

- **Romcarbon's sales registered a slight decrease of 0.07% (-139,644 lei) in the reporting period compared with 9 months 2021 amounting 201,268,839 lei, while the Group's sales increased by 15% (+ 36,313,727 lei) amounting 283,320,270 lei;**
- **Romcarbon's net profit increased by 30% (+1,389,876 lei) amounting in 9 Months 2022 6,059,443 lei and the Group's net profit increased by 136% (+ 7,730,992 lei).**

For the 9 months results, compared with the same period of 2021, the profit from operational activities of Romcarbon is 7,982,060 lei, increased by 1,202,144 lei (+18%); the net profit is 6,059,443 lei, increased by 1,389,876 lei (+30%) and EBITDA Operational is 13,578,953 lei, increased by 1,041,187 lei (+8%).

The sales of finished products amounting 143,160,227 lei, increased by 13,378,554 lei (+10%) in 9 months 2022, while the total sales registered a slight decrease of -0.07% amounting 201,268,839 lei.

The turbulence caused by the geopolitical conflicts, the drastic inflation, the difficulties in raw material supply and the energy crisis are the biggest challenges in 2022 not only for our industry but also for our clients.

The evolution of the company main indicators is shown in the following table:

Indicator (LEI)	9 months 2020	9 months 2021	9 months 2022		2022 vs. 2021	
Revenues (Net sales)	137,741,165	201,408,483	201,268,839	▼	(139,644)	0%
Other Income	2,977,130	3,337,597	3,369,066	▲	31,469	1%
EBITDA	9,193,928	11,901,014	13,656,454	▲	1,755,440	15%
EBITDA Operational	10,424,982	12,537,767	13,578,953	▲	1,041,187	8%
Profit(loss) from operations	4,249,704	6,779,916	7,982,060	▲	1,202,144	18%
Net profit (loss)	1,920,992	4,669,567	6,059,443	▲	1,389,876	30%
Non-Current assets	156,838,739	145,336,714	136,165,053	▼	(9,171,661)	-6%
Current assets	82,063,534	107,548,547	116,958,462	▲	9,409,915	9%
Total Equity	138,975,244	140,240,889	137,563,103	▼	(2,677,786)	-2%
Total Liabilities	99,927,029	112,644,371	115,560,412	▲	2,916,041	3%
Debt ratio	42%	45%	46%	▲	0	2%
Current liquidity	114%	117%	124%	▲	0	6%

¹ EBITDA Operational was calculated taking into account only the exploitation activity, excluding financial activity, sales of assets, depreciation and any other non-recurring items. From the point of view of evaluating the main activity of the company, this indicator is the most relevant.

Regarding the consolidated result of Romcarbon Group, the net profit is 13,407,174 lei, increasing with 7,730,992 lei (+136%) as compared with 9 Months 2021.

In addition to Romcarbon's standalone result, the consolidated result was influenced by:

- Livingjumbo Industry SA – registered a profit of 2,812,732 lei, while it was a loss of – 2,045,373 lei in 9 Months 2021. Both PP and PET sectors have improved the performance significantly;
- RC Energo Install SRL – registered a profit of 726,054 lei, increased with 520,350 lei as compared with 9 Months 2021, due to the increasing of Christmas lighting business in the winter 2021- 2022.
- Green-Group – the performance has improved significantly in 9 Months 2022 compared with the similar period of 2021. WEEE business benefits very much from the surge of the raw material price. The same is for Green Glass.

The evolution of the Group main indicators is shown in the following table:

Indicator (LEI)	9 months 2020	9 months 2021	9 months 2022	2022 vs 2021	
Revenue (Sales)	193,429,377	247,006,543	283,320,270	▲	36,313,727 15%
Other income	3,648,287	3,976,152	8,750,232	▲	4,774,080 120%
Share of profit / loss of associates	(1,244,003)	2,857,339	3,825,314	▲	967,975 34%
EBITDA	13,002,355	16,019,992	24,518,607	▲	8,498,615 53%
EBITDA Operational	15,468,410	14,103,112	20,837,719	▲	6,734,607 48%
Profit(loss) from operations	7,056,512	5,875,369	12,933,613	▲	7,058,244 120%
Net profit ¹	2,531,394	5,676,182	13,407,174	▲	7,730,992 136%
Net profit without the impact of Share of profit / loss of associates [Green-Group]	3,775,396	2,818,844	9,581,860	▲	6,763,016 240%
Non-Current assets	187,149,148	173,961,193	165,632,081	▼	(8,329,112) -5%
Current assets	103,026,397	126,480,541	150,051,122	▲	23,570,581 19%
Total Equity	142,017,125	142,784,719	149,715,065	▲	6,930,346 5%
Total Liabilities	148,158,421	157,657,014	165,968,138	▲	8,311,124 5%
Debt ratio	51%	52%	53%	▲	0 0%
Current liquidity	100%	105%	109%	▲	0 4%

¹ The contribution of the company to the profit of the Group:

Company	Result 9 months 2021 (in lei)	Result 9 months 2022 (in lei)	2022 vs 2021
Romcarbon SA	4,669,567	6,059,443	1,389,876
Living Jumbo Industry SA	(2,045,373)	2,812,732	4,858,105
RC Energo Install SRL	205,703	726,054	520,350
Infotech Solutions SRL	62,288	84,873	22,585
Recyplat Ltd Cipru	(276)	(246)	30
Eco Pack Management SA	(18,062)	(1,479)	16,583
Consolidation adjustments (Share of the profit of the associate Romgreen Universal LTD (Green-Group))	2,857,339	3,825,314	967,975
Intercompany eliminations and other consolidation adjustments	(55,003)	(99,516)	(44,513)
Total Net profit of the Group	5,676,182	13,407,174	7,730,992

Regarding the future challenges, on short term, it will be the energy cost, and for the long run, it will be the sustainability of our products.

To address these challenges, the management team has drafted an ambitious investment plan, of around 11 million EUR, to be implemented starting next year.

We will invest more in the green energy, by installing photovoltaic panels with a capacity of 1MW for generating more energy for our own consumption. In 2022 we have already installed the first group of photovoltaic panels.

Also, we will invest in replacing old, energy-intensive machinery, with modern technology, to reduce energy consumption and we will introduce more recycled material into the production process.

We shall develop new products that are not for single use, but long lasting.

We focus to increase the capacity of the plastic recycling division, while aiming to improve the quality of the products in this sector.

The future strategy aims to direct the company to be more sustainable in terms of the products and energy consumption.

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We are confident that, despite the growing challenges we are confronting, we will succeed to adapt our business to any change and to increase the profitability of the company.

About the Group

Romcarbon Group consists of companies that produce: (i) plastic packaging products and other plastic profiles (Romcarbon SA and Livingjumbo Industry SA), (ii) regenerated polymers and compounds (Romcarbon SA), (iii) other productive activities (Romcarbon SA) and (iv) other activities (RC Energo Install SRL, Infotech Solutions SRL, Recyplat Ltd Cipru, Eco Pack Management SA).

Romcarbon SA holds a stake of 17.59% of Romgreen Universal LTD (Green-Group), the major integrated recycler from South-East Europe.

The main companies of the Group with production activities are Romcarbon SA and Livingjumbo Industry SA, owning 73% and 13% of the total fixed assets.

The revenue distribution by field of activity in 2022 was as follows:

- plastics processing (polyethylene, polystyrene, polypropylene, PET): 79% (78% in 9 months 2021);
- regenerated polymers and compounds: 14% (12% in 9 months 2021);
- other productive activities (production of filters for motor vehicles and industrial filters, production of respiratory protection masks, PVC traffic base): 2% (2% in 9 months 2021);
- other activities: 5% (8% in 9 months 2021).

Chairman of the Board and General Manager,
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Financial Manager,
ec. Zainescu Viorica Ioana

Deputy General Manager for Administrative Operations,
Manaila Carmen