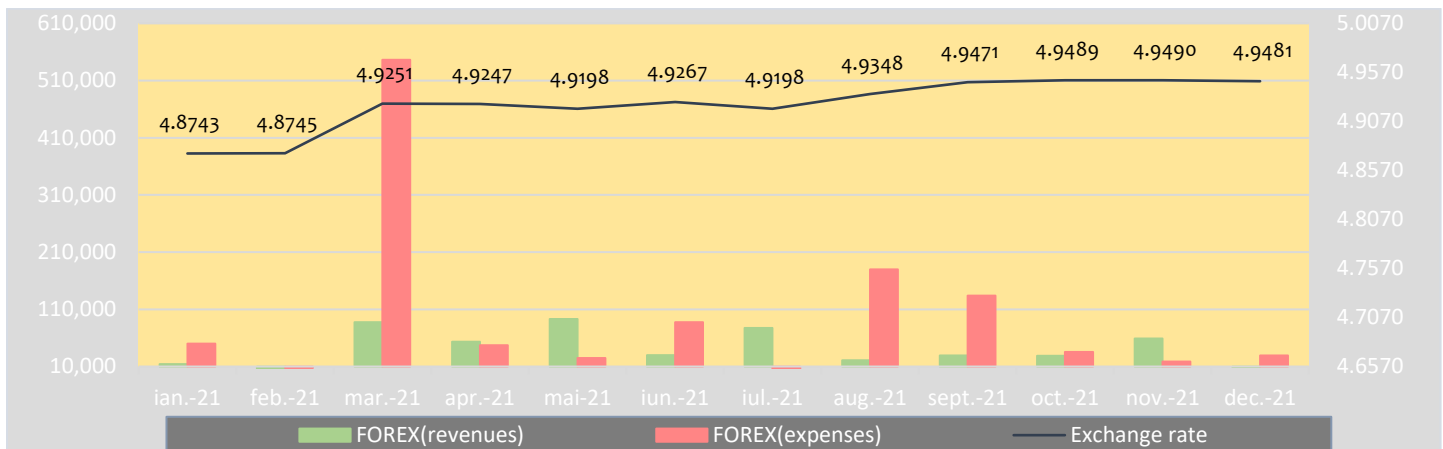
Indicator	12 Months of 2019	12 Months of 2020	12 Months of 2021	2021 vs. 2020	
Rentals	1,375,409	1,280,104	1,643,009	▲	362,905 28%
Income from subsidies for investments	1,709,537	1,697,026	1,694,588	▼	(2,438) 0%
Total	3,084,946	2,977,130	3,337,597	▲	360,467 12%

⁶ In the item « Other gains and losses » are comprised the following items :

Indicator	12 Months of 2019	12 Months of 2020	12 Months of 2021	2021 vs 2020	
Gain/loss on disposal of non-current assets held for sale	256,605	(234,171)	-	▼	234,171 -100%
Gain/ Loss arising on changes in fair value of investment property	(429,524)	(278,663)	1,377,918	▲	1,656,581 -594%
Gain/loss on disposal of investments property	-	(69,662)	411,233	▲	480,895 -690%
Revenues from compensation, fines and penalties	10,395	44,667	8,202	▼	(36,465) -82%
Gain/loss on fixed assets disposal	(223,239)	(46,665)	21,280	▼	67,945 -146%
Other exploitation revenues	140,829	104,545	98,047	▼	(6,498) -6%
Loss from financial investments	-	(110,538)	-	▼	110,538 -100%
Revenues from discounts received	11,065	-	-	—	- n/a
Gains / losses from adjustments for impairment of current assets	(19,414)	(282,705)	(13,642)	▼	269,063 -95%
Revenues from exploitation subsidies for salaries	-	548,753	180,077	▼	(368,676) -67%

Indicator	12 Months of 2019	12 Months of 2020	12 Months of 2021	2021 vs 2020	
Exploitation expenses for risks and expenses	-	(200,000)	(200,000)	—	- 0%
Total	(253,283)	(524,439)	1,883,115	▲ 2,407,554	n/a

In accordance with Order no. 1286/2012 the company bank availabilities, the receivables and the liabilities expressed in a foreign currency are evaluated each month at the closing exchange rate communicated by NBR. From this evaluation in 2021 the company registered revenues in amount of Lei 506,769 and expenses in amount of Lei 1,157,887, resulting a loss of - Lei 651,119



In the same period of last year by re-valuating the company bank availabilities, receivables and liabilities expressed in a foreign currency it was registered a loss of - Lei 918,847.

From PROFIT NET to EBITDA to EBITDA OPERATIONAL

Indicator	A.2019	A.2020	A.2021	A.2021 vs A.2020	
PROFIT NET	370,103	869,105	(1,447,459)	(2,316,565)	-267%
Depreciation and amortisation expenses	10,634,489	10,202,833	9,977,583	(225,249)	-2%
Revenues from subsidies for investments	(2,275,213)	(2,262,431)	(2,259,451)	2,980	0%
Interests expenses	1,472,607	1,159,858	953,055	(206,802)	-18%
Profit tax	217,442	238,297	889,087	650,790	273%
EBITDA	10,419,429	10,207,662	8,112,815	(2,094,847)	-21%
Profi/loss from selling the assets	(33,366)	350,498	(432,513)	(783,011)	-223%
Profit/loss from re-valuating the investment properties	429,524	278,663	(1,377,918)	(1,656,581)	-594%
Other non-current items(Provisions, donations, s.o)	552,858	618,687	715,609	96,922	16%
FOREX gain/loss	1,081,651	948,390	654,633	(293,758)	-31%
Other financial gains/losses	(131,320)	(29,147)	6,314,423	6,343,570	n/a
EBITDA OPERATIONAL	12,318,776	12,374,754	13,987,049	1,612,295	13%

Statement of the comprehensive income by quarters:

Indicator	Q I 2021	Q II 2021	Q III 2021	Q IV 2021	Q I 2021 vs. Q I 2020	Q II 2021 vs. Q II 2020	Q III 2021 vs. Q III 2020	Q IV 2021 vs. Q IV 2020
Revenues (Net sales)	61,224,757	62,068,245	78,115,481	63,329,164	12,975,123	21,002,325	29,689,870	19,923,857
Other Income	1,108,970	1,114,459	1,114,168	1,121,809	137,282	65,591	157,594	131,389
Increase (decrease) in inventories of finished goods and work in progress	1,048,456	1,084,315	(835,698)	(424,856)	80,620	2,204,922	(62,675)	(507,302)
Raw materials and consumables used	(46,048,201)	(43,654,693)	(59,707,639)	(48,534,748)	(13,029,723)	(17,930,613)	(29,041,109)	(20,319,848)
Employee benefits expenses and social charges	(9,929,429)	(10,559,376)	(10,246,416)	(9,833,174)	(27,095)	(1,975,533)	(941,012)	14,979
Depreciation and amortisation expenses	(2,523,464)	(2,475,705)	(2,497,630)	(2,480,784)	29,722	98,087	46,740	50,701
Other expenses	(3,877,206)	(4,010,584)	(4,032,228)	(3,980,677)	(65,149)	(545,245)	(296,104)	89,841
Other gains and losses	86,527	110,447	102,360	1,583,781	300,824	83,958	(428,188)	2,450,960
Profit (loss) from operating activities	1,090,410	3,677,108	2,012,398	780,515	401,604	3,003,492	(874,884)	1,834,576
Finance Income	47,959	25,364	27,735	27,661	41,208	17,376	(6,000)	(29,004)
Finance Cost	(751,703)	(294,422)	(442,445)	(281,319)	79,149	207,693	201,416	45,372
Gain/loss from the impairment of financial investment	-	-	-	(6,477,632)	-	-	-	(6,587,770)
Profit (loss) before tax	386,666	3,408,050	1,597,688	(5,950,775)	521,961	3,228,561	(679,468)	(4,736,826)
Income Tax	(90,418)	(433,321)	(199,098)	(166,250)	(62,895)	(380,709)	121,125	(328,311)
Profit (loss) of the year	296,248	2,974,729	1,398,590	(6,117,025)	459,066	2,847,852	(558,343)	(5,065,137)
Deferred tax adjustment for non-deductible tax revaluation reserves	0	0	0	21,017	-	-	-	(268,169)
Total comprehensive income	296,248	2,974,729	1,398,590	(6,096,008)	459,066	2,847,852	(558,343)	(5,333,307)
EBITDA Operational	3,073,331	5,577,633	3,886,803	1,449,281	124,195	2,930,755	(942,165)	(500,491)

Presentation of the evolution of the key indicators on production sectors– **12 Months**

PLASTIC PROCESSING SECTOR : POLYETHYLENE

Indicator	A,2019	A,2020	B,2021	A,2021	A,2021 vs, A,2020		A,2021 vs B,2021	
Turnover	27,693,424	27,663,389	32,003,549	36,047,057	8,383,667	30%	4,043,508	13%
EBITDA before overhead	-9,426	746,474	1,612,585	3,051	-743,423	-100%	-1,609,533	-100%
Profit before overhead	-910,201	-126,044	720,457	-779,566	-653,522	518%	-1,500,023	-208%

PLASTIC PROCESSING SECTOR : POLYSTYRENE

Indicator	A,2019	A,2020	B,2021	A,2021	A,2021 vs, A,2020		A,2021 vs B,2021	
Turnover	41,047,197	41,113,965	41,291,623	51,040,479	9,926,514	24%	9,748,856	24%
EBITDA before overhead	9,607,393	11,000,107	8,401,653	9,725,267	-1,274,840	-12%	1,323,614	16%
Profit before overhead	7,809,668	9,487,524	6,932,817	8,335,220	-1,152,304	-12%	1,402,403	20%

PLASTIC PROCESSING SECTOR : POLYPROPYLENE

Indicator	A,2019	A,2020	B,2021	A,2021	A,2021 vs, A,2020		A,2021 vs B,2021	
Turnover	36,739,816	34,770,909	36,646,856	42,780,899	8,009,989	23%	6,134,043	17%
EBITDA before overhead	3,185,107	4,618,128	2,710,671	4,719,369	101,242	2%	2,008,698	74%
Profit before overhead	2,844,403	4,305,035	2,378,451	4,394,850	89,816	2%	2,016,400	85%

REGENERATED POLYMERS & COMPOUNDS

Indicator	A,2019	A,2020	B,2021	A,2021	A,2021 vs, A,2020		A,2021 vs B,2021	
Turnover	31,194,070	23,436,682	31,420,267	40,009,626	16,572,945	71%	8,589,359	27%
EBITDA before overhead	5,864,773	2,956,979	7,800,278	5,811,810	2,854,830	97%	-1,988,468	-25%
Profit before overhead	2,212,422	-757,367	3,973,300	1,930,489	2,687,856	-355%	-2,042,811	-51%

OTHER PRODUCTIVE SECTORS : FILTERS, ACTIVE CARBON, PROTECTIVE EQUIPMENT, PVC TRAFFIC BASE SIGNS

Indicator	A,2019	A,2020	B,2021	A,2021	A,2021 vs, A,2020		A,2021 vs B,2021	
Turnover	5,698,286	5,546,725	4,918,485	5,876,115	329,390	6%	957,630	19%
EBITDA before overhead	978,885	1,045,305	128,747	743,723	-301,582	-29%	614,976	478%
Profit before overhead	566,668	719,032	-193,777	429,011	-290,021	-40%	622,788	-321%

Note: In the indicator «Turnover» are included in addition to Sales of finished goods, the sales of commodities, services and other sales of the Production sectors.

5.3 REVENUES (NET SALES)

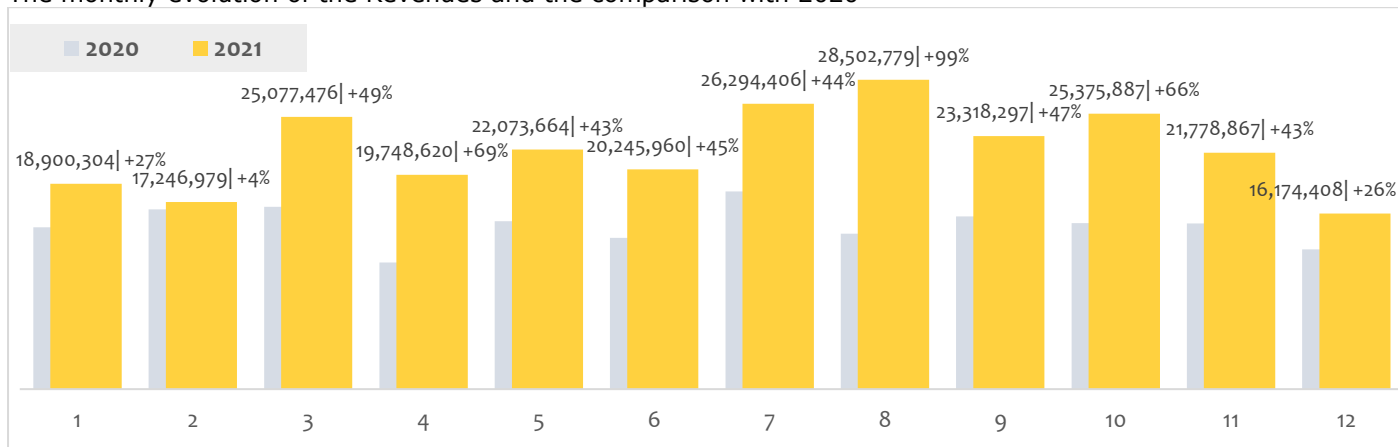
The item "Revenues(Net sales)" had the following evolution:

	12 Months of 2019	12 Months of 2020	12 Months of 2021		2021 vs. 2020	
- Sales of finished goods	139,916,138	129,838,505	169,491,035	▲	39,652,531	31%
- Sales of intermediary goods	18,643	17,409	40,938	▲	23,529	135%
- Services rendered	286,433	320,971	488,677	▲	167,706	52%
- Sales of commodities	38,612,118	45,457,832	89,734,867	▲	44,277,035	97%
- Other sales	5,023,948	5,511,755	4,982,129	▼	(529,626)	-10%
Total	183,857,280	181,146,472	264,737,646	▲	83,591,174	46%

Grouped by segments of activities, the Revenues are presented in the below table:

	12 Months of 2019	12 Months of 2020	12 Months of 2021		2021 vs. 2020	
Plastic processing sector: polyethylene+polystyrene+polypropylene	103,347,659	101,171,875	125,387,823	▲	24,215,948	24%
Regenerated polymers & Compounds	30,961,367	23,154,619	38,271,305	▲	15,116,687	65%
Other production sectors (industrial and automotive filters, active carbon, respiratory protective equipment, PVC traffic base)	5,607,112	5,512,011	5,831,907	▲	319,896	6%
Other activities	43,941,142	51,307,968	95,246,611	▲	43,938,643	86%
Total	183,857,280	181,146,472	264,737,646	▲	83,591,174	46%

The monthly evolution of the Revenues and the comparison with 2020



	12 Months of 2019	12 Months of 2020	12 Months of 2021		2021 vs. 2020	
Net sales	183,857,280	181,146,472	264,737,646	▲	83,591,174	46%
Rental and royalty income	1,865,024	1,705,120	2,199,955	▲	494,836	29%
Turnover, out of which:	185,722,304	182,851,592	266,937,601	▲	84,086,009	46%
~domestic market	138,603,195	143,931,914	216,788,923	▲	72,857,009	51%
~exports	47,119,109	38,919,678	50,148,679	▲	11,229,001	29%

Note: Turnover comprises the item Revenues from Profit and Loss Account, plus Rental and royalty income which is comprised in Other income.

5.4 FINANCIAL RATIOS

Indicator	Formula	31.12.19	31.12.20	31.12.20
EBIT	Gross profit + Expenses with interests	2,060,146	2,267,259	394,684
EBITDA	EBIT + Depreciation-Subsidies for investment	10,419,423	10,207,661	8,112,816
Sales	Revenue + Rental and royalty income	185,722,304	182,851,591	266,937,602
EBITDA to sales ratio	EBITDA/Sales	5.61%	5.58%	3.04%
EBITDA to Equity ratio	EBITDA/Equity	7.60%	7.39%	6.05%
Gross profit margin	Gross profit/Sales	0.32%	0.61%	-0.21%
Current ratio	Current assets/Current liabilities (Current assets - Inventories)/Current liabilities	1.10	1.16	1.19
Quick ratio	Inventories)/Current liabilities	0.77	0.83	0.88
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	25%	18%	16%
Total liabilities to Assets ratio	Total liabilities/Total Assets	44%	40%	45%
Long term capital to Equity	Borrowed capital/Equity	9%	5%	3%
Long term capital to engaged capital	Borrowed capital/Engaged capital	8%	4%	3%
Interest coverage ratio	EBIT/Interest expenses	1.40	1.95	0.41
Account receivable turnover ratio (days)	Average receivables/Sales	79	81	64
Account payable turnover ratio (days)	Average payables/Sales	47	49	43
Non-current assets rotation	Non-current liabilities/Sales	1.14	1.20	1.93
Return on assets (ROA)	Net profit/Assets	0.15%	0.38%	-0.59%
Return on equity (ROE)	Net profit/Equity	0.27%	0.63%	-1.08%
Return on sales (ROS)	Net profit/Sales	0.20%	0.48%	-0.54%

5.5 STATEMENT OF THE CASH-FLOW

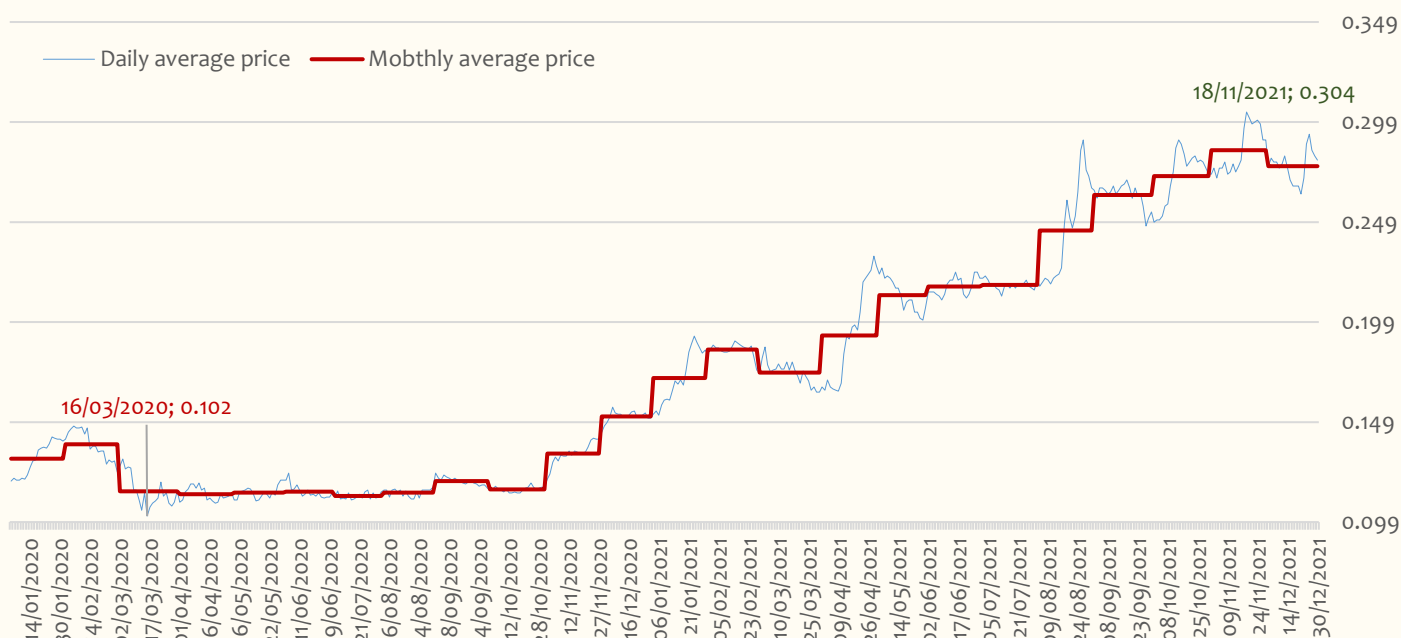
	December 31, 2019	December 31, 2020	December 31, 2021
Cash flows from (used in) operating activities			
Profit (loss)	370.098	869.104	(1.447.458)
Adjustments to reconcile profit (loss)			
Adjustments for income tax expense	217.442	238.297	889.087
Adjustments for finance costs	1.472.607	1.159.858	1.149.746
Adjustments for decrease (increase) in inventories	(4.650.436)	2.774.909	(5.375.385)
Adjustments for decrease (increase) in trade accounts receivable	(10.143.398)	9.791.724	(20.517.280)
Adjustments for decrease (increase) in other operating receivables	(242.057)	64.467	(1.106.915)
Adjustments for increase (decrease) in trade accounts payable	894.017	1.787.618	11.032.378
Adjustments for increase (decrease) in other operating payables	(3.388.970)	431.252	(129.356)
Adjustments for depreciation and amortisation expense	10.634.489	10.202.833	9.977.583
Adjustments for impairment loss (reversal of impairment loss) recognised in profit or loss	-	(110.138)	6.477.632
Adjustments for provisions	-	200.000	200.000
Adjustments for unrealised foreign exchange losses (gains)	600.347	445.797	654.632
Adjustments for gains (losses) on fair value adjustment, investment property	429.524	278.663	(1.377.918)
Adjustments for undistributed profits of associates	-	-	-
Increases /(decreases) in subsidies	(2.275.213)	(2.262.431)	(2.259.451)
Adjustments for losses (gains) on disposal of non-current assets	940.768	376.389	(432.513)
Other adjustments for which cash effects are investing or financing cash flow	(86.264)	5.399	(128.719)

	December 31, 2019	December 31, 2020	December 31, 2021
Other adjustments to reconcile profit (loss)	(244.040)	-	(327.189)
Total adjustments to reconcile profit (loss)	(5.841.184)	25.384.637	(1.273.668)
Net cash flows from (used in) operations			
Dividends paid	-	-	-
Dividends received	-	-	-
Interest paid	(1.472.607)	(1.159.858)	(1.149.747)
Interest received	-	-	-
Income taxes refund (paid)	(491.719)	(830.406)	(712.964)
Other inflows (outflows) of cash	-	-	-
Net cash flows from (used in) operating activities	(7.435.412)	24.263.477	(4.583.837)
Cash flows from (used in) investing activities			
Proceeds from sales of property, plant and equipment	157.638	2.436	525.994
Purchase of property, plant and equipment	(2.189.851)	(1.148.664)	(3.657.008)
Purchase of other long-term assets	-	-	(3.164.051)
Purchase of intangible assets	-	(215.514)	-
Proceeds from sales of other long-term assets	16.186.151	5.253.825	2.862.617
Interest received	86.264	105.139	128.719
Income taxes refund (paid)	-	-	-
Other inflows (outflows) of cash	-	(210.543)	(694.543)
Net cash flows from (used in) investing activities	14.240.202	3.786.679	(3.998.272)
Cash flows from (used in) financing activities			
Proceeds from borrowings	4.778.586	-	12.673.948
Repayments of borrowings	(9.769.474)	(16.011.003)	(6.240.840)
Payments of lease liabilities	-	-	-
Proceeds from government grants	-	-	-
Other inflows (outflows) of cash	1.436.812	-	-
Dividends paid	(1.032.280)	-	(2.641.221)
Net cash flows from (used in) financing activities	(4.586.357)	(16.011.003)	3.791.887
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	2.218.434	12.039.153	(4.790.221)
Effect of exchange rate changes on cash and cash equivalents	-	-	-
Net increase (decrease) in cash and cash equivalents	2.218.434	12.039.153	(4.790.221)
Cash and cash equivalents at beginning of period	3.331.011	5.549.445	17.588.598
Cash and cash equivalents at end of period	5.549.445	17.588.598	12.798.377

5.6 SHAREHOLDERS' STRUCTURE

As at 31.12.2021 the SC Romcarbon SA shareholders' structure, according to Depozitarul Central SA was as follows:

Shareholder	Number of shares	% ownership
LIVING PLASTIC INDUSTRY S.R.L.	86,774,508	32.85%
JOYFUL RIVER LIMITED	54,195,089	20.52%
TODERITA STEFAN ALEXANDRU	30,600,000	11.59%
Other individuals	80,939,317	30.64%
Other legal entities	11,613,182	4.40%
Total	264,122,096	100.00%



Chairman of the Board and General Manager,

Huang Liang Neng

Financial Manager,

ec. Zainescu Viorica Ioana

General Manager for Administrative Operations,

Manaila Carmen

6. CORPORATE GOVERNANCE

I. PREAMBLE

This Company Corporate Governance Chapter summarizes the main rules, structures, procedures and decision-making practices within the company, governance standards that ensure the application of the general principles of administration and efficient control of the company's activities according to its object of activity for shareholders benefit and increase investor confidence. The entire set of corporate governance standards provides the structure by which the company's objectives are set, the means to achieve them and to monitor performance and aims to promote fairness, transparency and accountability at the company level.

"ROMCARBON" S.A. is a Romanian legal entity, which functions as a joint stock company, according to the normative acts in force. It carries out its activity in accordance with the Romanian laws and the incorporation act.

The company was founded in 1952, initially under the name "Fabrica Chimica nr.12". The company is headquartered in Romania, Buzau, Strada Transilvaniei, no. 132, is organized as a joint stock company and is subject to Romanian legislation.

The main field of activity of the company is: 222 - Manufacture of plastic articles and as main activity, according to the coding - 2221 Manufacture of plastic plates, foils, tubes and profiles.

In 2005, the company implemented a modern ERP system for enterprise resource planning (ERP), in order to optimize the decision process.

The investments made by the company aimed at expanding production activities through the acquisition of land, modernization and acquisition of equipment, expansion and introduction of new products in line with current legal regulations (including alignment with European Union rules).

During the meeting of 11.03.2008, the National Securities Commission decided, by decision no. 469/11.03.2008, the approval of the Prospectus drawn up in order to be admitted to trading on the regulated market administered by S.C. BUCHAREST STOCK EXCHANGE S.A. the shares issued by S.C. ROMCARBON S.A.

Thus, **starting with 30.05.2008 and until 05.01.2015**, the shares of S.C. ROMCARBON S.A. were traded on the regulated market administered by the Bucharest Stock Exchange, the Securities Sector, Category II Shares.

Starting with 05.01.2015, the shares of S.C. ROMCARBON S.A. are traded on the regulated market administered by the Bucharest Stock Exchange, the Securities Sector, Standard Category according to the new market segment introduced by the Bucharest Stock Exchange.

Prior to trading on the Bucharest Stock Exchange, the company was listed in Category II of the RASDAQ market.

The main features of the shares issued by S.C. ROMCARBON S.A. are:

- number of shares - 264,122,096

a) nominal value - 0.1 lei

b) ISIN code: ROROCEACNOR1

c) symbol: ROCE

Although newly entered the regulated market of BVB, S.C. ROMCARBON S.A. aims to implement both a profit-oriented policy for shareholders and undertakes a role oriented towards corporate and ethical responsibility, with a significant impact on the environment and implicitly on the community.

In this regard, the leadership of S.C. ROMCARBON S.A. declares that it voluntarily and self-imposed adopts the provisions of the Corporate Governance Code of the Bucharest Stock Exchange, as adopted by the Board of the Bucharest Stock Exchange in December 2007, with subsequent amendments, with the sole purpose of implementing it at the company level, by assuming its own corporate governance policy.

A first step in the implementation of a corporate governance policy was the adoption and implementation by the company of the Corporate Governance Code of the Bucharest Stock Exchange, code available in Romanian and English on Bucharest Stock Exchange website - www.bvb.ro

Implementation of the Code at the level of S.C. ROMCARBON S.A. consisted, first of all, in the adoption by the Board of Directors of the company of the Corporate Governance Regulation, a regulation that can be accessed on the company's website - www.romcarbon.com.

The provisions to which we comply in the elaboration of the present chapter of corporate governance: **Law no. 31/1990** of the commercial companies, republished in 2004, with the subsequent modifications and completions, **Law no. 297/2004** regarding the capital market, **Law no. 24/2017** regarding the issuers of financial instruments and market operations, with the subsequent amendments and completions, the normative acts issued by the A.S.F. for the regulation of the capital market (**Regulation no. 5 of 21/06/2018** regarding the issuers of financial instruments and market operations, Regulation no. 10/2016 regarding the organization and functioning of the Financial Supervisory Authority, etc.) accounting regulations, regulations regarding the activity audit, **Law no. 82/1991** on accounting, republished with subsequent amendments and completions, the Corporate Governance

Code of the Bucharest Stock Exchange adopted by the Board of the Bucharest Stock Exchange in December 2007, the Articles of Association of S.C. ROMCARBON S.A., the Collective Labor Agreement together with the Internal Regulations concluded at the level of the Company and the Code of Ethics hereinafter referred to, generically, as "Legal Provisions".

II. STRUCTURES AND ASPECTS OF CORPORATE GOVERNANCE

2.1. General Meeting of Shareholders

The General Meeting of Shareholders (A.G.A.) comprises all the shareholders and meets in ordinary meetings (**A.G.O.A.**) and in extraordinary meetings (**A.G.E.A.**), each with the competencies established by the legal provisions/the constitutive act of the company.

Convening, organizing and carrying out the works of the A.G.A. is made in strict accordance with the legal provisions, ensuring the presentation of the materials, the recording of the works and the decisions adopted.

2.2. Board of Directors

Currently, the management system of the Company is unitary.

SC ROMCARBON S.A. is administered by the Board of Directors composed of 3 members, elected or appointed by the General Meeting of Shareholders in accordance with the legal provisions, by secret ballot, for a period of 4 years, with the possibility of being re-elected.

The members of the Board of Directors guarantee the efficiency of the capacity to supervise, analyze and evaluate the activity of the directors as well as the fair treatment of the shareholders.

The election of the administrators is made from the persons appointed by the shareholders.

At the appointment of the BoD members, the general meeting followed a balanced composition of the Board of Directors in accordance with the structure and activity of the S.C. ROMCARBON S.A. as well as the personal experience and qualifications of the BoD members.

The Board of Directors meets at the company's headquarters or in other places, monthly and whenever necessary, at the convocation of the President, at the motivated request of at least 2 of its members or at the General Manager request, the President being obliged to follow such request. The Board of Directors is chaired by the President, and in his absence, by the Vice President.

The notices for the meetings of the Board of Directors will be sent, at least 5 days before the date of the meeting, by any means of distance communication (mail, e-mail, fax) to ensure confirmation of receipt, in writing, by the recipient/convened member of the Board of Directors. These convocations will include the date, respectively the location where the meeting of the Board of Directors will be held as well as the agenda, and no decision can be taken on other issues, except in case of emergency and subject to ratification at the next meeting by absent members. In exceptional cases, justified by the urgency of the situation and the interest of the company, the decisions of the board of directors may be taken by unanimous written vote of the members, including by e-mail, without the need for a meeting of that body.

For the validity of the decisions taken, the presence of at least half of the members of the Board of Directors is necessary and the decisions are taken with a simple majority of the members present. In case of parity of votes, the Chairman of the Board of Directors (who is not at the same time the director of the company) will have the decisive vote. If the Chairman of the Board of Directors is unable or disqualified from voting, the other members of the Board of Directors may elect a Chairman of the meeting, having the same rights as the Chairman of the Board. In case of a tie and if the Chairman of the Board does not benefit from a casting vote, the proposal put to the vote shall be deemed rejected.

The meetings of the Board of Directors take place in the presence of the administrators or by correspondence (mail, e-mail, etc.). The meetings can also take place by any means of telecommunications such as videoconferencing or teleconferencing.

The members of the Board of Directors will express their vote on the issues on the agenda during the meeting, as well as by any means of distance communication (mail, e-mail, fax) to ensure confirmation of receipt by the secretary of the vote expressed in writing by the Board of Directors, at the latest until the end of the meeting for which they were convened.

The decision-making process remains a collective responsibility of the members of the C.A. they are held jointly and severally liable for all decisions taken in the exercise of their powers.

The debates of the Board of Directors shall be recorded in the minutes of the meeting which shall be entered in a register. The meetings of the Board of Directors can be audio-video recorded. The minutes of the meeting are signed by the chairman of the meeting and by at least one other administrator.

The Chairman, the members of the Board of Directors, the directors of the company, the executive directors, are individually or jointly and severally liable, as the case may be, to the company, for damages resulting from crimes or deviations from legal provisions, for deviations from the articles of association as well as for mistakes in the management of the company. In such situations, they may be revoked by the decision of the General Meeting of Shareholders, respectively BoD.

At the date of this annual report, the Board of Directors of S.C. ROMCARBON S.A. is composed of the following directors elected at the Ordinary General Meeting of 23.01.2020, for a term of 4 years, which expires on 04.02.2024.

► **Chairman of the Board – HUANG, LIANG – NENG**

***Professional experience**

- Economist - KENG FANG LTD., Taiwan - Nov.1993 -Jun. 1997
- Economist - DECATHLON - Taiwan Branch, Taiwan - Jul. 1997- May 2001
- Associate and administrator of Tairom Import-Export SRL Buzau - Sept. 2001 - Apr. 2004
- Director of Living Plastic Industry SA Buzau: March 2007-present
- Censor at Greentech SA Buzau - Jan.2005 - March.2005 • Administrator of Greentech SA Buzau: Jan 2009 - 2012;
- Sole Administrator of S.C. GREENFIBER INTERNATIONAL SA: Jun. 2005- March.2007;
- Administrator of S.C. GREENFIBER INTERNATIONAL SA: Mart. 2007-2012;
- Financial consultant Livingjumbo Industry SA - 2012-present;

► **Vice-president – WANG, YI – HAO**

***Professional experience**

- Director of the Department of International Commerce Living Water in Spring International Co., Ltd - 2007-2010
- General Manager Living Water in Spring International Co., Ltd - 2010- present
- Member of the Board of Directors of S.C. GREENFIBER INTERNATIONAL SA- 20.09.2010- 28.05.2012
- Member of the Board of Directors of SC GREENTECH SA: 19.11.2010 - 28.05.2012
- Member of the Board of Directors of SC GREENWEEE INTERNATIONAL SA: 01.09.2010 - 28.05.2012

► **Member – TODERITA STEFAN ALEXANDRU**

***Professional experience**

- Consultant, Mastercard Europe 2018 - present
- Associate, Business Consulting at Boston Consulting Group, February 2018 - April 2018
- Consulting the A.T. Kearney, July 2016 - November 2017
- Swiss Capital, broker, October 2012 - March 2015

By Decision no. 1 of 25.11.2021 of the Ordinary General Meeting of Shareholders, the mandate as member of the Board of Directors of Mr.Wang Yi Hao was terminated by agreement of the parties, on 29.11.2021, by the same decision being appointed as a member of the Board of Directors Mr. Wey Jiann Shyang, for a mandate equal as duration to the remaining duration of the mandate of his predecessor, respectively for a mandate valid between 29.11.2021-04.02.2024.

Thus, starting with 29.11.2021, the composition of the Board of Directors of Romcarbon SA is the following:

► **Chairman of the Board – HUANG, LIANG – NENG**

► **Vice-president – WEY JIANN SHYANG**

► **Member – TODERITA STEFAN ALEXANDRU**

The attributions of the Board of Directors are those provided in the Incorporation Act of S.C. ROMCARBON S.A. being in strict accordance with the legal provisions, ensuring the presentation of the materials, the recording of the debates and the decisions adopted.

Nomination and remuneration of administrators

Nomination of ROMCARBON S.A directors is made by the shareholders, the nominations being subject to the approval of the general meeting of shareholders. Candidates for the position of member of the board of directors of the company must meet, in addition to the general conditions provided by Law no. 31/1990 also the special ones established by Law no. 24/2017.

In 2021, the Board of Directors met in 13 meetings, the decisions being taken either by a majority of the votes of those present, or unanimously and with the fulfillment of the legal provisions regarding the convening and quorum for holding, respectively for legally adopting the decisions. The main decisions taken by the board of directors concerned:

- Approval of the negotiation and conclusion of a new Collective Labor Agreement for the period 2021-2023 applicable at the level of S.C. ROMCARBON S.A. (Decision no.1/11.01.2021).
- Approval for granting starting with January 1, 2021 of the minimum gross salary in the country guaranteed in payment, amounting to 2,300 lei, for a normal work schedule, on average 169.33 hours per month, to the company's employees, to whom by law it applies the provisions of the Government Decision no.4/13.01.2021 and a gross monthly increase between 70 lei and 75 lei, applied to the salaries corresponding to the full-time monthly work schedule, for employees in the production sector, other than those impacted by Government Decision no.4/2021. (Decsion no.2/26.01.2021).
- Approval of the reorganization of the Transport compartment within ROMCARBON S.A. organized under the coordination of the Deputy General Administrative Director.(Decision no.3/26.02.2021)

- Approval for convening of the Ordinary General Meeting of Shareholders and of the Extraordinary General Meeting of Shareholders of S.C. ROMCARBON S.A. on 28.04.2021, at 12.00, respectively 12.30, at the company's headquarters in Buzau, 132 Transilvaniei Street.(Decision no.4/22.03.2021)
- Approval of the draft budget of revenues and expenditures of the company for 2021.(Decision no.4/22.03.2021)
- Approval of the Board of Directors proposal to the A.G.E.A. on the bank exposure of the company for the financial year 2021-2022.(Decision no.4/22.03.2021)
- Approval of the Board of Directors proposal to the A.G.E.A. on the company's investment plan for the financial year 2021-2022.(Decsion no.4/22.03.2021)
- Approval of the Procedure for distributing the dividends due to the shareholders of ROMCARBON S.A. (ROCE) for the financial year 2020. (Decsion no.5/10.05.2021)
- Approval of the items on the agenda of the Ordinary General Meeting of Shareholders and of the Extraordinary General Meeting of Shareholders of LIVINGJUMBO INDUSTRY S.A. regarding the extension of mandate of the members of the Board of Directors and the consequent updating of the articles of association.(Decision no.5/10.05.2021)
- Approval for Romcarbon SA to conclude an additional act to the buying selling pre-contract concluded with LIDL Romania SCS for updating the terms of the pre-contract.(Decision no.5/10.05.2021)
- Approval of the items on the agenda of the General Meeting of Shareholders of RC Energo Install SRL for the approval of the 12-month extension of the loan agreement concluded with Romcarbon SA as well as of the credit facility contacted from EXIMBANK Romania SA.(Decision no.5/10.05.2021)
- Approval of the items on the agenda of the Ordinary General Meeting of Livingjumbo Industry SA regarding the approval of financial statements related to the financial year 2020. (Decision no.6/24.05.2021)
- Approval of the items on the agenda of the General Meeting of Shareholders of INFOTECH SOLUTIONS S.R.L., regarding the approval of the financial statements related to the financial year 2020. (Decision no.6/24.05.2021)
- Approval of the items on the agenda of the General Meeting of Shareholders of RC ENERGO INSTALL S.R.L., regarding the approval of the financial statements related to the financial year 2020. (Decision no.6/24.05.2021)
- Approval for ROMCARBON S.A. to conclude a contract of sale and purchase with MSD COM SRL for the sale of the company property located in Buzau, str. Valea Buzaului no. 21. (Decision no.6/24.05.2021)
- Approval for ROMCARBON S.A. to contract from Unicredit Bank within 2021 -2022 bank exposure, a financing facility in the amount of 1,000,000 Euro. (Decision no.6/24.05.2021)
- Approval of the items on the agenda of the Ordinary and Extraordinary General Meeting of Shareholders of ECO PACK MANAGEMENT S.A. regarding the approval of the financial statements related to the financial year 2020. (Decision no.6/24.05.2021)
- Approval for Romcarbon SA to access European structural funds by applying to the financing programs within the Large Infrastructure Operational Program 2014-2020, Component 1 - SO 6.2 Reducing energy consumption at the level of industrial consumers. (Decision no.6/24.05.2021)
- Approval of the items on the agenda of the General Meeting of Shareholders YENKI S.R.L. on the approval of the financial statements for the financial year 2020. (Decision no.6/24.06.2021)
- Approval of the items on the agenda of the Ordinary and Extraordinary General Meeting of Shareholders of ECO PACK MANAGEMENT S.A.(Decision no.7/26.07.2021)
- Approval of the items on the agenda of the General Meeting of RECYPLAT LIMITED Shareholders regarding the approval of the financial statements for 2020. (Decision no.7/26.07.2021)
- Approval of the Administrators Report regarding the Individual and Consolidated Financial Statements of ROMCARBON S.A. on 30.06.2021. (Decision no.8/27.08.2021)
- Approval for convening the Ordinary General Meeting of Shareholders of S.C. ROMCARBON S.A. on 25.11.2021, at 12.00, at the company's headquarters in Buzau, 132 Transilvaniei Street, for the election of a new member of the board of directors. (Decision no.9/12.10.2021)
- Approval of the sale to either OFFICE & LOGISTIC S.R.L. (company based in Iasi, J22/13/2018, CIF RO 38653333) as the holder of the preemption right registered in the land book, or to GENERAL TEHNIC S.R.L. (company based in Iasi, J22/575/1996, CIF RO 8357395) as the bidder buyer, the land owned by the company located in Iasi, Calea Chisinaului no.29, Iasi county, with a total area of 2266 m.p. (Decision no.9/12.10.2021)
- Approval for Romcarbon SA to contract from EximBank Banca de Import Export a Romaniei S.A. a short-term loan in the form of a letter of bank guarantee.(Decision no.9/12.10.2021)
- Approval for Romcarbon S.A. to contract from Unicredit Bank S.A. ("Bank") of a short-term loan of EUR 2,000,000, usable in EURO and / or LEI, for the purchase of raw material stocks. (Decision no.10/12.11.2021)
- Approval of the items on the agenda of the General Meeting of Shareholders of RC ENERGO INSTALL S.R.L regarding contracting from EXIMBANK S.A. the Import-Export Bank of Romania of a loan per object amounting to 4,500,000 lei for a period of 18 months. (Decision no.10/12.11.2021)
- Approval of the Administrators Report regarding the Individual and Consolidated Financial Statements of ROMCARBON S.A. on 30.09.2021. (Decision no.10/12.11.2021)
- Approval of the amendment of the Audit Committee acting as an advisory committee to the Board of Directors. (Decision no.11/07.12.2021)

- Approval for Romcarbon S.A. to conclude as a promissory seller with LIDL Romania S.A. as a promissory buyer, Additional Act no. 2 to the buying selling pre-contract concluded by the parties, to update the initial conditions agreed in the buying selling pre-contract. (Decision no.12/14.12.2021)
- Approval that starting with January 1, 2022 to be granted the minimum gross salary per country guaranteed in payment, amounting to 2,550 lei, for a normal work schedule, on average 169.33 hours per month, to the company's employees, to whom the provisions of Government Decision no.1071/04.10.2021 apply and to be granted, starting with January 1, 2022, a gross monthly increase between 50 lei and 770 lei, applied to the salaries corresponding to the full-time monthly work schedule, for employees, other than those impacted by Government Decision no.1071/2021.(Decision no.13/27.12.2021)

Convening of the General Meetings of Shareholders:

OGMS of 28.04.2021, by Board of Directors Decision no.4/22.03.2021 regarding:

- Presentation, discussion and approval of the annual report of the Board of Directors for the fiscal year 2020.
- Presentation and approval of the individual financial statements for the financial year 2020 in accordance with International Financial Reporting Standards (IFRS) based on: Directors' Report and External Financial Auditor's Report for the financial year 2020.
- Presentation of the report of the external financial auditor - Deloitte Audit SRL, member of Deloitte Touche Tohmatsu - on the consolidated financial statements for the financial year 2020.
- Presentation and approval of the consolidated financial statements, for the financial year 2020 in accordance with International Financial Reporting Standards (IFRS) based on: Directors' Report and External Financial Auditor's Report for the financial year 2020.
- Presentation of the report of the external financial auditor - Deloitte Audit SRL, member of Deloitte Touche Tohmatsu - changing situations on the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the fiscal year 2020.
- Approval of the distribution of the net profit recorded in the fiscal year 2020 in the amount of 869,104.44 lei on the following destinations:
 - a) Legal reserves amounting to 43,455 lei;
 - b) Other reserves amounting to 825,649.44 lei, representing fiscal facility regarding the profit tax exemption for the profit reinvested in 2020;
- Approval to distribute as dividends the amount of 2,641,220.96 lei, representing part of the net profit recorded in the financial year 2014, remained undistributed (according to the Ordinary General Meeting of Shareholders Decision of 29.04.2015, pt.6 let.d), and as consequence approval to distribute a gross dividend/share of 0.010 lei/share for total number of 264 122 096 shares, distribution of the dividends following to be made according to the provisions of the law, article of incorporation and under the condition of obtaining consent from the company's creditor banks.
- Presentation and approval of the Annual Report for 2020, prepared in accordance with ASF Regulation No.5/2018 on issuers and operations with securities and the Corporate Governance Code of the Bucharest Stock Exchange.
- Approval to discharge the members of the Board of Directors for the work in fiscal year 2020.
- Approval to contract services for the statutory audit of the company for the financial year 2021.
- Approval of the income and expenses budget for the financial year 2021.
- Approval for Romcarbon Remuneration Policy.
- Approval of 25.05.2021 as "registration date", according to Law 24/2017.
- Approval of 24.05.2021 as "ex-date", according to Law 24/2017.
- Approval of the date of 10.06.2021 as "payment date", according to art.2 paragraph 2 letter h and art.178 paragraph 1 of the A.S.F. nr.5/2018.

EGMS of 28.04.2021, by Board of Directors Decision no.4/22.03.2021 regarding:

- Approval for the banking exposure of Romcarbon SA for the financial years 2021-2022, consisting of: Bank credits in amount of 10,073,720 Euro and 3,415,350 Lei; Bank guarantee letters with a ceiling of RON 500,000 contracted with UniCredit Bank SA and a bank guarantee letter issued by Eximbank SA in amount of RON 15.600; Guarantees given to Livingjumbo Industry SA for the credits contracted with UniCredit Bank (EUR 1,057,200), with Eximbank SA (EUR 2.000.0000) and CEC Bank SA (RON 5,000,000); Guarantees given to RC Energo Install SRL for the credit contracted with Eximbank Romania S.A in amount of RON 1,000,000, according material no.2193/18.03.2021.
- Approval for:
 - the possibility to contract if it is needed a factoring facility with the ceiling of EUR 500,000 for a period of 36 months;
 - prolongation at maturity or, if it is necessary, before maturity, the bank guarantees letter ceiling of RON 500,000 with a period of 36 months

- 12 months extension of the credit line contracted with Eximbank România SA (in amount of EUR 2,550,000) and 13 months extension of the credit line contracted with UniCredit Bank S.A (in amount of EUR 5,450,000) maintaining the afferent guarantees;
- contracting a multicurrency credit for investment in amount of EUR 1,000,000 euro for a period of 60 months;
- contracting a multicurrency credit line in amount of EUR 500,000 for financing raw materials acquisitions for a period of maximum 12 months.
- Empowering the Board of Directors to negotiate and decide, as appropriate, on:
 - modification of the credit conditions of the credits in progress and/or the extension with up to maximum 12 months of the short-term facilities - credit lines;
 - modification and / or setting up new guarantees for existing loans and approving guarantees for new loans that will be contracted within the limits of the approved banking exposure;
 - contracting new loans within the limits of bank exposure and under the conditions of the law, as well as, as the case may be, restructuring existing credits / guarantees / bank exposure, changing the currency or refinancing the existing credits.
- Empowering for the General Director and Financial Director, to sign credit agreements and all additional documents to them, related warranties and all additional acts, leasing and factoring contracts and all additional documents, as well as any other documents required in to view the fulfillment of the AGEA decision to sign credit agreements, addendums thereto related, mortgage deeds and other guarantees, and any other documents necessary for the carrying out of the EGMS' s decision.
- Approval for Romcarbon SA 2021 Investment Plan.
- Approval of 25.05.2021 as "registration date", according to Law 24/2017.
- Approval of 24.05.2021 as "ex-date", according to Law 24/2017.

OGMS of 25.11.2021, by Board of Directors Decision no.9/12.10.2021 regarding:

- To take note of the termination by parties agreement, starting with 29.11.2021, of the mandate of Mr. Wang Yi – Hao, as a member of the Board of Directors of Romcarbon S.A.
- The election starting with 29.11.2021, as a consequence of those mentioned in point 1, of a new member of the Board of Directors of Romcarbon S.A. for a mandate, under the same conditions, valid from 29.11.2021 to 04.02.2024.
- To empowerment the General Manager of the Company, to fulfill either personally or by delegation, all the necessary formalities in order to register with the competent authorities, such as but not limited to the Trade Register Office, those decided by the Ordinary General Assembly Decision, as well as to sign all/any documents, requests, statements, etc.
- Approval of 10.12.2021 as "registration date", according to art. 86 par.1 of Law no.24/2017 on issuers and capital market operations and art.2 par.2 let.f of the A.S.F. Regulation nr.5/2018.
- Approval of 09.12.2021 as "ex-date", according to art.2 par.2 let.l of the A.S.F. Regulation nr.5/2018.

Regarding the observance of the provisions of art. 138² of Law 31/1990 respectively of Principle VI (CGC) respectively of recommendation no. 16 of the Guide for the Implementation of the Corporate Governance Code. We mention that among the directors of the company the condition of independence is met only by Mr. WEY JIANN SHYANG, who is an independent, non-executive director.

Near the Board of Directors of the Company, an Audit Committee was set up, as amended by the decision of the Board of Directors no. 11 of 07.12.2021, consisting of the following directors: WEY JIANN SHYANG and TODERITA STEFAN ALEXANDRU.

Regarding the existence of a **Remuneration Committee**, we mention that the company does not intend to establish such advisory committee, the competence for establishing and application of the remuneration policy in the company belongs exclusively to the General Meeting of Shareholders (pay/fee for the board members) or to the Board of Directors (remuneration of executive management and staff respectively), within legal limitations conferred by the Act of incorporation and companies legislation referring to these bodies.

Currently, directors' remuneration is made in accordance with the Articles of Incorporation and the Decision of the Ordinary General Meeting of Shareholders of 23.01.2020.

2.3. Executive Management

Executive management of ROMCARBON S.A. is provided by the following persons, to whom the company's management duties have been delegated:

- Huang Liang Neng – General Director, starting 17.02.2020
- Manaila Carmen – Deputy General Director for Administration, starting 17.02.2020
- Dobrota Cristinel – Deputy General Director for Development, starting 17.02.2020
- Cretu Victor- Manager Polypropylene Profit Center, starting 17.02.2020
- Constantinescu Gabriel – Manager Filters, IPE and Activated Carbon Profit Center, starting 17.02.2020
- Ungureanu Ion – Manager Expanded polystyrene Profit Center, starting 17.02.2020
- Titi Mihai – Technical Deputy General Director starting 01.06.2010
- Zainescu Viorica Ioana – Financial Director starting 15.01.2010

The management of the company is delegated by the Board of Directors to the General Director, acting independently and being responsible for all measures appropriate to the Company's management, within the scope of the Company's object of activity and respecting the exclusive competencies reserved by the Law or the Incorporation Act, to the Board of Directors or the General Meeting of Shareholders.

In this respect in the relations with third parties, the Company is represented by the Company's General Director under the provisions of art. 143 para. 4 in conjunction with art. 143² paragraph 4 of Law 31/1990 on commercial companies, acting independently within the limits of the mandate received.

The Company's General Director is appointed or revoked by the Board of Directors, which determines his/her attributions, responsibilities and powers, the attributions of representation may be delegated by the Company's General Director to a third party only with the prior written consent of the Board of Directors.

The company's remuneration policy.

Starting with 2021, the company has adopted a remuneration policy that can be consulted at the following link: https://www.romcarbon.com/wp-content/uploads/2021/04/ROCE_Remuneration-policy_EN.pdf

For the year 2021, the company issues, according to the legal provisions, the Remuneration Report of the administrators and directors available at the following link: <https://www.romcarbon.com/remuneration-reports/>

III. CORPORATE RIGHTS OF SHAREHOLDERS

The shareholders of the company are the natural or legal persons who have acquired or will acquire the quality of owner of one or more shares issued by the company and who have registered the acquired right in the Register of shareholders kept by the company designated by contract, under the law S.C. CENTRAL DEPOSITOR S.A.

The acquisition, in any form, of the company's shares, requires on the part of the shareholders the unreserved adherence to all the provisions of the incorporation act in force at the date of acquisition.

SC ROMCARBON S.A. respects the rights of holders of securities and ensures equal treatment for all holders of securities of the same type and class, providing them with all relevant information so that they can exercise all their rights. The holders of the securities must exercise their rights conferred by them in good faith, respecting the rights and legitimate interests of the other holders and the priority interest of the company, otherwise they will be liable for the damages caused.

Each share subscribed and paid for by the shareholders gives them the right to vote in the general meeting of shareholders, the right to vote and to be elected in the company's governing bodies, the right to participate in profit distribution, according to the company's articles of association and of the social asset at the dissolution of the company, as well as other rights provided by the legislation in force.

The rights and obligations related to each share follow it in case of its transfer to the property of another person.

The obligations of the company are guaranteed with its patrimony.

The patrimony of the company cannot be encumbered by any debt or personal obligation of the shareholders.

A creditor of a shareholder may make claims on the part of the company's benefit due to him, only after the general meeting of shareholders will approve the balance sheet and the benefit, as well as the share thereof, which belongs to each shareholder.

Each of shareholders participates in profits and losses in proportion to the share capital owned.

The share capital of the company may be increased by the decision of the Extraordinary General Meeting of Shareholders or, in the cases provided for by the law, by the decision of the Board of Directors, by all means and procedures stipulated by the legal provisions and under the conditions stipulated by the law.

Existing shareholders will have the preemption right, under the law, to acquire new shares in proportion to the share held in the company's share capital at that time. The payment made by the shareholders to the company in exchange for these shares will be made in accordance with the legal provisions and the approval of the General Meeting of Shareholders.

The term of exercising the preemption right is set by the Extraordinary General Meeting of Shareholders approving the capital increase, and can not be less than the term stipulated by the law. If any of the aforementioned shareholders declines or fails for any reason to exercise the preemption right to acquire new shares within the term set by the Extraordinary General Meeting of Shareholders, this right will be passed on to the other shareholders who will be able to exercise within one week from the expiry of the deadline set by the meeting approving the capital increase and proportional to the share held in the share capital at the date of identifying the shareholders to be entitled to the rights established by that meeting.

The General Meeting of Shareholders will be able to decide to re-establish the share capital by issuing new shares.

The Extraordinary General Meeting of Shareholders or the Board of Directors shall decide to reduce the share capital in accordance with the legal provisions by reducing the nominal value of the shares or by reducing the number of shares or by acquiring own shares followed by their cancellation, other cases of reduction of the share capital.

Under no circumstances will the share capital decrease be able to affect in any way the quality of the shareholder and the equality between the shareholders.

Currently, the share capital of ROMCARBON S.A. is of RON 26,412,209.60.

All shareholders of shares issued by ROMCARBON S.A. are treated fairly. All issued shares confer equal rights to holders.

ROMCARBON S.A. facilitates and encourages: participation of shareholders at the General Meetings of Shareholders (G.M.S.), the full exercise of their rights, the dialogue between shareholders and members of the Board and / or management.

General Meeting of Shareholders is Company's governing body that decides on its activity and ensures its economic and commercial policy.

The powers of the General Meeting of Shareholders are those stipulated in the Article of incorporation of ROMCARBON S.A. and it is in strict accordance with the law, ensuring the presentation of materials, recording works and decisions.

The General Meeting is convoked by the Board whenever necessary.

To the General Meeting of Shareholders are entitled to attend and to exercise voting rights the shareholders registered in the Register of Shareholders (released by the company Central Depository SA) at the reference date set at the end of the day. The shareholders can participate in person or by representative and by corespondence. Representation of shareholders can be made by other persons than the shareholders, based on a special power of attorney according to art. 92 par.10 of Law 24/2017.

In case of personal voting individual shareholders and corporate shareholders are entitled to attend the GMS meeting by simply proofing their identity made in the case of individual shareholders with the identity document (identity card, passport, residence permit) and in the case of corporate shareholders with the legal representative identity document (identity card, passport, residence permit). Quality of legal representative is proved by a certificate issued by the Register of Commerce or any equivalent document issued by a competent authority of the State in which corporate shareholders is legally registered, which certifies the quality of legal representative, presented in original or certified copy. Documents certifying the legal representative quality of the corporate shareholder shall be issued not more than 3 months before the GMS Convocation publication date. Documents submitted in a language other than English will be accompanied by a translation made by an authorized translator into Romanian / English.

In case of shareholders voting by representation by power of attorney the shareholders can be represented to GMS meetings by representative who may be another shareholder or a third person. Voting by representation by means of special power of attorney can be expressed by completing and signing the special power of attorney forms provided by the company in 3 copies out of which: a copy will be sent in writing original, at the company registered office, the second copy will be handed to representative, so that it can prove as representative to the request of the technical secretariat of the meeting, the third will remain at the shareholder. The special/general power of attorney will be sent, if special power of attorney in original or in certified copy *Procura speciala/generala va fi transmisa in format fizic, in original in cazul procurii speciale, respectiv in copie conform cu originalul* under the representative's signature, if general power of attorney, so that it is recorded at the company's office reception in due time or by e-mail to office@romcarbon.com (in case of using electronic means, the power of attorney will be sent by electronic signature in compliance with Law no.455 / 2001), until the same date and time. Regardless of the method of transmitting the power of attorney for the GMS should bear clear and written in capital letters "POWER OF ATTORNEY FOR ORDINARY/EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS of(the date of GM convocation)". A shareholder may appoint only one person to represent him in the GMS. A shareholder may appoint by power of attorney one or more alternate representatives to ensure its representation in the GMS if the designated representative is unable to fulfill its mandate. If by power of attorney are designated more alternates representatives the shareholder will determine the order in which they will exercise their mandate. The shareholder may also grant a general power of attorney valid for a period that will not to exceed three years, which empowers the representative to vote on any matter in debate of GMS, including in terms of disposal acts, provided that the power of attorney is given by the shareholder as client to an intermediate as defined in the law of capital or to a lawyer. For identification purposes the special/general power of attorney will be accompanied by the following documents: copy shareholder identification document (identity card, passport, residence permit) and copy of representative identity document for individual shareholders; copie act de identitate reprezentant/mandatar persoana fizica (buletin de identitate, carte de identitate, pasaport, permis de sedere), copy representative/agent identification document lawyer accompanied by lawyers original mandate or if the representative/agent is a legal person copy of the identity document of the legal representative of the legal person representative accompanied by a certificate issued by the Register of Commerce or any equivalent document issued by a competent authority of the State in which reprezentantul / agent legal person is legally registered, presented in original or certified copy. Documents submitted in a language other than English will be accompanied by a translation made by an authorised translator into Romanian / English. When completing the special power of attorney forms shareholders will consider the possibility of completing/amending the agenda, in which case the power of attorney forms will be updated in due time.

Shareholders may not be represented in the General Meeting of Shareholders on the basis of a general power of attorney by a person in a situation of conflict of interest, according to art. 92, paragraph 15 of the Law no.24/2017 regarding issuers of financial instruments and operations market.

When a shareholder is represented by a credit institution providing custody services, it may vote in the general meeting of shareholders on the basis of voting instructions received by electronic means of communication, without the need for a special mandate or general by the shareholder. Custodians vote in the general meeting of shareholders exclusively in accordance with and within the limits of the instructions received from its clients as shareholders at the reference date.

When a shareholder is represented by a credit institution providing custody services, it may vote in the general meeting of shareholders on the basis of voting instructions received by electronic means of communication, without the need for a special mandate or general by the shareholder, according to the provisions of art. 92 paragraph 11 of the Law no. 24/2017.

Shareholders registered in the Register of Shareholders at the reference date can express and transmit their vote on the matters on the agenda of the GMS by correspondence. Voting forms can be obtained at the company - Shareholder Investors Relations Department or can be downloaded from the company's website, both in Romanian and in English. Vote by correspondence forms completed and signed by the shareholder shall be sent in writing, in original at the company headquarters or by e-mail at office@romcarbon.com bearing the electronic signature in compliance with Law no.455/2001, so that it is recorded as received in due time. Regardless of the method of submission of the vote by correspondence it should bear this clearly written in capital letters "VOTING FORM BY CORRESPONDENCE FOR ORDINARY/EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS of(the date of GM convocation)". The form of voting by correspondence will be accompanied by the following documents: copy of identity document in case of individual shareholder; copy of the identity document of the representative/agents certificate issued by the Register of Commerce or equivalent document issued by a competent authority in the State where the shareholder is registered legally certifying the legal representative quality, submitted in original or certified copy, in case of legal persons. Documents certifying the quality of legal representative of the corporate shareholder shall be issued not more than 3 months before the GSM Convocation publication date. Documents submitted in a language other than English will be accompanied by a translation made by an authorized translator in Romanian or English. In case the shareholder who has voted by correspondence or through a representative attend the GMS, the vote expressed by correspondence is canceled. In this situation it will be considered their vote expressed in person or by representative in the meeting.

The correspondence voting form for the GMS vote submitted by a shareholder for which a credit institution provides custody services will be valid without the submission of any additional documents relating to that shareholder if the voting form is drafted in accordance with Law no. 24/2017 and ASF Regulation no.5/2018 and is signed by the respective shareholder. If the person representing the shareholder by personal participation in the general meeting is other than the one who has cast the ballot by correspondence, then for the validity of his vote, he shall present to the assembly a written revocation of the vote by correspondence, signed by the shareholder or the representative who cast the vote correspondence. This is not necessary if the shareholder or his legal representative is present at the general meeting.

One or more shareholders representing, individually or together, at least 5% of the share capital have the right to introduce items on the agenda of the GMS (provided that each such item is accompanied by a justification or a draft decision to be adopted) and to propose draft decisions for items included or to be included on the agenda. Proposals on the draft decision may be submitted in a sealed envelope at the company headquarters in no. 132. Transylvania street, Buzau. Buzau County, or sent by e-mail with electronic signature in compliance with Law no. 455/2001 until the same date and time at office@romcarbon.com with the written statement "MOTION FOR NEW AGENDA ITEMS FOR ORDINARY/EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS of(the date of GM convocation)". Each proposed new item must be accompanied by a justification or a draft decision to be adopted at the GMS. These proposals must be accompanied by copies of identity document in case of individual shareholders; copy of the identity document of the representative / agent certificate issued by the Register of Commerce or equivalent document issued by a competent authority from the state where the shareholder is registered legally certifying the quality of legal representative, presented in original or certified copy, in case of legal persons. Documents certifying the legal representative quality of the corporate shareholder shall be issued not more than 3 months before the GMS Convocation publication date.

Each shareholder is entitled to submit, questions related to items on the agenda in accordance with art.198 of ASF Regulation No.5/2018. Questions can be submitted in writing to the company headquarters or by e-mail with electronic signature in compliance with Law 455/2001 regarding the electronic signature at office@romcarbon.com mentioning the topic "FOR THE ORDINARY/EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS ON (the date of GM convocation)". The questions must be accompanied by a copy of identity document in case of individual shareholder(natural persons); copy of the identity document of the representative/agent, certificate issued by the Register of Commerce or equivalent document issued by a competent authority in the state where the shareholder is registered legally certifying the quality of legal representative, presented in original or

certified copy, in case of legal persons. Documents certifying the legal representative quality of the shareholder legal person shall be issued not more than 3 months before the publication date of the GSM Convocation.

The company will issue an general valid answer to questions with the same content that will be made available on the website of the company in question and answer format.

Information materials, power of attorney forms and draft resolutions relating to the items on the agenda can be found at the company headquarters, every working day, or on the company website (www.romcarbon.com-Section shareholders/General Meeting of Shareholders) starting with 30 days before the General Meeting.

In case of failure to fulfill the conditions stipulated by law and the articles of incorporation for holding the General Meeting of Shareholders on the date and time mentioned in the convocation , the next meeting is convened for a later date approved by the Board of Directors, in the same place with the same agenda and for the same shareholders registered on the same date.

To make available to shareholders relevant information in real-time, ROMCARBON S.A. created on www.romcarbon.com a special section called Shareholders, accessible and constantly updated.

This page is structured to contain all information necessary to shareholders: Board meeting information, the general meetings of shareholders, financial calendar, periodic and current reports, dividends, corporate governance etc.

Also, ROMCARBON S.A. has internal structures specialized for investor relations and relationship with their shareholders at company level being active an Investors Relations Department .

Persons appointed to stay in contact with investors and shareholders will attend periodically training courses.

Regarding ***the relationship with shareholders and investors***, ROMCARBON S.A. is subject to corporate discipline by making suitable ongoing periodic reporting on all major events, including the financial situation, performance, ownership and management. For the purpose of company activity adequacy to the rules and discipline on corporate governance, the company established an Investors Relations Department, to ensure compliance with corporate standards under the Corporate Governance Code of the Bucharest Stock Exchange.

Above mentioned reports are transmitted to the Bucharest Stock Exchange, the Financial Supervisory Authority, published in a national and local newspaper and posted on the Company's website at www.romcarbon.com, shareholders section.

ROMCARBON S.A. develops and disseminates relevant information periodic and continuous, in accordance with International Financial Reporting Standards (IFRS) and other reporting standards or environmental, social and leadership (ESG - Environment, Social and Governance).

Currently, external financial auditor ROMCARBON S.A. is ***DELOITTE AUDIT SRL*** and was based on OGMS Decision from 28.04.2021 respectively for a period of 1 year.

In terms of managing conflict of interest in case of transactions with parties, corporate behavior of board members is: avoid any conflict of interest directly or indirectly with the company or any subsidiary controlled by it, by informing the Board of Directors on conflicts of interest occurred, in which case it will refrain from discussions and voting on such matters.

IV. SOCIAL RESPONSIBILITY

The company's strategy in terms of social responsibility is based on a set of principles that define its relationship with partners - employees, creditors, suppliers, customers, investors (stakeholders)

The management team of ROMCARBON S.A. believes that development is not possible without the contribution of each employee and the company as a whole.

The company aims, through an active policy ***of CSR:***

* ***to support and respect the human rights of its employees in particular.*** In this respect the employees benefit from various specialized programs/professional training and a constant awareness of the evolution of the company (presentation to the representatives of the employees, ie periodic review of the financial statements of the Company). In the framework of their responsibilities, the company took the steps necessary to protect the safety and health of employees, including occupational risk prevention activities and training information, as well as the implementation of labor protection and means of organizing it. (Eg. periodic training, granting production personal protective equipment, workwear, sanitary materials, periodic medical examination, etc.). ROMCARBON SA does not use child labor, do not engage in trafficking and do not in any way encourage these ideas. There are not tolerated under any circumstances corporal punishment or mental pressure, physical or verbal or any form of inhuman treatment .

* ***to support freedom of association.*** The Company respects the legal right of all staff to appoint representatives who negotiate on behalf and for them in regular negotiations collective bargaining agreement at company level. Employee representatives to ensure their protection of the law against all forms of conditioning, constraint or limitation of exercising their functions.

* ***to contribute to the elimination of discrimination in employment jobs, profession, and the wage determination.*** Any direct or indirect discrimination against an employee based on sex, sexual orientation, genetic

characteristics, age, national origin, race, color, ethnicity, religion, social origin, handicap, family status or responsibility, trade union membership or activity is prohibited in the Company.

*** to combat any form of corruption.**

*** to support educational activities.**

***to support various social categories** (deserving young people, sick or disabled people) through humanitarian actions that include sponsorship / mecenation, but also assistance in extreme cases and to help disadvantaged or underprivileged people. Under this active CSR policy, ROMCARBON SA granted material aid in the financial year 2021 amounting to 133.114 lei to its own employees affected by various events with a strong social and human impact (childbirth, deaths of family members , fires, floods, etc.).

*** to support sports activities in Buzau with financial aid;**

In the local community in which it operates, the company assumes an active role by supporting community initiatives through human and financial resources.

*** to address environmental issues in advance and to promote environmental responsibility..**

SC ROMCARBON S.A. cherishes and protects life. Starting with 2018, the company constantly organizes together with Buzau Transfusion Center blood donation campaigns at the company's headquarters. To date, ROMCARBON SA employees have donated over 1,600 units of blood. These campaigns will continue.

In this regard, ROMCARBON S.A. aims to improving the quality of environmental factors and biodiversity conservation by promoting awareness of environmental issues and health.

ROMCARBON S.A. complies with environmental protection legislation pivind, being involved in litigation regarding infringement legislation. Periodically evaluates compliance with laws, regulations and other requirements to which the organization subscribes.

ROMCARBON S.A. has implemented and certified an integrated quality management system certified by SRAC - environment-occupational health and safety standards ISO 9001: 2008; ISO 14001: 2005; OHSAS 18001: 2007

In ROMCARBON S.A. we identify all real and potential environmental aspects, positive and negative environmental aspects, including indirect issues generated by companies operating at company headquarters and affecting environmental performance. The identification of the environmental aspects is based on the systematic analysis of each process / subprocess (including their inputs and outputs) according to the PS 03 "Environmental System" procedure in normal, abnormal (including start and stop) and emergency situations, accidents .

Under normal operating conditions the company's activity **does not cause significant environmental impacts**. Following the identification and evaluation of environmental aspects were developed management programs to improve the environmental performance of the company.

For a better quality of life, S.C. ROMCARBON S.A. has carried out in recent years a series of actions of social responsibility and occasional sponsorships that have been directed to various fields: education, health, social issues, environmental protection, such as: participation in various events / campaigns / contests organized on the occasion of **International Day of the Environment celebrated on June 5 of each year**, under the title: "For a cleaner world!"/"We have one Earth. Let's give it priority!", etc.

Partners of these events are constantly Environmental Protection Agency Buzau, Buzau Prefecture and Municipality of Buzau.

In fact, environmental protection is an absolute priority, because ROMCARBON S.A. supports, in a decisive way, development in Buzau of "industries" which proves more and more that the economy and the environment can survive together without compromise - "Green Industry".

Since 2012 in the Center for profit no. 7 - Compound is pursuing Waste plastics recycling by separating recyclable fractions and milling, extrusion, filtration these separated fractions to obtain composite materials.

Starting 4 September 2014 Romcarbon became a member of the Romanian Association of Sanitation, which became meanwhile Romanian Association for Waste Management - ARMD; as final waste recycler, Romcarbon supports the strands of this entity:

- promoting sustained interests of its members;
- permanent involvement in the drafting of legislation on waste management in Romania;
- active involvement in waste management Association of Romania, through studies and market research;
- initiation of contracts with organizations in order to attract funds and grants, both for members and for the sustainable development of the association's activities;

As a socially responsible company, ROMCARBON SA aims, therefore, not only increase employee, trading partners and its shareholders satisfaction as well as to increase the efficiency of the level of professional competence and human resources, including those available in the community.

7. ANNEX : It is not the case

Chairman of the Board,

Huang Liang Neng

Financial Manager,

ec. Zainescu Viorica Ioana

Deputy General Manager for Administrative operations,

Manaila Carmen

DECLARATION OF COMPLIANCE WITH BSE CODE

Section	Provisions of the Code that must be respected	Comply	Does not comply or partially comply	The reason for non-compliance
Section A – Responsibilities				
A.1.	All companies should have an internal regulation of the Council which includes terms of reference/ responsibilities of the Board and key management of the Company, and which apply, inter alia, the general principles of Section A.		Partially	Articles of Incorporation contains provisions on the terms of reference and responsibilities of the Board of Directors. The Board of Directors will take action for the adoption of a Board regulation.
A.2.	Provisions for managing conflicts of interest should be included in the Board of Directors Regulation. However, the Board members must notify the Board of Directors any conflicts of interest that have arisen or may arise and refrain from participating in discussions (including by default, unless that failure would prevent the formation of quorum) and vote for a decision on the matter that gives rise to this conflict of interest.		Partially	The Articles of Incorporation of the company includes provisions for managing conflicts of interest and how to vot. Provisions for managing conflicts of interest will be included in the Board of Directors Regulation to be adopted.
A.3.	The Board of Directors or the Supervisory Board must consist of at least five members.		NO	Articles of Incorporation provides for a Board of directors comprising of three members according to article 137 paragraph 2 of Law No. 31/1990.
A.4.	The majority of the Board members must have no executive function. At least one member of the Board or the Supervisory Board should be independent in the case of companies in the Standard category.	YES		
A.4.	Each independent member of the Board of the Directors or the Supervisory Board, as appropriate, shall submit a declaration at the time of his nomination for the election or re-election, and when there is any change of status or indicating the elements based on which it is considered that it is independent in terms of its character and judgment.		NO	Regulation of the Board of Directors to be developed and approved will regulate measures to comply with this requirement.
A.5.	Other commitments and professional obligations relatively permanent of a member of the Board of Directors, including non-executive Board members and executive positions of companies and nonprofit institutions, shareholders and potential investors should be disclosed before and during his mandate.	YES		On the company's website are published the board members CV's including information on its member's professional obligations.
A.6.	Any member of the Council must provide information on any relation to a shareholder who directly or indirectly hold shares representing more than 5% of all voting rights. This also applies to any report that may affect limb position on matters decided by the Council.	YES		
A.7.	The company must appoint a secretary of the Board responsible for supporting the Board of Directors activity.	YES		
A.8.			NO	

DECLARATION OF COMPLIANCE WITH BSE CODE

Section	Provisions of the Code that must be respected	Comply	Does not comply or partially comply	The reason for non-compliance
	Corporate governance statement will inform if there was an evaluation of the Board of Directors under the President or the nomination committee and, if so, will summarize the key measures and changes resulting from it. The company must have a policy/guidance on the assessment of the Committee including the scope, criteria and frequency of the evaluation process.			It will be analyzed and implemented, the company will inform in a current report on compliance with this requirement.
A.9.	Corporate governance statement must contain information on the number of meetings of Council and Committees during the past year, participating administrators (in person and in absence) and a report of the Board of Directors and committees on their activities.	YES		
A.10.	Corporate governance statement must include information on the exact number of independent members of the Board of Directors or Supervisory Board.	YES		
A.11.	The Council of Premium Category Companies should establish a nomination committee consisting of people without executive functions, which will lead the nominations procedure for new members in the Council and make recommendations to the Board. Most members of the nomination committee should be independent.			Not the case
Section B - The risk management and internal control system				
B.1.	The board should establish an audit committee in which at least one member must be independent non-executive director. Most members, including the president, must be shown to have appropriate qualifications relevant to the functions and responsibilities of the committee. At least one audit committee member should have accounting or auditing experience proven and appropriate. If companies in the premium category, the audit committee must be composed of at least three members and the majority of audit committee members must be independent.	YES		
B.2.	Chairman of the audit committee must be an independent non-executive member.	YES		
B.3.	Within its responsibilities, the audit committee must conduct an annual assessment of internal control system.	YES		
B.4.	The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of reporting risk management and internal control presented to the Audit Committee of the Board, timeliness and effectiveness of the executive management solves deficiencies or weaknesses identified from control internal and presenting relevant reports to the Board.	YES		

DECLARATION OF COMPLIANCE WITH BSE CODE

Section	Provisions of the Code that must be respected	Comply	Does not comply or partially comply	The reason for non-compliance
B.5.	The Audit Committee shall assess conflicts of interest in connection with transactions of the Company and its subsidiaries with related parties.	YES		
B.6.	The Audit Committee shall assess the effectiveness of internal control system and risk management systems.	YES		
B.7.	The audit committee must monitor the implementation of legal standards and internal audit standards generally accepted. The Audit Committee should receive and evaluate internal audit team reports.	YES		
B.8.	Whenever mention code or analysis reports initiated by the Audit Committee, they must be followed by periodic reports (at least annually) or ad hoc Council to be submitted later.	YES		
B.9.	No shareholder may be given preferential treatment over other shareholders in connection with the transactions and agreements concluded by the company with shareholders and their affiliates.	YES		
B.10.	Council should adopt a policy to ensure that any transaction of the Company with any of the companies with which it has close relationships whose value is equal to or greater than 5% of the net assets of the company (according to the latest financial report) approved Council following a binding opinions by the audit committee of the Board and disclosed correctly shareholders and potential investors, to the extent that such transactions fall within the category of events subject to reporting requirements.	YES		
B.11.	Internal audits must be performed by a separate structural division (internal audit department) within the company or by hiring an independent third party entity.	YES		
B.12.	In order to ensure the fulfillment of the main functions of the internal audit department, he must report functionally to the Council through the audit committee. Administrative purposes and the management obligations to monitor and reduce risks, it must report directly to the Director General.	YES		
Section C1 - Just reward and motivation				

Section	Provisions of the Code that must be respected	Comply	Does not comply or partially comply	The reason for non-compliance
C.1.	<p>The company shall publish on its website the remuneration policy and include a statement in the annual report on the implementation of remuneration policy during the annual period under consideration. Remuneration policy should be formulated so as to allow shareholders understand the principles and arguments underlying remuneration of Board members and the CEO, and the Executive Board in the dual system. It should describe the driving process and making decisions regarding remuneration, detailing components of the remuneration of the executive management (such as salary, annual bonus, long-term incentives linked to shareholder value, benefits in kind, pension and others) and describe purpose, principles and assumptions underlying each component (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should specify the duration of the contract Executive Director and the period of notice stipulated in the contract and any compensation for unjust dismissal. Report on remuneration must submit implementation of the remuneration policy for persons identified in the remuneration policy during the annual period under consideration. Any fundamental change in remuneration policy interventions must be published in due course on the website of the company.</p>	YES		
Section D - adding value to the investor relations				
D.1.	<p>The company must hold an Investor Relations Service -made widely known by the person / persons responsible or organizational unit. In addition to the information required by the law, the company must include on its website a section dedicated to investor relations in Romanian and English, with all relevant information of interest to investors, including.</p>	YES		
D.1.1.	<p>The main corporate regulations: articles of association, the procedures for general meetings of shareholders;</p>	YES		
D.1.2.	<p>Professional CV's of the management members of the Company, other professional commitments of Board members, including non-executive and executive positions on boards of companies or nonprofit institutions;</p>	YES		
D.1.3.	<p>Current reports and periodic reports (quarterly and annual) - at least those provided for in section D.8 - including current reports with detailed information on non-compliance with this Code;</p>	YES		

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Section	Provisions of the Code that must be respected	Comply	Does not comply or partially comply	The reason for non-compliance
D.1.4.	Information on shareholders meetings: agenda and information materials; the election of Board members; arguments supporting the proposals of candidates for election to the Council, together with their professional CVs; Shareholders with questions regarding items on the agenda and the company's response, including decisions adopted;	YES		
D.1.5.	Information on corporate events such as payment of dividends and other distributions to shareholders or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles of such operations. The information will be published within a period to allow investors to take investment decisions;	YES		
D.1.6.	Name and contact details of someone who can provide, upon request, relevant information;	YES		Contact information for investors are posted on the company's website, they will be filled with information about those responsible for investor relations.
D.1.7.	Company presentation (eg., Investor presentations, quarterly results presentations, etc.), financial statements (quarterly, half-yearly, annual) audit reports and annual reports.	YES		
D.2.	The company will have an annual dividend distribution policy or other benefits to shareholders, proposed by the Director General or by the Executive Council and adopted as a set of guidelines that the company intends to follow on the distribution of net profits. Principles policy annual distribution to shareholders will be publicatepe website of the company.	YES		By Decision no.19 / 24.12.2019 the Board of Directors has adopted the dividend policy of ROMCARBON S.A.
D.3.	The company will adopt a policy about predictions, whether they are made public or not. Projections refers to findings quantified studies aimed at determining the overall impact of a number of factors relating to a future period (so called hypotheses) by its nature, this project has a high level of uncertainty, actual results can differ significantly forecasts presented initially. Policy forecasts will determine the frequency, time and content envisaged forecasts. If published projections can only be included in the annual reports, semi-annual or quarterly. Policy forecasts will be published on the website of the company.		NO	Until now the company has not implemented a policy forecasts. It will consider the future implementation of such policies.
D.4.	Rules shareholders' meetings should not limit participation of shareholders at general meetings and exercise their rights. Rule changes will come into force at the earliest, starting with the next meeting of shareholders.	YES		
D.5.	External auditors will be present at the general meeting of shareholders when their reports are presented at these meetings.	YES		

DECLARATION OF COMPLIANCE WITH BSE CODE

Section	Provisions of the Code that must be respected	Comply	Does not comply or partially comply	The reason for non-compliance
D.6.	Council will present the annual general meeting of shareholders a brief assessment of the internal control systems and management of significant risks and opinions on issues subject to the decision of the General Assembly.	YES		
D.7.	Any specialist, consultant, expert or financial analyst may participate in the shareholders meeting under a prior invitation from the Council. Accredited journalists can also attend the general meeting of shareholders, unless the Chairman of the Board decides otherwise requires.	YES		
D.8.	Financial reports quarterly and half will include information both in Romanian and in English on the key factors influencing changes in the level of sales, operating profit, net profit and other financial indicators relevant from both qoq and from year to year.	YES		
D.9.	A company will hold at least two meetings / teleconferences with analysts and investors every year. Information presented on these occasions will be published in the Investor Relations section of the company website on meetings / teleconferences.	YES		On the company's website and through reports that society makes, ensure transparently inform all those interested in its work. The company also responded and respond positively requests from representatives from the specialized press and analysts on the provision of financial information and / or information regarding future development projects designed communication media channels. The Company will inform investors about oragnizarea advance of any meetings / teleconferences with analysts and investors.
D.10.	If a company supports various forms of artistic expression and cultural, sports, educational activities or scientific and considers their impact on the innovative nature and competitiveness of the company are part of the mission and its development strategy, will publish policy on activity in this area.	YES		

**Chairman of the Board and General Manager,
Huang Liang Neng**

**Financial Manager,
ec. Zainescu Viorica Ioana**

**Deputy General Manager for Administrative Operations,
Manaila Carmen**

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