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Q1 2022 RESULTS PRESENTATION ONLINE CONFERENCE

OUR SPEAKERS



**LEON
HUANG**

CHAIRMAN OF THE BOARD
AND GENERAL MANAGER



**CARMEN
MANAILA**

DEPUTY GENERAL
MANAGER FOR
ADMINISTRATIVE
OPERATIONS



**CRISTINEL
DOBROTA**

DEPUTY GENERAL MANAGER
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**ION
UNGUREANU**

PET & EPS DIVISION
MANAGER



**VIDRICA
ZAINESCU**

FINANCIAL MANAGER



**VICTOR
CRETU**

PP SMALL & BIG BAGS
MANAGER

AGENDA



1. Romcarbon Group & activities
2. Key figure of consolidated financial statement
3. Evolution of the business by profit center & Contribution of individual profit center
4. Business focus – PE processing
5. Business focus – Plastic recycle and compound
6. Business focus – PET processing
7. Business focus – PS processing
8. Financial result of Green Group
9. ESG
10. Q&A
11. Legal disclaimer

Romcarbon Group & activities



Plastic processing : PE / PS / PP / PVC

Regenerated Polymer and compounding

Filter and Active carbon

826
employees



Plastic processing : PP / PET / PE

660
employees

**Major
Investment**



Circular economy

1,829
employees



PP woven bags in different sizes for packaging products used in chemical agriculture, food and chemical industry and other application



PE packaging (little bags, bags, pouches by extrusion, printing, welding), general purpose film, foil for greenhouse, thermo foil PLA vegetable & fruit bag for the supermarket Yellow bag for separation collection



Expanded **PS** tray for food industry EPS floor underlayment for construction, home improvement Biodegradable catering tray



Plastic recycle and compound plastic regranulate made of PP / PE / PS / ABS post industry or consume plastic waste Custom made plastic compound

PET tray rigid film and tray for food packaging application 9 layers coextruded multilayer film for top sealing / thermoforming / lamination and other



Filter for different application Protection mask, active carbon PVC base for road sign; PP packaging strap

Q1 key financial figure – 2022 vs 2021

ROMCARBON Standalone Financial Statements

1 SALES
increased + 7,066,974 lei (+12%)

2 EBITDA Operational
increased + 352,510 lei (+11%)

3 NET PROFIT
increased + 754,371 lei (+255%)



GROUP Consolidated Financial Statements

1 SALES
increased + 16,839,901 lei (+23%)

2 EBITDA Operational
increased + 2,670,226 lei (+68%)

3 NET PROFIT (without Green-Group)
increased + 3,025,931 lei ((137,706) lei in Q1 2021)

4 NET PROFIT (include Green-Group)
increased + 3,869,532 lei (+ 255%)

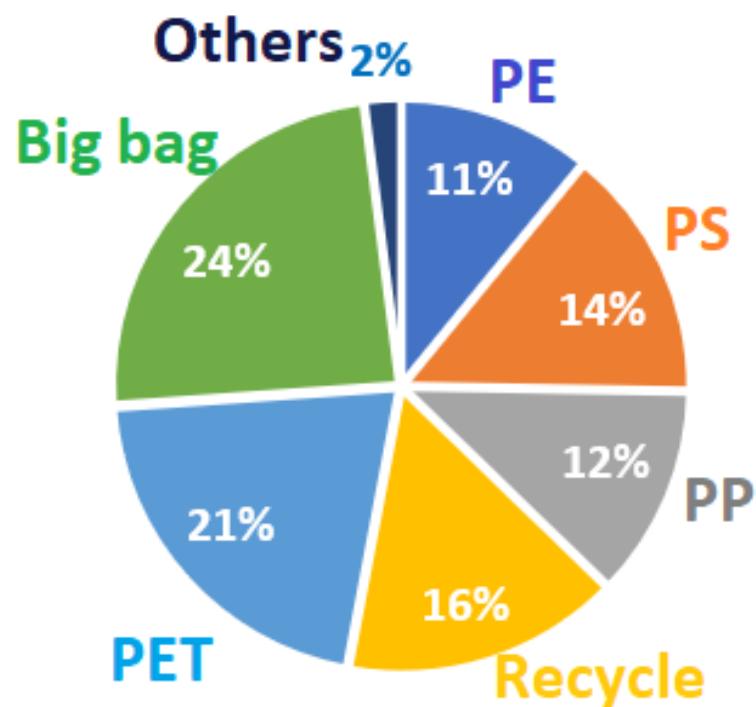
Consolidated financial statement key figure 000 LEI		Q1 2020	Q1 2021	Q1 2022	2022 vs 2021
Income statement	Revenue	65,609	73,075	89,915	16,840
	Other income	1,434	1,840	6,524	4,684
	Share of P/L of associates	-295	740	1,583	843
	EBITDA	3,047	3,963	8,089	4,126
	EBITDA operational	4,316	3,902	6,572	2,670
	Net profit	-446	602	4,472	3,870
	Net profit without Green Group	-151	-138	2,888	3,026
Balance sheet	Non-current assets	195,124	179,382	166,351	-13,031
	Current assets	111,454	115,841	148,329	32,488
	Total assets	306,578	295,223	314,680	19,457
	Total Equity	139,139	140,352	143,438	3,086
	Total liabilities	167,438	154,871	171,242	16,371
	Debt ratio	55%	52%	54%	
	Current liquidity ratio	97%	104%	105%	
Bank credit	Overdraft and short term loan	47,874	48,120	62,969	14,849
	Investment loan	31,794	21,141	12,690	-8,451
	Total bank credit	79,668	69,261	75,660	6,399
	Bank debt service	5,328	3,095	2,748	-347

EVOLUTION OF THE BUSINESS BY ACTIVITIES

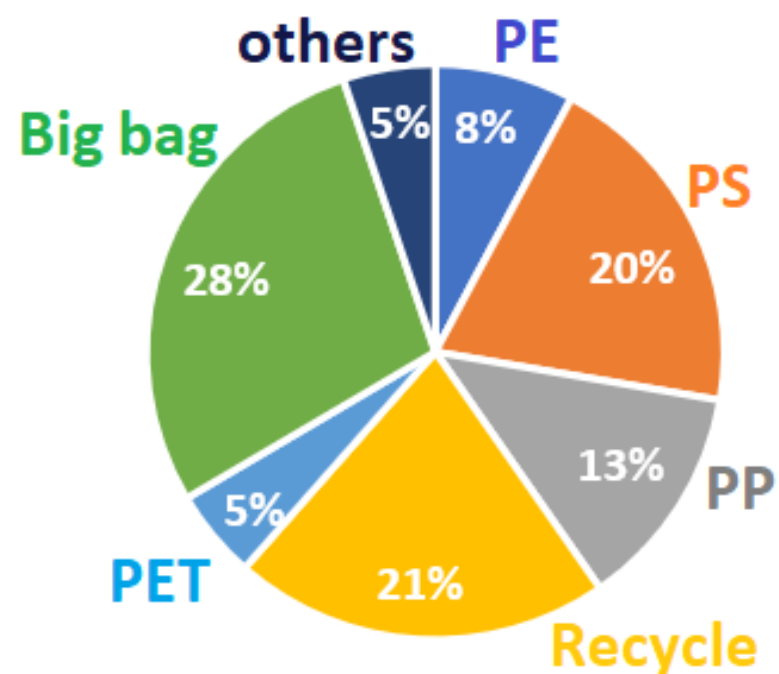
Activity	key figure - 000 LEI	Q1 2020	Q1 2021	Q1 2022	2022 vs. 2021
PE bag, film and bio degradable bag	Turnover	8.316	8.635	9.655	1.020
	EBITDA before overhead	620	60	646	586
	Profit before overhead	399	-142	458	600
PS food package and underlay	Turnover	9.695	10.931	12.768	1.837
	EBITDA before overhead	2.337	2.316	1.481	-835
	Profit before overhead	1.926	1.949	1.165	-784
PP small woven bag	Turnover	8.227	9.641	10.658	1.017
	EBITDA before overhead	1.010	1.142	822	-320
	Profit before overhead	932	1.060	742	-318
Plastic recycle and plastic compound	Turnover	6.976	8.254	13.901	5.647
	EBITDA before overhead	1.225	1.174	2.240	1.066
	Profit before overhead	304	228	1.239	1.011
PET food package and flexible film	Turnover	11.234	12.748	18.575	5.827
	EBITDA before overhead	957	577	938	361
	Profit before overhead	342	-49	295	344

Activity	key figure - 000 LEI	Q1 2020	Q1 2021	Q1 2022	2022 vs. 2021
PP jumbo bag FIBC	Turnover	15.237	16.635	21.384	4.749
	EBITDA before overhead	979	999	1.845	846
	Profit before overhead	693	818	1.660	842
Filter, gas mask and others	Turnover	1.410	1.404	1.786	382
	EBITDA before overhead	179	168	380	212
	Profit before overhead	96	87	303	216

turnover contribution



profit contribution



Business focus – PE processing

Previously, this business sector was facing the challenge of shortage of qualified manpower, low efficiency in production, big wastage from frequent change of products in the production.

Since last year, the management team took the action to restructure the production team, adjust the portfolio of the product, increase production of bio-degradable products (introduced in 2019).

The improvement is first observed in Q4 2021, and now continue in Q1 2022

Indicator '000 lei	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Turnover	8,635	8,517	9,596	9,300	9,655
EBITDA before overhead	60	-142	-289	375	646
Profit before overhead	-142	-339	-484	185	458

The management team will continue the efforts to improve the result. The next action will be to replace some very old equipment's that are high utility consumption and low productivity. By taking this measurement, we can not just reduce the utility, but also labor and maintenance cost.

Also, we would like to further increase the sale of the bio-degradable products.

Business focus – plastic recycle and compound

The main driving force for this business sector are the high price of the virgin material and the global policy for the sustainability. The market demand is very strong.

The main challenge at this moment is the capacity of the production and the quality of the product. Having this in mind, the management team has proposed the investment project of around 1,5 million EUR for this year, aiming to increase production capacity and better the quality.

Taking into the consideration the vulnerability caused by geopolitical instability and by global economical situation, the management team starts to diversify the portfolio of the clients. Besides the automotive industry, we also develop the channel with the retailers (supermarkets). One example is the material developed for one client to produce a specific product for the big retailers.

Indicator '000 lei	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Turnover	8,254	10,485	10,957	10,313	13,901
EBITDA before overhead	1,174	2,082	1,291	1,264	2,240
Profit before overhead	228	1,131	303	269	1,239

Business focus – PET processing

Previously, this business sector were facing the challenge of big increase of raw material price, availability of the raw material, market change from end user side, aftermath of pandemic.

The management team took the action to explore the new source of raw material, find the new market, develop the new recipe, discuss with the strategic partner.

The improvement is first observed in Q4 2021, and now continue in Q1 2022.

Q1 2022 is much better than Q1,Q2,Q3 2021, while Q4 2021 benefited also the orders for the 2021 holiday.

Indicator '000 lei	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Turnover	12,748	15,355	15,408	19,719	18,575
EBITDA before overhead	577	252	146	1,558	938
Profit before overhead	-49	-380	-487	920	295

The raw material issues, both price and availability, do not get any better than last year if it's not worsen. The commercial team did their best to reflect the cost increase to the selling price, though is very difficult.

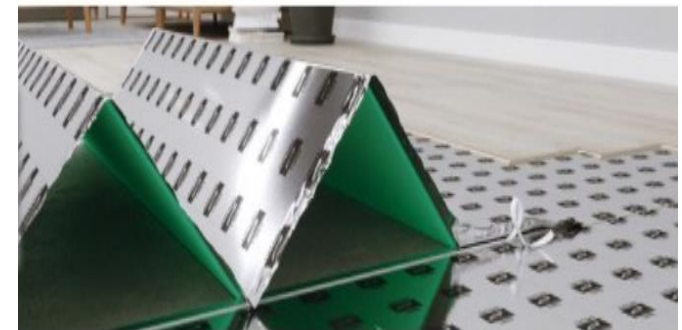
The project with the strategic partner - the development of the new product, had a satisfying result. Our team just came back from the business fair IFFA Frankfurt, in which our partner presented this new product to the market.

Business focus – PS processing

This business sector used to be the main profit contributor to the company. Starting from Oct. 2021, however, it's implemented the ban for single use expected PS catering tray. The impact is very big for the business of this product line of PS processing sector. We no longer sale this product in Romania market. The management team makes best efforts to redirect the sale to the other markets. Also, the extra capacity of this production line has been used to produce the other type of products.

Market qty - ton	2021												2022		
	Jan	Feb	Mar	Apr	Mai	Iun	Iul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Domestic	63	69	63	66	63	61	65	65	84	0	0	0	0	0	0
Export	21	28	39	25	27	22	18	26	19	22	26	41	22	36	57
Total	85	97	102	91	89	83	83	92	103	22	26	41	22	36	57

To regain the profitability of this business sector, the management team proposed an investment of around 1 million EURO for the new product line. The new investment will be added to the existing production line in order to produce the new product with higher added value base on existing one. The new product is the XPS panels laminated with aluminum foil underlay. The product existing in our portfolio is without lamination layer being a lower value product.



For 2022 Q1, Green Group posted a profit of 1,87 million EURO

	Value in 000 EUR	2021 Q1	2022 Q1	2022 vs 2021
				
				
				
				
				
				
Green Group		852	1,87	1,013
Romcarbon share 17,59%		152	320	168

Greenweee remain as the main profit contributor since 2021, helping by the inflation. The main output of Greenweee is the metallic scrap from the EEE waste.

Greenfiber & Greentech is struggling with the problem of the high price of post consumed PET bottle.

Green Group has M&A plans undergoing, aiming to extend its portfolio in the recycling industry as well as the plan to increase the capacity for Greenweee.



EuCertPlast



Environment and Climate change

- Environment Authorization covers all activities and renewed in 2021.
- No environment incidents/accidents and/fines from authorities in 2021 and 1st Q/2022.
- Recycle the plastic waste over 15,000 tons per year.
- Produce the packaging products with recycled or biodegradables materials
- Implementing of smart meter for monitoring the energy consumption. The project will be finalized in the second part of 2022.
- Installed a pilot photovoltaic panels system with capacity of 67 MWh per year. From the installation date we saved the equivalent of over 9 tons of coals or 10 tons of CO2 emission or 14 equivalent trees. The estimated saving is around 47,000 LEI/year.
- Adopting the GRI standards and issuing the first Sustainability report by 30th of June 2022.

Code of Ethics

- Respects human rights, non-discrimination, equality and privacy protection

Social

- Create over 1,500 jobs for local community
- Assuring consulting, informing and development, in all aspects connected with work, for the employees. We organized qualification courses for 105 employees between July 2021-June 2022, totalling 37,800 theoretical and practice hours
- We are founding member of Association “Viitorul Incepe Azi”, together with other 6 local companies, for promotion and development of vocational education
- Assuring organizational framework and means for employee’s health and safety at work
- Support of community: donation of Oxygen generators to a local hospital



Q. What competitive advantages does ROCE have in the context of the energy crisis in the market? What opportunities does the company have now?

A. The energy crisis means, in addition to the increase in energy prices, a significant increase in the raw materials price. In this context, recycled materials are an alternative that, in addition to the positive effect

on the environment, is an opportunity for business development. We have a significant recycling capacity, we work continuously to optimize the processes and diversify the materials we offer to the customers. At the same time, we use the advantage of having our own recycling sector, providing us with raw materials for plastics processing centers. In 2022 we became a producer of green energy through a pilot project - photovoltaic panel system. The capacity is small in relation to our energy consumption, but no economy is too small. Currently we are trying to obtain financing from National Recovery and Resilience Program (NRRP) for a higher power photovoltaic panel system, which it will be installed on the buildings of our platform. Reducing and optimizing the energy consumption are absolutely necessary and we are taking measures in this regard both in production and in the administrative activities.

We are in the process of installing an intelligent online metering and monitoring system that will assist us in analyzing and establishing the proper measures to reduce the electricity cost.



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