



ROMCARBON S.A.

**ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2022**

---

---

132 Transilvaniei Street, Buzau

# CONTENTS

## **Annual report regarding the Separate Financial Statements**

1. Analysis of the company activity	
1.1.1. General assessment of the company	Page 1-13
1.1.2. Tehnical assessment of the company	Page 1-2
1.1.3. The assessment of the procurement activity (domestic and import)	Page 2-3
1.1.4. The assessment of sales activity	Page 3
1.1.5. The assessment of the aspects related to the personnel of the company	Page 4-9
1.1.6. The assessment of the impact of the company's activity on environment	Page 10
1.1.7. The assessment of the research and development activity	Page 10-11
1.1.8. The assessment of the company's activity related to risk management	Page 11
1.1.9. Perspective elements regarding the company's activity	Page 11-12
2. The tangible assets of the company	Page 13
3. Securities market issued by the company	Page 13-14
4. The management of the company	Page 15
5. Financial statements of the company	Page 15-16
5.1 Statement of the financial position	Page 16-29
5.2 Statement of the comprehensive income	Page 17-22
5.3 Net sales evolutions	Page 23-26
5.4 Financial ratios	Page 27
5.5 Statement of cash-flow 2020-2022	Page 28
5.6 Shareholders' structure	Page 28-29
6. Corporate governance	Page 30
Declaration of compliance with BSE Corporate Governance Code	Page 31-44



**Annual report according to the FSA regulation no.5/2018**

**Date of release:** 27/28.04.2023

**Reporting date:** 31.12.2022

**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](http://www.romcarbon.com)

**E-mail :** [investor.relations@romcarbon.com](mailto: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.

**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 2022 are presented in the table below :

Category	Value
Plants	1,320,580
Equipment and Machineries	899,421
Controlling device	939,268
Vehicles	399,632
Furniture	114,419
<b>TOTAL</b>	<b>3,673,320</b>

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

Item	Entry value	Sections
SMART METER FOR MONITORING THE ELECTRICITY CONSUMPTION	918,482	Administrative
ELECTRIC NETWORK 6KW+0,4KW	454,029	Administrative
PE BAGS AUTOMATIC LINE	451,173	CP3 - Polyethylene
PLATFORMA BETONATA ACCES PIETONAL +AUTO -POARTA 1	447,601	Administrative
REGRANULATION LINE [IMPROVEMENT]	201,626	CP5 - Polystyrene
COMPRESSOR	146,592	CP6 - Polypropylene

**1.1.1 GENERAL ASSESSMENT ITEMS**

Indicator	2021	2022	2022 vs. 2021	
<b>Sales of finished goods</b>	<b>169,491,035</b>	<b>183,306,275</b>	<b>13,815,240</b>	<b>8.15%</b>
Total sales (Turnover)	266,937,601	265,048,638	(1,888,963)	-0.71%
<b>Exports</b>	<b>50,148,679</b>	<b>53,659,166</b>	<b>3,510,487</b>	<b>7.00%</b>
Total Revenues	276,378,079	328,255,881	51,877,802	18.77%
Total Expenses	(276,936,450)	(275,872,120)	1,064,330	-0.38%
<b>Gross profit/loss, total, out of which:</b>	<b>(558,371)</b>	<b>52,383,761</b>	<b>52,942,132</b>	<b>n/a</b>
Exploitation result	7,363,739	6,285,831	(1,077,908)	-14.64%
Financial result	(7,922,110)	46,097,930	54,020,040	n/a
Profit tax	(889,087)	(912,071)	(22,984)	2.59%
<b>Net profit</b>	<b>(1,447,458)</b>	<b>51,471,690</b>	<b>52,919,148</b>	<b>n/a</b>
EBIT	394,684	53,670,160	53,275,476	13498.26%
EBITDA	8,112,816	61,072,654	52,959,838	652.79%
<b>EBITDA Operational</b>	<b>13,987,048</b>	<b>15,025,300</b>	<b>1,038,253</b>	<b>7.42%</b>
Cash and bank balances	17,588,598	2,772,709	(14,815,889)	-84.24%

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 2022, production activity was carried out in 7 profit centers as follows:

#### ➤ Profit Center No. 1 – Filters.

Filters workshop: In this centre are manufactured air, oil, fuel and cabin filters for cars, trucks and tractors, railway equipment and industrial installations.

#### ➤ Profit Center No. 2 – Protective equipment and Active Carbon

- Protective equipment workshop: production of personal protective respiratory equipment – gas masks and filter cartridges - for chemical industry, mining industry, for the Ministry of National Defense, civil defense and collective protective equipment.
- Active Carbon Workshop that manufactures active carbon, powder or grains, impregnated- semi-finished product necessary for protective equipment, as well as active carbon used in oil industry, food, chemical and pharmaceutical industries.

#### ➤ Profit Center No. 3 with Polyethylene workshop - here are manufactured varied sizes of polyethylene packaging (small bags, garbage bags, pouches, cover bags by extrusion, printing, welding), general purpose film, foil for greenhouse, shrinkable film and photopolymer clichés.

#### ➤ Profit Center No. 4 with two workshops:

- Support for traffic signs workshop based on recycled PVC, extruded and pressed.
- PVC pipes workshop is engaged in the production of PVC pipes as semi-finished products for internal use.

#### ➤ Profit Center No. 5 with extruded Polystyrene Workshop, consisting of extrusion and thermoforming sector, where are manufactured packaging trays for food industry and products for constructions as XPS plates and rolls, ribbed and perforated.

#### ➤ Profit Center No. 6 with 2 workshops of Polypropylene-where are manufactured polypropylene products: laminated and non-laminated woven bags in different sizes for packaging products used in agriculture, food, chemical and construction industry.

#### ➤ Profit Center No. 7 – Compounds- with two activities:

- Treating of plastic scraps coming from WEEE recycling and automotive industry by separating the recyclable polymeric fractions, grinding, extruding and filtering the separated fractions. The finished products are plastics regranulated products, compounds and composites plastic products.
- Treating the postproduction and post consumption polypropylene woven as well as polyethylene foil scraps by densimetric sorting, extruding and filtering. The finished products are PE and PP regranulated products and compounds.

The company has a working points in Iasi where the main activity is renting the assets for production purpose.

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

	2020	2021	2022
<b>- Sales of finished products, total, out of which:</b>	<b>71.72%</b>	<b>63.49%</b>	<b>69.16%</b>
CP1~ Automotive and industrial filters,	1.33%	1.01%	1.28%
CP2~ Respiratory protective equipment and Active Carbon	1.34%	0.84%	2.04%
CP3~ Polyethylene processing products	15.23%	13.49%	13.63%
CP4~ PVC processing products	0.38%	0.33%	0.26%
CP5~ Polystyrene processing products	22.01%	17.79%	19.27%
CP6~ Polypropylene processing products	18.65%	15.69%	15.13%
CP7~ Recycled plastics & Compounds	12.79%	14.34%	17.54%

The difference up to 100% represents the sales of merchandises, services, rents and other sales

### New products developed in 2022

In 2022 we enlarged the range of filters with 4 new items from which 3 are for automotive industry and 1 industrial filters, as well as 21 reprojecting filters -17 for automotive, 4 industrial filters.

In Compounds Center were developed 153 new products manufactured from recycled plastic, which includes optimization from both costs and using of raw materials point of view. The new products were delivered to beneficiaries for testing, validation and use (2.140 tons).

XPS rollers for mounting under parquet, intended for underfloor heating, were assimilated into production.

We have started the preparation regarding the assimilation of XPS boards laminated with aluminized boPET film, intended for insulating the floor both thermally and from the point of view of humidity and fulfilling the conditions of the EN 16354 standard.

According with the Circular Economy Plan which set the increasing of recycled material in plastic products, in the polyethylene sector continue the production and assimilation of products with recycled material, proportion of recycled material in production reaching ~65%.

It was extended the full-size range of woven polypropylene packaging with over new 180 products.

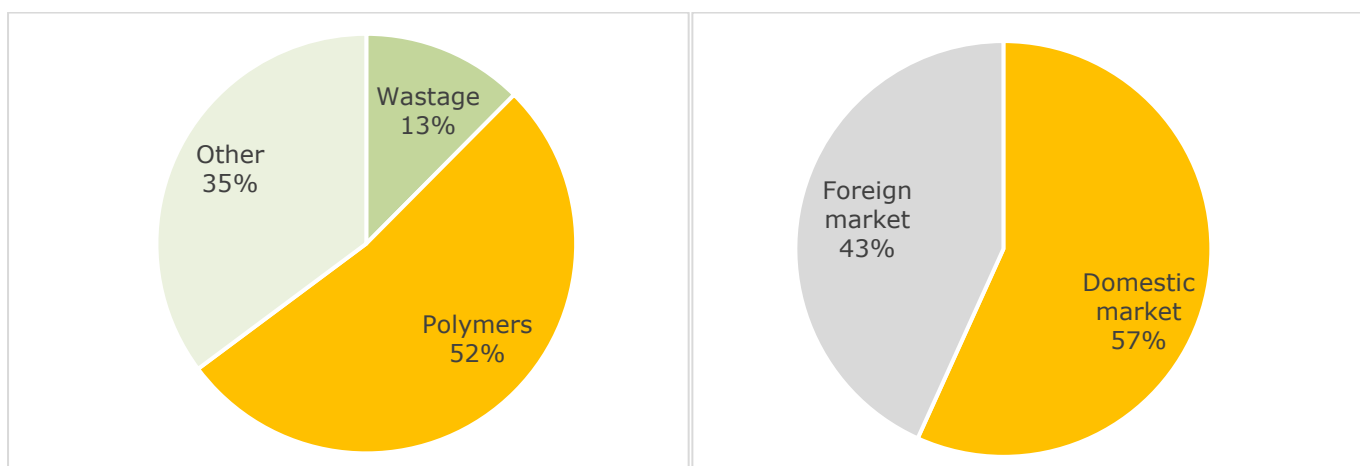
#### 1.1.3 The assessment of the procurement activity (domestic and import)

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 43% (2021 : 44%), and companies acting on the foreign markets in a percentage of 57% (2021 : 56%). 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 (64%) 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 2022 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	2020	2021	2022	2022 vs. 2021	
CP1~ Auto and industrial filters,	2,409,202	2,703,153	3,395,182	▲	692,029 26%
CP2~ Respiratory protective equipment and Active Carbon	2,423,505	2,247,391	5,396,649	▲	3,149,258 140%
CP3~ Polyethylene products	27,570,557	36,010,670	36,123,918	▲	113,248 0%
CP4~ PVC products	679,304	881,364	697,669	▼	(183,695) -21%
CP5~ Polystyrene products	39,839,387	47,497,169	51,082,952	▲	3,585,783 8%
CP6~ Polypropylene products	33,761,931	41,879,984	40,107,774	▼	(1,772,210) -4%
CP7~ Regenerated plastics & Compounds	23,154,619	38,271,305	46,502,132	▲	8,230,827 22%
<b>Total</b>	<b>129,838,505</b>	<b>169,491,035</b>	<b>183,306,276</b>	<b>▲</b>	<b>13,815,241 8%</b>

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	2020		2021		2022	
	Value	%	Value	%	Value	%
Domestic market	91,948,262	70.82%	122,114,658	72.05%	135,277,778	26.20%
Exports	37,890,243	29.18%	47,376,377	27.95%	48,028,498	73.80%
<b>Total</b>	<b>129,838,505</b>	<b>100.00%</b>	<b>169,491,035</b>	<b>100.00%</b>	<b>183,306,276</b>	<b>100.00%</b>

## **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, 23% represent the sales of automotive filters, 36% railway and naval filters, 15% industrial filters and 26% 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:

- maintaining and diversifying the sales of filters for the railway and naval fields.
- developing the sale of industrial filters by offering customized elements for replacing imported filters with equivalents
- maintaining the sale of car filters specially cabin filters that will represent a continuity in terms of reducing the share of polluting engines

### **b) Competition**

From the point of view of the brand, we maintain the Romcarbon brand, recognized by the informed customers of its European-level quality. In addition, we produce under different brands of car component distributors, which hold significant shares in the after-market market, thus managing to be present on this market as well.

Romcarbon filters are recognized as having the proper quality, are risk-free, and have fair prices.

The competition is represented by well-known companies, both for industrial filters such as Pall, Donaldson, but also for automotive and agricultural filters, Mann, Mahle, Knecht, our advantage being the price adapted to local purchasing power. Another category are the "middle range" brands that have similar prices to ours: Hifi, Uniflux, Purflux. Compared to these, but we have the advantage that we represent a Romanian brand, and many customers prefer our products for this reason.

## **2) ACTIVE CARBON AND INDIVIDUAL RESPIRATORY PROTECTIVE EQUIPMENTS**

### **a) Market:**

ROMCARBON is a long-standing producer of activated carbon and individual and collective respiratory protection equipment. ROMCARBON produces both full masks, half 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 has an important portfolio of clients. In 2022, the sales market was the domestic market. Of the total value of sales, 95% are sales to Ministry of Defence, Romanian companies that design and execute filtering ventilation installations, companies whose field of activity is metal coatings, companies from the pharmaceutical industry and the food industry, biogas production and purification stations/farms, companies producing components for telecom infrastructure and the automotive industry and only a small number of companies from the chemical industry.

The sales in 2022 have doubled compared to 2021 and previous years; if sales of Active carbon increased by only 3%, sales of respiratory protection equipment tripled. The products were sold both directly to the end user (80% of the number of customers) and to companies distributing protective equipment. (20 %).





**b) Competition:**

Also in 2022, ROMCARBON proved to be a reliable partner and kept its traditional customers by proving professionalism, kindness, honesty, respect for its customers and, last but not least, promptness. The sales team has made many efforts in promoting the products and attracting new customers, sales to new customers representing about 58% of the total sales for Individual Protective Equipment, although there are a number of high-performance products from globally recognized manufacturers on the market (DRAEGER SAFETY Germany, SPERIAN Italy, HONEYWELL USA, MSA AUER Germany). Maintaining the value of 96% of the degree of customer satisfaction for 2022 also highlights the fact that the respiratory protection equipment and active carbon produced by ROMCARBON continue to satisfy customer requirements. With the hope that companies will understand that "safety" does not mean only a legislative obligation, that investments in respiratory protection equipment must become a priority and that "safety" means the prevention of costs that may increase in the event of future accidents, ROMCARBON pursues 2023 maintaining sales at least at the level of 2022.

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

Romcarbon is the leader in the Romanian market for small polypropylene bags. The product portfolio includes laminated, non-laminated, polyethylene lined, valve bags, polypropylene fabric and polypropylene tape.

The bags are intended for the packaging of powdery or granular products, with a capacity of 5-50 kg, such as sugar, rice, flour, cereals, salt, nitrates, fertilizers, lime, cement, fodder, animal feed, etc.

The distribution of sales of Polyethylene products is: 91% on domestic market and 9% on foreign markets.

**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 2022, sales of PVC supports recycled material for road signs have a share of 59% on foreign markets and 41% on the domestic market



## **5) POLYSTYRENE PRODUCTS**

### **a) Market**

- **Extruded polystyrene trays** (69% of total sales of the sector)

In this sector are produced trays for the food industry (standard 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 2022, the distribution of sales of trays was 56% on domestic market and 44% to export, mainly to Balkans countries.

- **Extruded polystyrene underlayment for floor insulation** (31% of total sales of the sector)

For the EPS underlayment, Romcarbon is in a dominate position as local producer. The import is around 30% of the market share.

The sale of this range of products is achieved both through national distributors and directly to final consumers. In 2022, the distribution of sales of EPS underlayment was 59% on domestic market and 41% 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, Siraggema, Coopbox.

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

## **6) PROLYPROPYLENE PRODUCTS**

### **a) Market**

The main market is represented by the plastic packaging.

We, as a active producer in this market, have registered an increased demand in certain segments, such as the food sector or that of animal feed production. This, together with the much higher volume of sales to DIY stores determined by the change in the habits of end consumers during the pandemic and beyond, managed to largely compensate for the low demand in the industrial sector.

The type of sale we practice is 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 73% on the domestic market and 27% on the foreign market.



### a.1) Domestic market

ROMCARBON is the leader on the market of small polypropylene bags in Romania, having the largest production capacity.

The sales activity is carried out both through distributors and directly to companies activating in the milling and baking industry, in the chemical industry, in the sugar industry, in the salt processing industry, in the production of animal feed or in the sector DIY. Since the domestic market is a market that takes into account not only the prices offered, but also the quality of products and services, we try to give all the support to our customers and meet their requirements by offering suitable packaging solutions for their products.

ROMCARBON owns, according to data provided by INS, approximately 16% of the local market.

### a.2) Foreign market

Customers on the foreign market are mainly large traders and packaging distributors from European countries such as Poland, Greece, Holland, Spain, France, Serbia, Hungary, Latvia, Croatia, etc. We have no data to help us determine the share on the foreign markets. What we can mention, however, is that we have to deal with very competitive prices from the importers from the Asian market. Our customers mainly appreciate the flexibility, the period and also the lower delivery costs that we can offer given the advantage that we have the production capacity in Europe.

### b) Competition:

On the domestic market of polypropylene packaging, are 2 other large producers, Romtextil SA and Luna Plast SRL, and several importers of small polypropylene bags from the Asian market. On the external market, the competition is determined, apart from the entry of large quantities of packaging from Asia, by producers from the immediate vicinity, 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) RECYCLED POLYMERS AND COMPOUNDS**

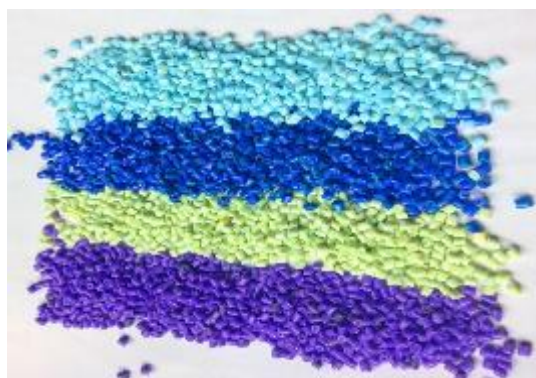
### a) Market

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.



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.

Since 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 2022 sales were distributed as follows : 75% on the domestic market and 25% on foreign markets.

The foreign market is represented by clients from Italy, Croatia, Greece, Germany, Spain, Poland, Hungary, Bulgaria, Netherlands, s.o.

The 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.

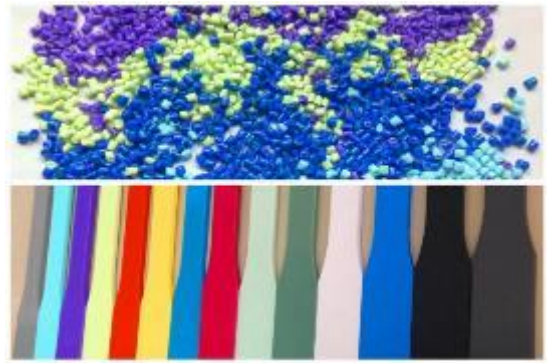
#### **b) Competition:**

The competition of virgin compounds is represented by large companies from the petrochemical industry.

##### ➤ Internal market - recycled

The main internal competitors are Ecofriend Recycling, Crilelmar, Calex, Remat, Total Recycling, Italplast Group, Total Recover, Iza SRL, Ecosistem SRL, Amzay Factory Impex, Remat Holding, Recycling Mondo Plast, Plastic Recycling Export External market - recycled

The most important external 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).



Since 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.

ROMCARBON also has **RecyClass certification**. The purpose of this certification is to recognize plastic recycling processes for pre-consumer and post-consumer waste operating at a site in accordance with the requirements set out in the recycling process conformity assessment scheme. Certification against this audit scheme enables recyclers to demonstrate their contribution to the management of plastic waste and transparently communicate its origin. The audit scheme requirements are aligned with those of EN 15343:2007 and ISO 22095:2020

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

The number of employees at 31.12.2022 was 778, grouped according to the level of education as follows:

<b>Total personnel, out of which:</b>	<b>778</b>	<b>%</b>
• higher education*	<b>90</b>	12%
• post-secondary school	<b>10</b>	1%
• technical school for foreman	<b>10</b>	1%
• secondary education	<b>293</b>	38%
• vocational school	<b>203</b>	26%
• 9 – 11 classes/apprentice school	<b>98</b>	13%
• occupational qualification	<b>4</b>	1%
• school	<b>70</b>	9%

*\*Out of the total personnel with higher education, 67 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 indentified or may demands additions in the list of the significant environment aspects, in which cases is made a reassessment of the environment aspects.

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

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 2023 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 technical-investment activity was carried out by the Department of Technical and Investment in collaboration with internal departments involved and with agreed service providers, included:

- certification and recertification of products regulated in accordance with national and European legislation. In 2022 were renewed the certifications of the following products:
  - in the Workshop Filters and Protective Materials: air and oil filters; automotive filters; auto-motors (8 certifications); gas mask (1 certification) and filters cartridge (9 certifications).
  - in PS sector: renew the Technical Agreement and Approval for XPS sheet for insulation under the lamination floor, including the perforated, ribbed XPS rolls for underfloor heating.
  - in recycling sector, we prolong the EuCertPlast certification, certification with aim of recognising the company as a recycler which respect high standards.
- Obtaining annual health certificate required for extruded polystyrene packaging for export to non-EU countries.
- Acquisition of the new equipment in order to increase the company productivity and the products quality (plastic recycling washing line for LDPE and PP waste, Laminated XPS underlay panels converting machine together with packaging machine, bag conversion line).
- Updating the technical documentation of the expanded polystyrene, polyethylene, compound products and protective equipment.

The cost of research and development activity in 2022 was 651,086 lei, while for 2023 it was budgeted a cost of 866,640 lei.

#### **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 2022, it was registered a slight decrease in total turnover with 0.71%, reaching RON 265,048,638 lei (2021 : RON 266,937,601). Regarding the sales of finished products, it was registered an increase of 8% (2020: RON 169,491,035).

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 71% in 2022 (70% in 2021).

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 6% and 16% of total turnover. The sales to Livingjumbo Industry SA in 2022 included also sales of finished products, rents and income from other activities, which accounted for 6% of turnover.

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 risk**

Currency exposure of Romcarbon SA is generated mainly by the loans denominated in euro for financing the production and the investments activities. As at 31.12.2022 the balance of these loans was EUR 9,858,202 (2021 : EUR 9,407,930).

In 2022 the loss generated by the fluctuation of foreign currencies rate was + RON 229.121 (2020: - RON 651,119).

**Liquidity risk**

Current liquidity of Romcarbon SA (calculated as a ratio between current assets and current debts) recorded an increase in 2022, i.e. 1.47 as compared with 1.19 in 2021.

**Cash-flow risk**

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 2023.

### 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 2023, the company budgeted the following financial indicators:

- A total turnover of RON 326,059,963 (up with 23% as compared with 2022) out of which the turnover related to the sales of finished products is budgeted at the level of RON 212,787,742 ( 15% higher as compared with 2022);
- a gross profit of RON 8,480,090, out of which from current activity, excluding the financial activity and sales of assets, a profit of RON 7,299,680 .

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.*

*As of the date of this report, no risks have been identified that would significantly affect the income from the basic activity, however, the global geopolitical tensions arising from the military interventions in Ukraine by the Russian Federation have generated and are generating economic uncertainties on the energy and capital markets, the global prices of energy prices have increased and are expected to be very 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 62,199.52 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 9,399.50 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:**

- 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 375 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 468 sqm built on reinforced concrete foundation, brick walls, floor of corrugated sheets;
- Hall with an area of 692 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:

2020 - 2,641,220.96 lei

2021 - 26,412,219.60 lei

2022 - according to the GSM decision on 27/28.04.2023

In 2022, the ROCE share had the highest yield among the issuers included in the BET-XT index. In the event "Performers of the year 2022" organized by the Bucharest Stock Exchange, Romcarbon was awarded.

**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 2022.

### 4. THE MANAGEMENT OF THE COMPANY

#### 4.1. DIRECTORS

a) The Board of Directors in 2021:2

**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, 52 years old;

**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, 28 years old;

b) Not applicable.

c) Participation of administrators to share capital of SC Romcarbon SA, at the reference date 31.12.2022:

Huang Liang Neng- 0 shares

Wang Yi Hao - 0 shares

Toderita Stefan Alexandru – 32,700,000 actiuni (12.38%)

d) Company' s affiliates as per 31.12.2022:

d.1. Legal entities in which SC Romcarbon S.A. owned, on 31.12.2022, 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 2022, 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

Attachments:

-Separate financial statements for the year ended on 31.12.2022 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 2022 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;

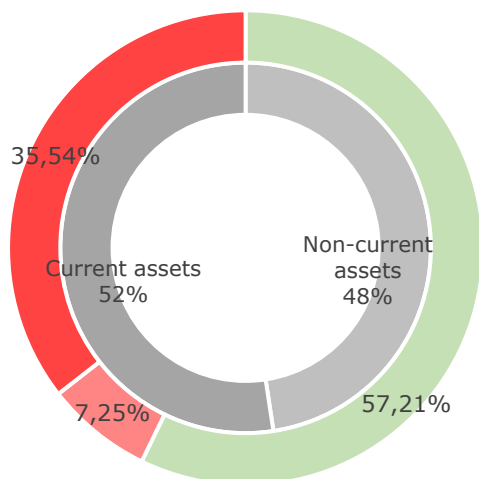
- The decision of the Ordinary General Meeting of Shareholders dated 27/28.04.2023, which approved the 2022 financial statements;

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

## 5.1 STATEMENT OF THE FINANCIAL POSITION

Indicator	31.12.2020	31.12.2021	31.12.2022	31.12.2022 vs. 31.12.2021		
Property, plant and equipment	113,644,666	106,567,874	102,490,667	-4,077,207	▼	-3.83%
Investment property	11,885,346	10,894,586	9,883,738	-1,010,848	▼	-9.28%
Intangible assets other than goodwill	302,737	294,483	330,920	36,437	▲	12.37%
Investments in subsidiaries, joint ventures and associates	27,085,181	20,607,559	20,608,559	1,000	▲	0.00%
<b>Total non-current assets</b>	<b>152,917,930</b>	<b>138,364,502</b>	<b>133,313,884</b>	<b>-5,050,618</b>	<b>▼</b>	<b>-3.65%</b>
Current inventories	22,285,771	27,647,514	29,963,708	2,316,194	▲	8.38%
Trade and other current receivables	36,839,898	57,999,727	63,653,763	5,654,036	▲	9.75%
Other current financial assets	570,774	1,265,317	42,738,851	41,473,534	▲	3277.72%
Other current non-financial assets	1,080,363	2,187,278	3,864,347	1,677,069	▲	76.67%
Cash and cash equivalents	17,588,598	12,798,377	2,772,709	-10,025,668	▼	-78.34%
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	70,845	3,760,155	3,760,155	0	—	0.00%
<b>Total current assets</b>	<b>78,436,251</b>	<b>105,658,368</b>	<b>146,753,533</b>	<b>41,095,165</b>	<b>▲</b>	<b>38.89%</b>
<b>Total assets</b>	<b>231,354,181</b>	<b>244,022,870</b>	<b>280,067,417</b>	<b>36,044,547</b>	<b>▲</b>	<b>14.77%</b>
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	59,466,597	58,542,209	60,895,475	2,353,266	▲	4.02%
Retained earnings	50,151,453	47,008,179	70,732,989	23,724,810	▲	50.47%
<b>Total Equity</b>	<b>138,212,543</b>	<b>134,144,882</b>	<b>160,222,957</b>	<b>26,078,075</b>	<b>▲</b>	<b>19.44%</b>
Other non – current provisions	200,000	400,000	1,000,000	600,000	▲	150.00%
Deferred tax liabilities	7,857,468	8,012,574	7,780,659	-231,915	▼	-2.89%
Other non-current financial liabilities	6,420,472	4,017,590	4,044,764	27,174	▲	0.68%
Other non-current non-financial liabilities	10,879,379	8,619,928	7,475,188	-1,144,740	▼	-13.28%
<b>Total non-current liabilities</b>	<b>25,357,319</b>	<b>21,050,091</b>	<b>20,300,611</b>	<b>-749,480</b>	<b>▼</b>	<b>-3.56%</b>
Trade and other payables	26,129,532	37,161,910	48,060,900	10,898,990	▲	29.33%
Other current financial liabilities	37,277,228	46,860,194	45,859,692	-1,000,502	▼	-2.14%
Other current non-financial liabilities	4,377,559	4,805,793	5,623,258	817,465	▲	17.01%
<b>Total current liabilities</b>	<b>67,784,319</b>	<b>88,827,897</b>	<b>99,543,849</b>	<b>10,715,952</b>	<b>▲</b>	<b>12.06%</b>
<b>Total liabilities</b>	<b>93,141,638</b>	<b>109,877,988</b>	<b>119,844,460</b>	<b>9,966,472</b>	<b>▲</b>	<b>9.07%</b>
<b>Total equity and liabilities</b>	<b>231,354,181</b>	<b>244,022,870</b>	<b>280,067,417</b>	<b>36,044,547</b>	<b>▲</b>	<b>14.77%</b>

## STRUCTURE OF THE STATEMENT OF THE FINANCIAL POSITION AS AT 31.12.2022



Current liabilities: 99,543,849 lei | 36%

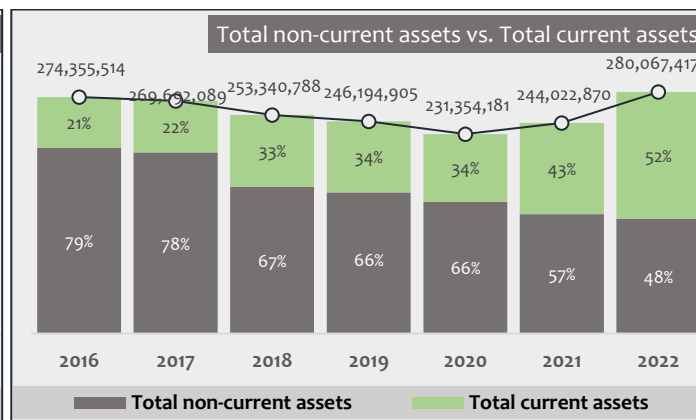
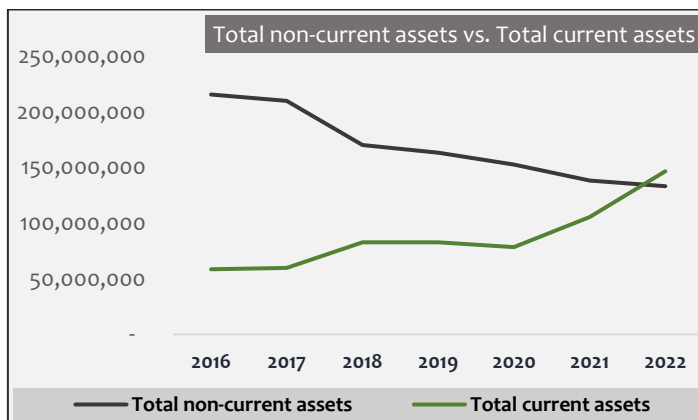
Non-current liabilities: 20,300,611 lei | 7%

Equity: 160,222,957 lei | 57%

Non-current assets: 133,313,884 lei | 48%

Current assets: 146,753,533 lei | 52%

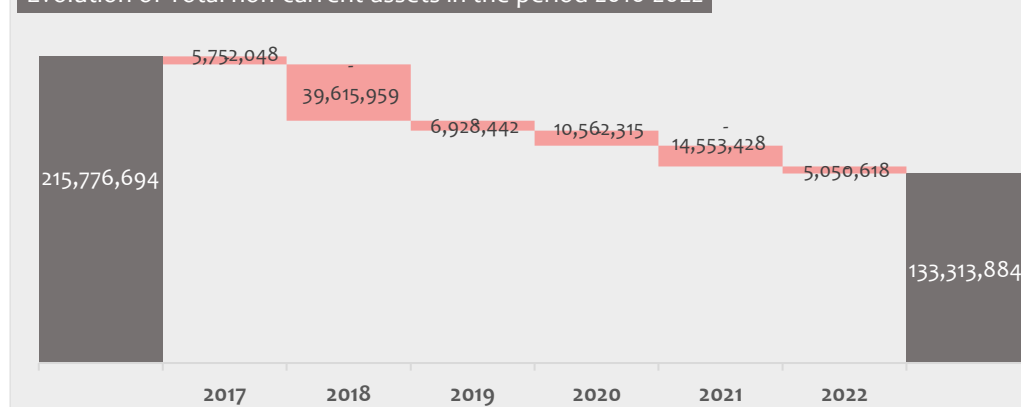
## ASSETS



## NON-CURRENT ASSETS

As at 31.12.2022, **Non-current assets** hold 47.57% of the company's assets, recording a decrease of – Lei 5,050,618, i.e. 3.65% ,as compared with the beginning of the year .

Evolution of Total non-current assets in the period 2016-2022



Non-current assets (NCA)	31.12.2022	% in total NCA	% in total Assets	2022 vs. 2021
Property, plant and equipment	102,490,667	76.88%	36.57%	-3.83%
Investment property	9,883,738	7.41%	3.53%	-9.28%
Intangible assets other than goodwill	330,920	0.25%	0.12%	12.37%
Investments in subsidiaries, joint ventures and associates	20,608,559	15.46%	7.35%	0.00%
<b>Total non-current assets</b>	<b>133,313,884</b>	<b>100.00%</b>	<b>47.57%</b>	<b>-3.65%</b>

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

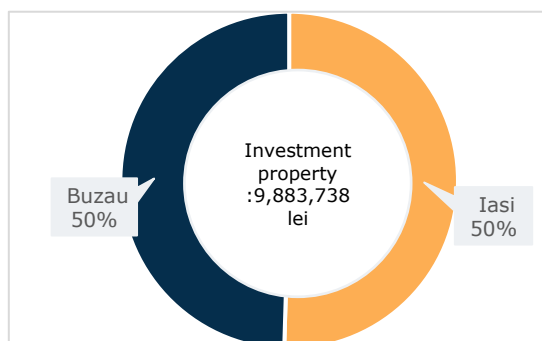
· Buildings (including re-arrangements and improvement)	:	1,320,580 lei
· Equipment and installations	:	2,352,741 lei

The inflows of the Non-current assets in 2022 had the following destinations: Plastics processing sector: 1,062,707 lei; Administrative and other sectors: 2,610,613 lei.

The outputs of Non-current assets in 2022 totalized LEI 4,067,575 out of which LEI 498,518 cassations/dismantle and LEI 3,569,057 sales.

On December 31, 2022, the Company revaluated the lands and buildings. As a result of the revaluation the amount of LEI 745,265 was recorded in Revaluation reserves and the amount of – LEI 1,370,104, net loss, in the result of the year.

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



On December 31, 2022, the Company revaluated the investment property held at the end of the financial year, resulting in an increase in the net value of LEI 176,315 lei, the amount was recorded as a result of the year

#### Outflows of investment property

In July 2022 was sold a land having a total surface of 504 sq m, located in Iasi, Calea Chisinaului no. 29, for which it was cashed the price of Lei 249,299 (equivalent of Eur 50,400).

In November 2022 was sold a land having a total surface of 2,732 sq m, located in Iasi, Calea Chisinaului no. 29, for which it was cashed the price of Lei 2,123,852 (equivalent of Eur 432,257).

**Financial Investments** hold 7.36% of Total Assets, and 15.46% of Non-current assets. As at 31.12.2022, S.C. ROMCARBON S.A. held shares in other companies totalizing Lei 30,340,197, as follows:

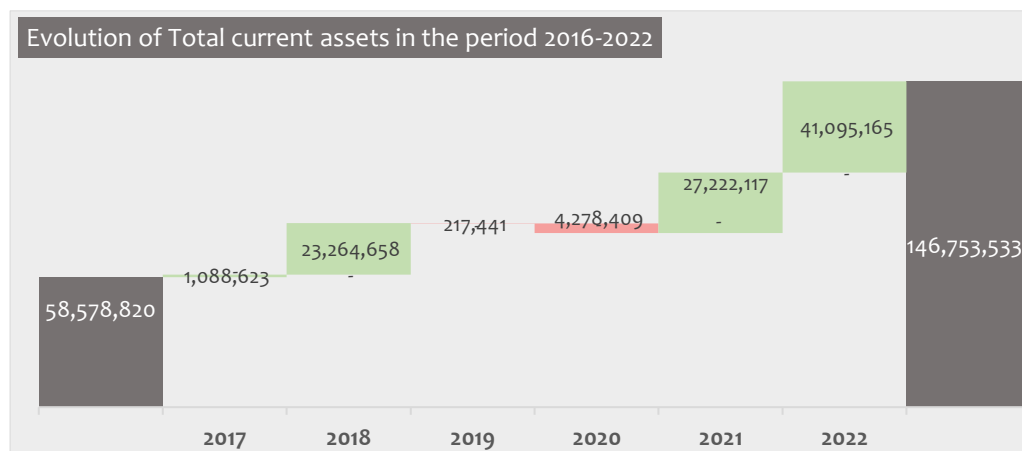
Company	Total no. of shares	Nominal value (lei)	Capital (lei)	Capital held (lei)	No. of shares held	Acquisition value of the shares (lei)	Participati on quota (%)
RECYPLAT LTD CIPRU	26,000	4.3521	113,154	113,154	26,000	20,261,120	100.00%
RC ENERGO INSTALL SRL	200	10	2,000	2,000	200	15,112	100.00%
INFO 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%
VIITORUL INCEPE AZI (ONG)	7,000					1,000	14.29%
<b>TOTAL</b>						<b>30,340,197</b>	

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
<b>Total</b>		<b>9,731,638</b>

#### CURRENT ASSETS

As at 31.12.2022, **Current assets** hold 52.40% of total assets recording an increase of Lei 41,095,165, i.e. 38.89% as compared with the beginning of the year.



Current assets (CA)	31.12.2022	% in total CA	% in Total Assets	2022 vs. 2021
Current inventories	29,963,708	20.42%	10.70%	8.38%
Trade and other current receivables	63,653,763	43.37%	22.73%	9.75%
Other current financial assets <sup>1</sup>	42,738,851	29.12%	15.26%	3277.72%
Other current non-financial assets	3,864,347	2.63%	1.38%	76.67%
Cash and cash equivalents	2,772,709	1.89%	0.99%	-78.34%
Non-current assets held for sale <sup>2</sup>	3,760,155	2.56%	1.34%	0.00%
<b>Total current assets</b>	<b>146,753,533</b>	<b>100.00%</b>	<b>52.40%</b>	<b>38.89%</b>

<sup>1</sup>In this indicator it is registered the dividends to be received from Recyplat LTD in amount of LEI 39,579,200 (equivalent of EUR 8,000,000) and loans granted to affiliates.

Affiliate	Value of the contract	Balance as at 31.12.2022	Interest	Total	Tenor
RC Energo Install SRL	3,000,000 lei	3,000,000 lei	159,651 lei	3,159,651 lei	03/06/2023
<b>Total</b>	<b>3,000,000 lei</b>	<b>3,000,000 lei</b>	<b>159,651 lei</b>	<b>3,159,651 lei</b>	

In June 2022, the loan granted in 2019 to RC Energo Install SRL having a maximum ceiling of LEI 1,231,700 was extended by 12 months.

In July 2022, an additional act was signed by which the ceiling limit was increased to LEI 3,000,000.

## <sup>2</sup> Non-current assets or disposal groups classified as held for sale or as held for distribution to owners

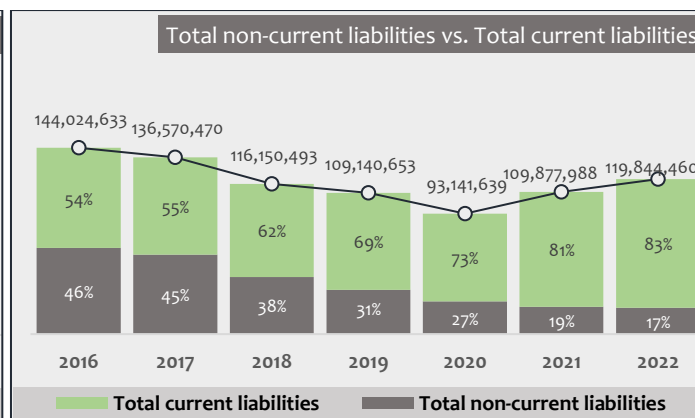
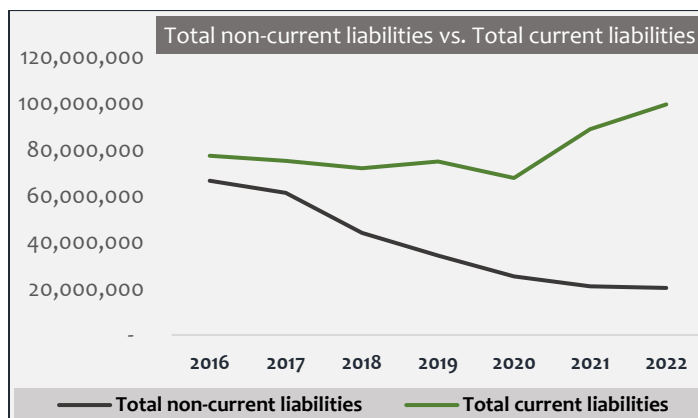
In December 2021, it was purchased a building located in the vicinity of Romcarbon SA having a total area of 3,723 sq.m., land together with the three buildings erected on it for which it was paid the price of Lei 3,164,050, equivalent to Eur 639,370. From the acquired building, the surface of 3,450 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 S.C.S., which will materialize in 2023, this building being classified as fixed assets held for sale.

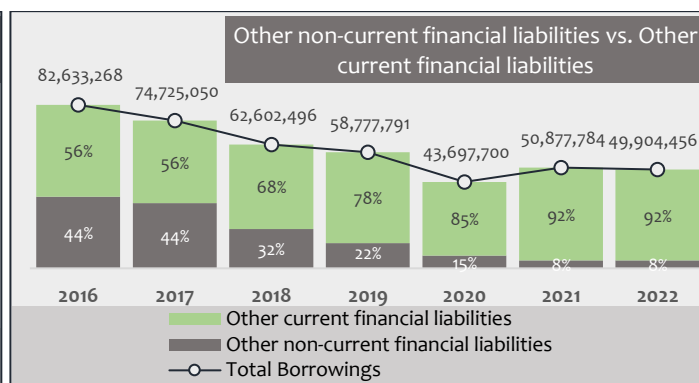
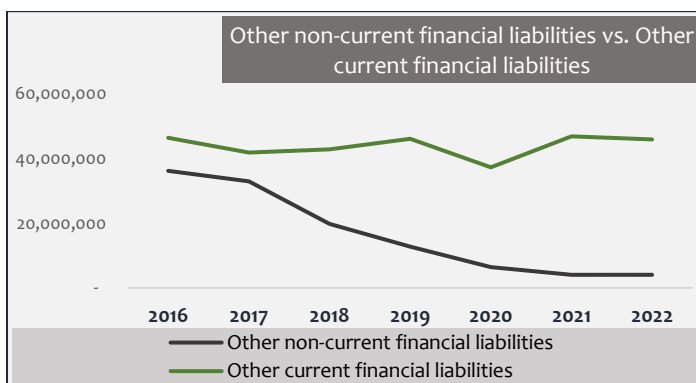
## Subsequent events

On 16.02.2023, it was signed the sale and purchase contract with LIDL ROMANIA S.C.S. the object of which is the sale of the land area of 7,407 sqm, the total price being Lei 7,659,971. The registration cost of this land is Lei 3,689,310. Initially, in December 2019, a sales-purchase anteccontract was signed with LIDL ROMANIA S.C.S. on the basis of which an advance of Lei 2,419,280 (Eur 488,862) was collected in December 2021, the transaction being completed in February 2023 when the difference of Lei 5,240,691 was collected.

## LIABILITIES

**Total Liabilities** hold 42.79% of the company's Equity&Liabilities recording an increase of Lei 9,966.,472, i.e. 9.07% as compared with the beginning of the year.



**BORROWINGS**

As at 31.12.2022 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Type	Balance as at 31.12.2022		< 1 year	>1 year
	in euro	in lei		
Credit lines in euro	€ 7,742,820	38,306,826 lei	38,306,826 lei	- lei
Short term credits in euro	€ 290,500	3,799,602 lei	3,799,602 lei	- lei
Investment loans in euro	€ 1,824,882	6,666,041 lei	3,429,839 lei	3,236,202 lei
<b>Total credits in euro</b>	<b>€ 9,858,202</b>	<b>48,772,470 lei</b>	<b>45,536,268 lei</b>	<b>3,236,202 lei</b>
Short term credits in lei		- lei	- lei	- lei
Investment loans in lei		1,131,986 lei	323,424 lei	808,561 lei
<b>Total credits in lei</b>		<b>1,131,986 lei</b>	<b>323,424 lei</b>	<b>808,561 lei</b>
<b>Total bank exposure</b>		<b>49,904,456 lei</b>	<b>45,859,692 lei</b>	<b>4,044,763 lei</b>

In June 2022, Romcarbon SA and Livingjumbo Industry SA signed a credit contract with UniCredit Bank SA to finance the purchase of inventories with a ceiling of EUR 3,000,000, the maturity of the credit being 07.06.2023. The credit facility was used 26% by Romcarbon and 74% by Livingjumbo Industry.

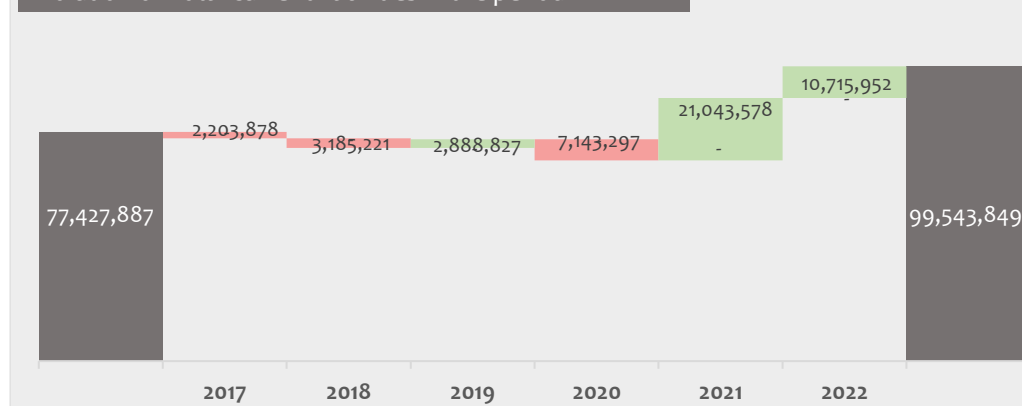
Also in June 2022, Romcarbon SA signed a long-term loan agreement with UniCredit Bank SA with a value of EUR 2,950,000 for the financing of the investment plan for the year 2022, the maturity of the loan being 08.06.2027.

In December 2022 it was increased the ceiling of the credit line contracted with UniCredit Bank SA from EUR 5,450,000 to EUR 8,000,000. The credit line can be used both by Romcarbon SA and Livingjumbo Industry SA.

**CURRENT LIABILITIES**

**Current liabilities of the Company**, representing 83.06% of the Total Liabilities and 35.54% of Total Equity & Liabilities have increased by Lei 10,715,952 as compared with the beginning of the year, i.e. 12.06%.

Evolution of Total current liabilities in the period 2016-2022

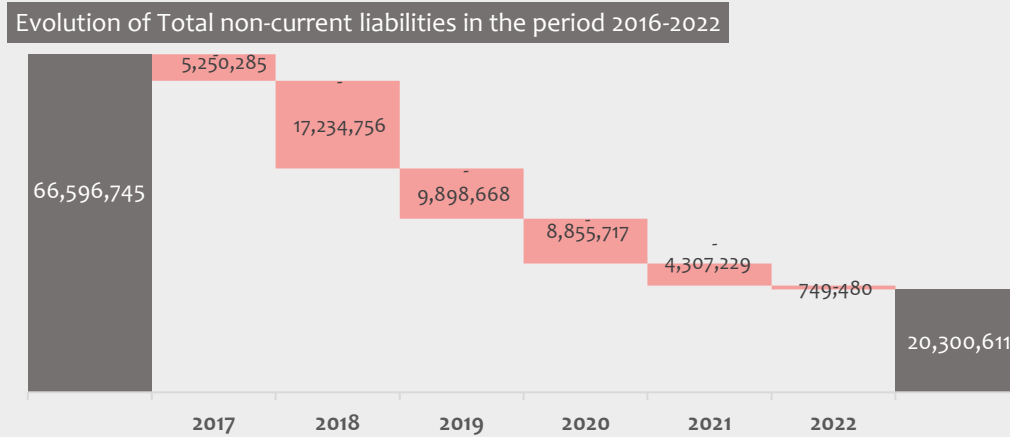


Current liabilities	31.12.2022	% in total liabilities	% in Total current liabilities	% in Total Equity and Liabilities	2022 vs. 2021
Trade and other payables	48,060,900	40.10%	48.28%	17.16%	29.33%
Other current financial liabilities	45,859,692	38.27%	46.07%	16.37%	-2.14%
Other current non-financial liabilities	5,623,258	4.69%	5.65%	2.01%	17.01%
<b>Total current liabilities</b>	<b>99,543,850</b>	<b>83.06%</b>	<b>100.00%</b>	<b>35.54%</b>	<b>12.06%</b>



**NON-CURRENT LIABILITIES****Non-current Liabilities**

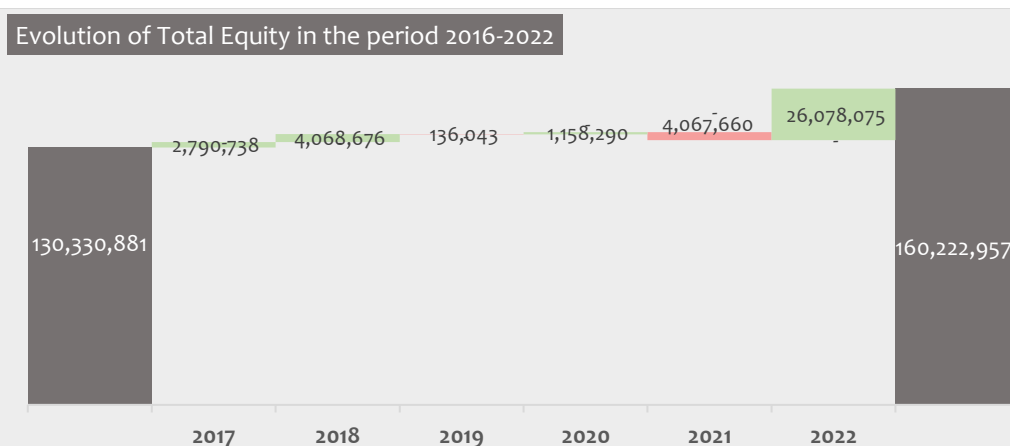
representing 7.25% of the company's Equity & Liabilities recording in the reporting period an increase of - Lei 749,480, i.e. -3.56%, as compared with the beginning of the year.



Non-current liabilities	31.12.2022	% in total liabilities	% in Total Non-current liabilities	% in Total Equity and Liabilities	2022 vs. 2021
Other non – current provisions	1,000,000	0.83%	4.93%	0.36%	150.00%
Deferred tax liabilities	7,780,659	6.49%	38.33%	2.78%	-2.89%
Other non-current financial liabilities	4,044,764	3.38%	19.92%	1.44%	0.68%
Other non-current non-financial liabilities	7,475,188	6.24%	36.82%	2.67%	-13.28%
<b>Total non-current liabilities</b>	<b>20,300,611</b>	<b>16.94%</b>	<b>100.00%</b>	<b>7.25%</b>	<b>-3.56%</b>

**EQUITY**

**Total Equity** holds **57.21%** of Total Equity & Liabilities, recording in the reporting period an increase of Lei 26,078,075 as compared with the beginning of the year.



Equity	31.12.2022	% in Total Equity and liabilities
Issued capital (264,122,096 shares at Lei 0.10/share)	26,412,210	9.43%
Share premium	2,182,283	0.78%
Reserves	60,895,475	21.74%
Retained earnings	70,732,989	25.26%
<b>Total equity</b>	<b>160,222,957</b>	<b>57.21%</b>

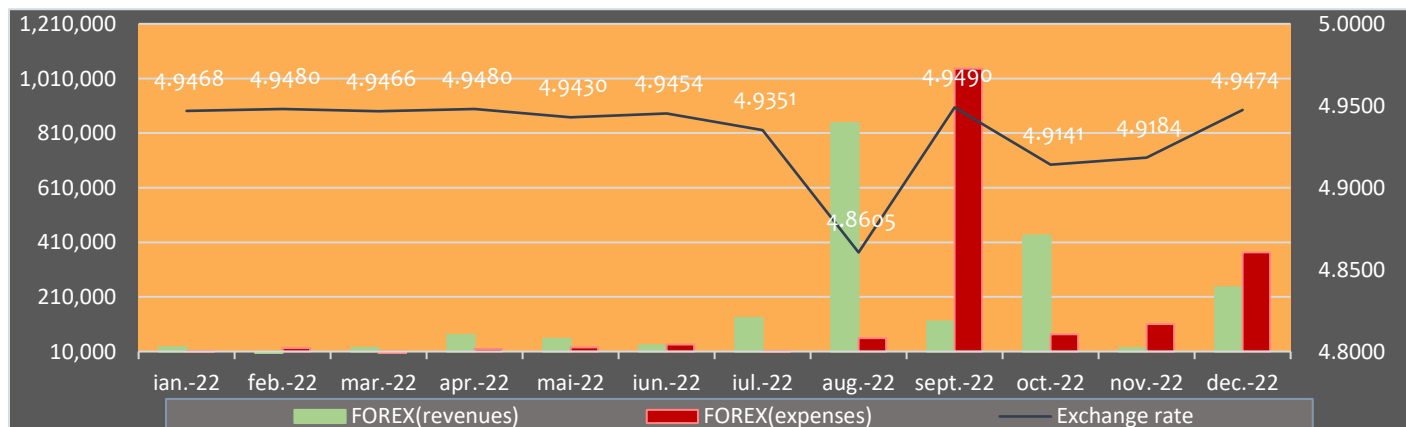
## 5.2 STATEMENT OF THE COMPREHENSIVE INCOME

Indicator	12 luni 2020	12 luni 2021	12 luni 2022	2022 vs. 2021	
Revenues (Net sales)	181,146,472	264,737,646	262,801,054	▼	(1,936,592) -1%
Other Income <sup>3</sup>	3,967,550	4,459,406	4,454,249	▼	(5,157) 0%
Increase (decrease) in inventories of finished goods and work in progress	(843,348)	872,218	7,447,653	▲	6,575,435 754%
Raw materials, consumables, commodities and utilities used	(117,623,988)	(197,945,281)	(199,065,784)	▲	(1,120,503) 1%
Employee benefits expenses and social charges	(37,639,734)	(40,568,395)	(42,312,860)	▲	(1,744,465) 4%
Depreciation and amortisation expenses	(10,202,833)	(9,977,583)	(9,609,158)	▼	368,425 -4%
Other expenses	(15,084,038)	(15,900,694)	(18,863,784)	▲	(2,963,090) 19%
Other gains and losses <sup>4</sup>	(524,439)	1,883,115	1,769,858	▼	(113,257) -6%
<b>Profit (loss) from operating activities</b>	<b>3,195,643</b>	<b>7,560,432</b>	<b>6,621,228</b>	▼	<b>(939,204) -12%</b>
Finance Income <sup>5</sup>	105,139	128,719	47,336,583	▲	47,207,864 36675%
Finance Cost	(2,303,519)	(1,769,890)	(1,574,050)	▼	195,840 -11%
Gain/loss from the impairment of financial investment	110,138	(6,477,632)	-	▼	6,477,632 -100%
<b>Profit (loss) before tax</b>	<b>1,107,401</b>	<b>(558,371)</b>	<b>52,383,761</b>	▲	<b>52,942,132 n/a</b>
Income Tax	(238,297)	(889,087)	(912,071)	▲	22,984 3%
<b>Profit (loss) of the year</b>	<b>869,104</b>	<b>(1,447,458)</b>	<b>51,471,690</b>	▲	<b>52,919,148 n/a</b>
Gain/loss from revaluation of the tangible assets	-	-	745,264	▲	745,264
Deferred tax adjustment for non-deductible tax revaluation reserves	289,186	21,017	273,332	▲	252,315
<b>Total rezultat global</b>	<b>1,158,290</b>	<b>(1,426,441)</b>	<b>52,490,286</b>	▲	<b>53,916,727 n/a</b>
EBITDA Operational	12,374,754	13,987,048	15,025,300	▲	1,038,253 7%

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

Indicator	12 Months of 2020	12 Months of 2021	12 Months of 2022
Average no. of employees	803	807	734

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 comunicated by NBR. From this evaluation in 2022 the company registered revenues in amount of Lei 2,019,619 and expenses in amount of Lei 1,790,498, resulting a profit of Lei 229,121.



In 2021 by re-valuating the company bank availabilities, receivables and liabilities expressed in a foreign currency it was registered a loss of - Lei 651,119.

<sup>3</sup> In the item « Other income » are comprised the following revenues :

Indicator	12 Months of 2020	12 Months of 2021	12 Months of 2022	2022 vs. 2021	
Rentals	1,705,120	2,199,955	2,247,585	▲	47,630 2%
Income from subsidies for investments	2,262,431	2,259,451	2,206,664	▼	(52,787) -2%
<b>Total</b>	<b>3,967,550</b>	<b>4,459,406</b>	<b>4,454,249</b>	▼	<b>(5,157)</b> 0%

<sup>4</sup> In the item « Other gains and losses» are comprised the following revenues :

Indicator	12 Months 2020	12 Months 2021	12 Months 2022	2022 vs 2021	
Gain/loss on disposal of non-current assets held for sale	(234,171)	-	-	—	-
Gain/ Loss arising on changes in fair value of investment property	(278,663)	1,377,918	170,996	▼	(1,206,922)
Gain/loss on disposal of investments property	(69,662)	411,233	1,191,307	▲	780,074
Revenues from compensation, fines and penalties	44,667	8,202	7,009	▼	(1,193)
Gain/loss on fixed assets disposal	(46,665)	21,280	915,621	▲	894,341
Other exploitation revenues	104,545	98,047	111,123	▲	13,076
Loss from financial investments	(110,538)	-	-	—	-
Revenues from discounts received	-	-	47,746	▲	47,746
Gains / losses from adjustments for impairment of current assets	(282,705)	(13,642)	54,640	▲	68,282
Revenues from exploitation subsidies for salaries	548,753	180,077	-	▼	(180,077)
Loss from revaluation of tangible assets	-	-	(128,583)	▲	(128,583)
Exploitation expenses for risks and expenses	(200,000)	(200,000)	(600,000)	▲	(400,000)
<b>Total</b>	<b>(524,439)</b>	<b>1,883,115</b>	<b>1,769,859</b>	▼	<b>(113,256)</b>

<sup>5</sup> In the item « Financial income » are comprised the following revenues :

Indicator	12 Months of 2020	12 Months of 2021	12 Months of 2022	2022 vs 2021	
Revenues from interests	105,139	128,719	316,730	▲	188,011
Revenues from dividends -Recyplat LTD	0	0	46,745,700*	▲	46,745,700
Forex net gain	0	0	274,153	▲	274,153
<b>Total</b>	<b>105,139</b>	<b>128,719</b>	<b>47,336,583</b>	▲	<b>47,207,864</b>

\*Equivalent of 9,500,000 Eur

#### From NET PROFIT to EBITDA to EBITA OPERATIONAL

Indicator	2020	2021	2022	2022 vs 2021	
<b>NET PROFIT</b>	<b>869,104</b>	<b>(1,447,458)</b>	<b>51,471,690</b>	<b>52,919,148</b>	<b>n/a</b>
Depreciation and amortisation expenses	10,202,833	9,977,583	9,609,158	(368,425)	-4%
Revenues from subsidies for investments	(2,262,431)	(2,259,451)	(2,206,664)	52,787	-2%
Interests expenses	1,159,858	953,055	1,286,399	333,344	35%
Profit tax	238,297	889,087	912,071	22,984	3%
<b>EBITDA</b>	<b>10,207,661</b>	<b>8,112,816</b>	<b>61,072,655</b>	<b>52,959,839</b>	<b>653%</b>
Profi/loss from selling the assets	350,498	(432,513)	(2,106,927)	(1,674,414)	387%
Profit/loss from re-valuating the investment properties	278,663	(1,377,918)	1,199,108	2,577,026	n/a
Other non-current items(Provisions, donations, s.o)	618,688	715,608	2,244,793	1,529,184	214%
FOREX gain/loss	948,390	654,633	(274,153)	(928,785)	n/a
Other financial gains/losses	(29,147)	6,314,423	(47,110,176)	(53,424,600)	-846%
<b>EBITDA OPERATIONAL</b>	<b>12,374,754</b>	<b>13,987,049</b>	<b>15,025,300</b>	<b>1,038,251</b>	<b>7%</b>

Indicator	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 : 2022 vs 2021	Q2 : 2022 vs 2021	Q3 : 2022 vs 2021	Q4 : 2022 vs 2021
Revenues (Net sales)	68,291,731	66,360,336	66,616,772	61,532,215	7,066,974	4,292,091	(11,498,709)	(1,796,948)
Other Income	1,116,613	1,138,214	1,114,239	1,085,183	7,643	23,755	71	(36,626)
Increase (decrease) in inventories of finished goods and work in progress	3,326,017	545,180	364,199	3,212,257	2,277,561	(539,135)	1,199,897	3,637,112
Raw materials, consumables, commodities and utilities used	(54,965,256)	(46,892,247)	(48,489,194)	(48,719,087)	(8,917,055)	(3,237,554)	11,218,445	(184,339)
Employee benefits expenses and social charges	(10,055,518)	(10,894,571)	(10,667,004)	(10,695,767)	(126,089)	(335,195)	(420,588)	(862,593)
Depreciation and amortisation expenses	(2,459,525)	(2,445,222)	(2,366,876)	(2,337,535)	63,939	30,483	130,754	143,249
Other expenses	(3,815,220)	(4,046,798)	(3,986,169)	(7,015,597)	61,986	(36,214)	46,059	(3,034,921)
Other gains and losses	64,602	24,472	103,285	1,577,499	(21,925)	(85,975)	925	(6,282)
<b>Profit (loss) from operating activities</b>	<b>1,503,444</b>	<b>3,789,364</b>	<b>2,689,252</b>	<b>(1,360,832)</b>	<b>413,034</b>	<b>112,256</b>	<b>676,854</b>	<b>(2,141,348)</b>
Finance Income	75,258	113,099	97,041	47,051,185	27,299	87,735	69,306	47,023,524
Finance Cost	(338,272)	(365,122)	(418,234)	(452,422)	413,431	(70,700)	24,211	(171,102)
Gain/loss from the impairment of financial investment	-	-	-	-	-	-	-	6,477,632
<b>Profit (loss) before tax</b>	<b>1,240,430</b>	<b>3,537,341</b>	<b>2,368,059</b>	<b>45,237,931</b>	<b>853,764</b>	<b>129,291</b>	<b>770,371</b>	<b>51,188,706</b>
Income Tax	(189,811)	(529,285)	(367,291)	174,316	(99,393)	(95,964)	(168,193)	340,566
<b>Profit (loss) of the year</b>	<b>1,050,619</b>	<b>3,008,056</b>	<b>2,000,768</b>	<b>45,412,247</b>	<b>754,371</b>	<b>33,327</b>	<b>602,178</b>	<b>51,529,272</b>
Gain/loss from revaluation of the tangible assets	0	0	0	745,264	-	-	-	745,264
Deferred tax adjustment for non-deductible tax revaluation reserves	0	0	0	273,332	-	-	-	252,315
<b>Total comprehensive income</b>	<b>1,050,619</b>	<b>3,008,056</b>	<b>2,000,768</b>	<b>46,430,843</b>	<b>754,371</b>	<b>33,327</b>	<b>602,178</b>	<b>52,526,851</b>
<b>EBITDA OPERATIONAL</b>	<b>3,425,842</b>	<b>5,692,009</b>	<b>4,461,103</b>	<b>1,446,347</b>	<b>352,510</b>	<b>114,375</b>	<b>574,301</b>	<b>(2,934)</b>

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

	Indicator	12 Months of 2020	12 Months of 2021	12 Months of 2022	2022 vs 2021	
ROMCARBON	<b>PLASTIC PROCESSING SECTOR : POLYETHYLENE</b>					
	Turnover	27,663,389	36,047,057	36,512,692	465,636	1%
	EBITDA before overhead	746,474	3,051	2,439,836	2,436,785	79859%
	Profit before overhead	(126,044)	(779,566)	1,697,246	2,476,812	n/a
	<b>PLASTIC PROCESSING SECTOR : POLYSTYRENE</b>					
	Turnover	41,113,965	51,040,479	54,425,638	3,385,159	7%
	EBITDA before overhead	11,000,107	9,725,267	7,382,299	(2,342,967)	-24%
	Profit before overhead	9,487,524	8,335,220	6,131,441	(2,203,779)	-26%
	<b>PLASTIC PROCESSING SECTOR : POLYPROPYLENE</b>					
	Turnover	34,770,909	42,780,899	40,326,620	(2,454,278)	-6%
	EBITDA before overhead	4,618,128	4,719,369	3,454,650	(1,264,720)	-27%
	Profit before overhead	4,305,035	4,394,850	3,129,217	(1,265,633)	-29%
	<b>RECYCLED POLYMERS &amp; COMPOUNDS</b>					
	Turnover	23,436,682	40,009,626	51,224,339	11,214,713	28%
	EBITDA before overhead	2,956,979	5,811,810	6,952,632	1,140,822	20%
	Profit before overhead	(757,367)	1,930,489	3,094,107	1,163,618	60%
	<b>OTHER PRODUCTIVE SECTORS : FILTERS, ACTIVE CARBON, PROTECTIVE EQUIPMENT, PVC TRAFFIC BASE SIGNS</b>					
	Turnover	5,546,725	5,876,115	9,569,410	3,693,295	63%
EBITDA before overhead	1,045,305	743,723	2,933,897	2,190,174	294%	
Profit before overhead	719,032	429,011	2,623,639	2,194,628	512%	

**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 (SALES)

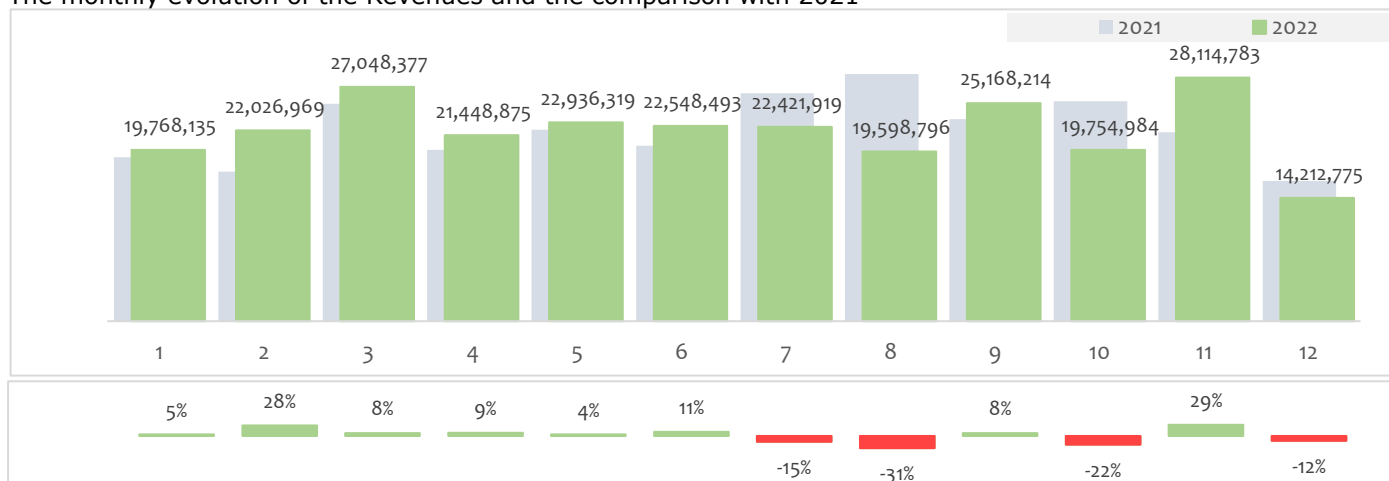
The item "Revenues(Net sales)" had the following evolution:

	12 Months of 2020	12 Months of 2021	12 Months of 2022		2022 vs. 2021	
<b>- Sales of finished goods, total, out of which:</b>	129,838,505	169,491,035	183,306,275	▲	13,815,240	8%
CP1~ Auto and industrial filters	2,409,202	2,703,153	3,395,181	▲	692,028	26%
CP2~ Respiratory protective equipment and Active Carbon	2,423,505	2,247,391	5,396,649	▲	3,149,259	140%
CP3~ Polyethylene products	27,570,557	36,010,670	36,123,918	▲	113,249	0%
CP4~ PVC products	679,304	881,364	697,669	▼	(183,695)	-21%
CP5~ Polystyrene products	39,839,387	47,497,169	51,082,952	▲	3,585,783	8%
CP6~ Polypropylene products	33,761,931	41,879,984	40,107,774	▼	(1,772,211)	-4%
CP7~Compounds	23,154,619	38,271,305	46,502,132	▲	8,230,827	22%
<b>- Sales of intermediary goods</b>	17,409	40,938	68,499	▲	27,562	67%
<b>- Services rendered</b>	320,971	488,677	721,836	▲	233,159	48%
<b>- Sale of commodities</b>	45,457,832	89,734,867	71,556,260	▼	(18,178,607)	-20%
<b>- Revenues from sundry services</b>	5,511,755	4,982,129	7,148,183	▲	2,166,054	43%
<b>Total net sales</b>	<b>181,146,472</b>	<b>264,737,646</b>	<b>262,801,053</b>	▼	<b>(1,936,593)</b>	<b>-1%</b>

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

	12 Months of 2020	12 Months of 2021	12 Months of 2022		2022 vs. 2021	
Plastic processing sector: polyethylene+polystyrene+polypropylene Recycled polymers & Compounds	101,171,875	125,387,823	127,314,644	▲	1,926,821	2%
Other production sectors (industrial and automotive filters, active carbon, respiratory protective equipment, PVC traffic base)	5,512,011	5,831,907	9,489,499	▲	3,657,592	63%
Other activities	51,307,968	95,246,611	79,494,778	▼	(15,751,833)	-17%
<b>Total</b>	<b>181,146,472</b>	<b>264,737,646</b>	<b>262,801,053</b>	▼	<b>(1,936,593)</b>	<b>-1%</b>

The monthly evolution of the Revenues and the comparison with 2021



	12 Months of 2020	12 Months of 2021	12 Months of 2022		2022 vs. 2021	
Net sales	181,146,472	264,737,646	262,801,053	▼	(1,936,593)	-1%
Rental and royalty income	1,705,120	2,199,955	2,247,585	▲	47,630	2%
<b>Turnover, out of which:</b>	<b>182,851,592</b>	<b>266,937,601</b>	<b>265,048,638</b>	▼	<b>(1,888,963)</b>	<b>-1%</b>
~domestic market	143,931,914	216,788,923	211,389,472	▼	(5,399,450)	-2%
~exports	38,919,678	50,148,679	53,659,166	▲	3,510,487	7%

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	31.12.2020	31.12.2021	31.12.2022
EBIT	Gross profit + Income tax + Expenses with interest	2,267,259	394,684	53,670,160
EBITDA	EBIT + Depreciation-Subsidies for investment Revenue + Rental and	10,207,661	8,112,816	61,072,654
Sales	royalty income	182,851,591	266,937,601	265,048,639
EBITDA to sales ratio	EBITDA/Sales	5.58%	3.04%	23.04%
EBITDA to Equity ratio	EBITDA/Equity	7.45%	5.87%	38.12%
Gross profit margin	Gross profit/Sales	0.61%	-0.21%	19.76%
Current ratio	Current assets/Current liabilities	1.16	1.19	1.47
Quick ratio	(Current assets - Inventories)/Current liabilities	0.83	0.88	1.17
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	18%	16%	13%
Total liabilities to Assets ratio	Total liabilities/Total Assets	40%	45%	43%
Long term capital to Equity	Borrowed capital/Equity	5%	3%	3%
Long term capital to engaged capital	Borrowed capital/Engaged capital	4%	3%	2%
Interest coverage ratio	EBIT/Interest expenses	1.95	0.41	41.72
Account receivable turnover ratio (days)	Average receivables/Sales	81	64	83
Account payable turnover ratio (days)	Average payables/Sales	49	43	58
Non-current assets rotation	Non-current liabilities/Sales	1.20	1.93	1.99
Return on assets (ROA)	Net profit/Assets	0.35%	-0.63%	18.38%
Return on equity (ROE)	Net profit/Equity	0.63%	-1.05%	32.13%
Return on sales (ROS)	Net profit/Sales	0.48%	-0.54%	19.42%

## 5.5 CASH-FLOW

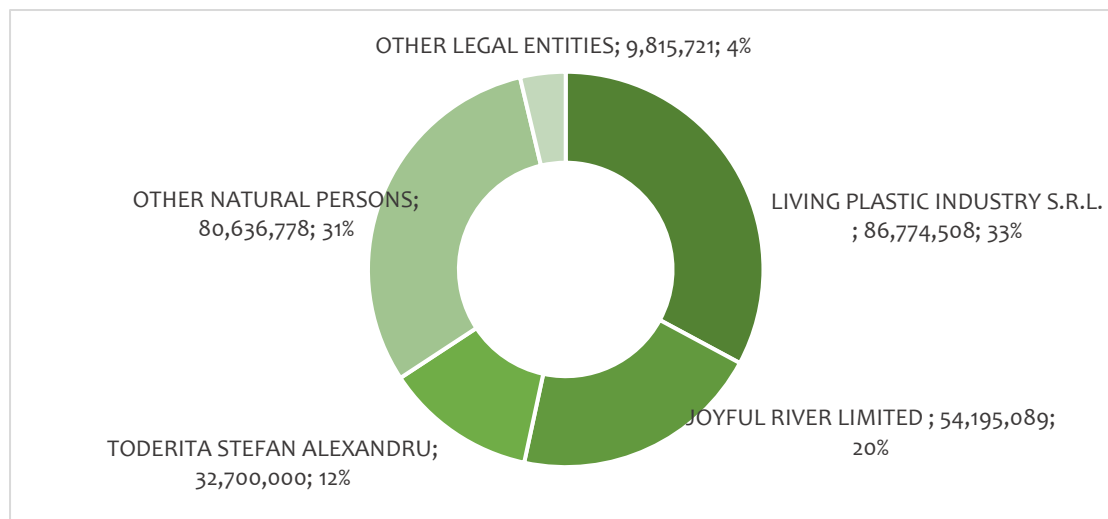
	31/12/2020	31/12/2021	31/12/2022
<b>Profit (loss)</b>	<b>869,104</b>	<b>(1,447,458)</b>	<b>51,471,690</b>
Income tax expense / (income)	238,297	889,087	912,071
Deferred income tax expense / (income)	10,202,833	9,977,583	9,609,158
Non-current asset depreciation/(impairment)	200,000	200,000	600,000
Provisions for untaken leaves	72,556	(21,280)	(915,621)
(Gain) / Loss on sale of fixed assets	278,663	(1,377,918)	(170,996)
(Gain) / Loss on changes in fair value of investment property	69,662	(411,233)	(1,191,307)
(Gain) / Loss on revaluation of tangible assets	-	-	1,370,104
(Gain) / Loss on disposal of assets held for sales	234,171	-	-
Gains on internal set-up of fixed assets	-	(327,189)	(9,793)
Expenses / (Revenues) regarding value adjustments for clients and inventories	282,705	13,642	(54,640)
Loss on receivables and sundry debtors	22,272	45,827	54,270
Loss on cancelation of the investment in subsidiaries	110,538	-	-
Expenses / (Revenues) regarding allowances for financial assets	(110,138)	6,477,632	-
Interest expense	1,159,858	1,149,747	1,574,050
Interest income	(105,139)	(128,719)	(316,730)
Income from dividends	-	-	(46,745,700)
Income from subsidies	(2,262,431)	(2,259,451)	(2,206,664)
Unrealised foreign exchange gain / (loss)	445,797	654,632	(274,153)

	31/12/2020	31/12/2021	31/12/2022
<b><i>Movements in working capital:</i></b>			
(Increase) / Decrease in trade and other receivables	9,486,747	(20,576,748)	(6,316,831)
(Increase) / Decrease in inventories	2,774,909	(5,375,385)	(2,261,553)
(Increase) / Decrease in other assets	64,467	(1,106,915)	(3,571,403)
Increase / (Decrease) in trade payables	1,787,618	11,032,378	(4,846,357)
Increase / (Decrease) in other liabilities	431,252	(129,356)	1,751,137
<b>Cash used in operating activities</b>	<b>26,253,741</b>	<b>(2,721,124)</b>	<b>(2,450,968)</b>
Income tax paid	(830,406)	(712,964)	(1,015,734)
Interest and bank charges paid	(1,159,858)	(1,149,747)	(1,574,050)
<b>Net cash used in operating activities</b>	<b>24,263,477</b>	<b>(4,583,835)</b>	<b>(5,040,752)</b>
<b><i>Cash flows from investing activities:</i></b>			
Interest received	105,139	128,719	316,730
Payments for tangible assets	(1,148,664)	(3,657,008)	(5,756,882)
Proceeds from sale of investment property	1,191,675	2,862,617	2,373,151
Proceeds from sale of tangible and intangible assets	2,436	517,739	915,614
Proceeds from sale of held-for-sale assets	4,062,150	-	-
Proceeds from government grants	-	-	912,179
Payments for assets held for sale	-	(3,164,051)	-
Related party loans granted	(258,311)	(694,543)	-
Proceeds from loans granted	47,768	-	-
Payments for intangible assets	(215,514)	8,254	(153,219)
Payments for financial assets	-	-	(1,000)
Dividends received	-	-	7,166,500
<b>Net cash generated by/used in investing activities</b>	<b>3,786,679</b>	<b>(3,998,272)</b>	<b>5,773,074</b>
<b><i>Cash flows from financing activities:</i></b>			
Proceeds/Repayments from bank loans	(16,011,003)	6,433,107	(1,002,827)
Dividends paid	-	(2,641,221)	(10,666,862)
<b>Net cash generated by/used in financing activities</b>	<b>(16,011,003)</b>	<b>3,791,886</b>	<b>(10,757,989)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>12,039,153</b>	<b>(4,790,221)</b>	<b>(10,025,668)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,549,445</b>	<b>17,588,598</b>	<b>12,798,377</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>17,588,598</b>	<b>12,798,377</b>	<b>2,772,709</b>



## 5.6 SHAREHOLDER 'S STRUCTURE

As at **31.12.2022** SC Romcarbon SA shareholders' structure, according to Depozitarul Central SA was as follows:



## Evolution of average price of ROCE shares in the period 01.01.2022-31.12.2022



## 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

Entered in 2008 on BVB regulated main market, ROMCARBON S.A. proposed itself the implementation of both a profit-oriented policy for shareholders and one of assuming a role oriented towards social, corporate, ethical and environmental responsibility, with a notable 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](http://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 - <https://www.romcarbon.com/about-romcarbon/#Corporate-governance>

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;

► **Deputy Chairman – WEY JIANN SHYANG**

**\*Professional experience:**

- Deputy CEO Living Water in Spring International Co., Ltd - 2006- present
- Investment Banking Department Manager for Financial Investment Company Sinopac and Jihsun and MasterLink, - 1996 - 2005
- Auditor Coordinator in the Audit Department of Deloitte Touche Tohmatsu (DTT) - 1992-1995
- Director of Eco Pack Management SA – 12.08.2021 - present

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

► **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

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 2022, the Board of Directors met in 20 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 conclusion by ROMCARBON S.A. of the financing contract, as well as any other documents, regarding the project "Implementation of an intelligent energy consumption monitoring system within ROMCARBON SA. (Decision no. 1/12.01.2022).
- Approval of the sale to OFFICE & LOGISTIC S.R.L. (company with headquarters in Iasi, J22/13/2018, CIF RO 38653333) as the owner of the right of preemption registered in the land register, of the real estate property of the company located in Iasi, Calea Chisinului no. 29, Iasi county, in the total area of 504 m.p. at the price of 50,400 Euro, without VAT, in lei equivalent (Decision no. 2/23.02.2022).
- Approval for convening the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders of S.C. ROMCARBON S.A. on 28.04.2022, at 12.00, respectively 12.30, at the company headquarters in Buzau, Transilvaniei street no. 132. (Decision no. 3/22.03.2022)
- Approval of the company's income and expenditure budget project for the year 2022. (Decision no. 3/22.03.2022)

- Approval of the Board of Directors proposal to the O.G.M.S regarding the coverage of the net loss obtained in the financial year 2021 in the amount of 1,447,458.33 lei from the 2014 carried forward result (undistributed net profit obtained in 2014). (Decision no. 3/22.03.2022)
- Approval of the Board of Directors proposal to the E.G.M.S regarding the bank exposure of the company for the financial year 2022-2023. (Decision no. 3/22.03.2022)
- Approval of the Board of Directors proposal to E.G.M.S. regarding the company's investment plan for the financial year 2022-2023. (Decision no. 3/22.03.2022)
- Approval of the issuance by Romcarbon S.A. of a letter of financial support for Livingjumbo Industry SA, for the financial year 2022, assuming all obligations associated/arising from issuance of this document, as well as authorizing the CEO, Mr. Huang Liang Neng, to sign this letter as well as to submit all the necessary due diligence resulting from the issuance by Romcarbon S.A. of this document. (Decision no. 3/22.03.2022)
- Approval for Romcarbon S.A. as a promissory seller to sign with Office & Logistic S.R.L. as a promissory buyer, Additional Act no. 5 to the buying selling pre-contract authenticated under no. 1878/23.03.2018 by BIN Daniela Badarau, for the extension of the duration of the buying selling pre-contract regarding the sale of land with an area of 192 sq.m., located in Iasi Calea Chisinaului no. 29. (Decision no. 3/22.03.2022 )
- Approval of the modification, starting from 01.04.2022, of the provisions of art.33 paragraph 5 of the Internal Regulation of Romcarbon S.A. regarding the work schedule. (Decision no. 4/04.04.2022)
- Approval for the completion of the Company's activity object by introducing the secondary activity "Electricity production" - CAEN 3511, including the authorization to carry out this activity at the company's headquarters, as well as the consequent updating of the company's Articles of Incorporation. (Decision no. 4/04.04.2022)
- Approval of the items on the agenda of the Extraordinary General Meeting of Livingjumbo Industry S.A. Shareholders. (Decision no. 5/18.04.2022)
- Approval of the 12-month extension of the surety bond constituted by the company in favor of EximBank România SA and the movable mortgage guarantee constituted by the company in favor of EximBank România S.A. having as its object the Sutco brand equipment owned by Romcarbon S.A., both established to guarantee the credit facility in the amount of 2,000,000 Euro contracted by Livingjumbo Industry S.A. from EximBank Romania S.A. (Decision no. 5/18.04.2022)
- Approval for convening the Ordinary General Shareholders' Meeting of ROMCARBON S.A. on 08.06.2022, at 12.00, at the company's headquarters in Buzau, Transilvaniei street no. 132, for the approval of distribution as dividends of the amount of 2,641,220.96 lei, representing a part of the net profit recorded in the financial year 2014, remaining undistributed. (Decision no. 6/28.04.2022)
- Approval of reorganization of the recycling - production Sector (compounds - PC 7) within ROMCARBON S.A. organized under the coordination of the Deputy General Director for Development, by reducing the personnel structure of this sector with a number of 3 positions, respectively 1 production engineer position, 1 chemical engineer position and 1 machinery and equipment technician position, positions that will be canceled, in order to make the economic activity more efficient within the recycling Sector (compounds - CP 7) and reducing the economic/financial impact of the very high price increases in energy and raw materials derived from oil on, the production costs of the recycling - production Sector (compounds - CP 7). (Decision no. 6/28.04.2022)
- Approval of the Directors' Report on the Individual and Consolidated Financial Situations of ROMCARBON S.A. on 31.03.2022, drawn up in accordance with the provisions of Law 24/2017, which includes the Quarterly Report on the individual interim financial statements, the unaudited condensed individual interim financial statements for the period ended on March 31, 2022, the Quarterly Report on the consolidated financial statements and the Financial Statements interim consolidated unaudited condensed accounts for the period ending on March 31, 2022. (Decision no. 7/13.05.2022)
- Approval for Romcarbon S.A. to conclude, as a lender with RC ENERGO INSTAL SRL, as a borrower, an addendum to the loan agreement no. of 1,231,700 lei (one million two hundred and thirty-one and seven hundred lei), respectively the equivalent of 250,000 EURO (two hundred and fifty euros), at the Leu/Euro exchange rate of 4.9268 lei/euro, applicable by the BNR for 24.05.2021. (Decision no. 7/13.05.2022)
- Approval of the items on the agenda of the Ordinary General Meeting of LIVINGJUMBO INDUSTRY S.A. Shareholders. for the approval of the 2021 financial statements. (Decision no. 7/13.05.2022)
- Approval of the items on the agenda of the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders of ECO PACK MANAGEMENT S.A. for the approval of the 2021 financial statements (Decision no. 7/13.05.2022)
- Approval of the items on the agenda of the General Meeting of INFOTECH SOLUTIONS S.R.L. Associates. for the approval of the 2021 financial statements. (Decision no. 7/13.05.2022)
- Approval of the items on the agenda of the General Meeting of RC ENERGO INSTALL S.R.L. Associates. for the approval of the 2021 financial statements. (Decision no. 7/13.05.2022)
- Approval of the items on the agenda of the General Meeting of YENKI S.R.L. Associates, for the approval of the 2021 financial statements. (Decision no. 7/13.05.2022)
- Approval for Romcarbon SA to apply to the financing programs within the NRRP - Component C6. Energy, Investment measure I.1. New electrical production capacities from renewable sources, as follows: National Recovery and Resilience Plan - Pillar I. Green transition - Component C6. Energy Investment measure - Investment I.1 – New electricity production capacities from renewable sources. (Decision no. 8/24.05.2022)

- Approval for Romcarbon S.A. to contract from Unicredit Bank S.A. a short-term credit facility in the amount of 3,000,000 Euro with Romcarbon SA & LivingJumbo Industry SA (co-debtors) as debtors, in order to purchase stocks. (Decision no. 8/24.05.2022)
- Approval of the Audit Committee Report for the financial year 2021, drawn up in accordance with the provisions of Law no.162 of 07.06.2017, regarding the statutory audit of the annual financial statements and the consolidated annual financial statements and amending some normative acts. (Decision no. 9/28.06.2022)
- Approval of Romcarbon S.A. Sustainability Report for the year 2021, including the Sustainability Strategy of Romcarbon S.A. for the period 2022-2030, part of the Sustainability Report having the content of the attached material, as well as the adoption and implementation by Romcarbon S.A. of the Global Reporting Initiative (GRI) Standards, the "CORE" option used to prepare the Sustainability Report of Romcarbon S.A. for the year 2021. (Decision no. 9/28.06.2022)
- Approval for Romcarbon S.A., as lender, to grant to RC ENERGO INSTALL, as borrower, an increase by 1,768,300 lei in the associated loan granted according to contract no.J/4365/03.12.2019, and approval as from July 1, 2022, the interest rate for the entire loan in the maximum total value of 3,000,000 Lei, to be 8% per year. (Decision no. 9/28.06.2022)
- Approval for ROMCARBON S.A. to grant, starting July 1, 2022, for all the company's employees, individual food allowance for each working day of the month, in the form of an electronic voucher, for a complete monthly work schedule and, as a consequence, the approval for ROMCARBON SA to sign an Addendum to the Collective Labor Agreement for the period 2021 – 2023 to update the number of meal vouchers. (Decision no. 10/04.07.2022)
- Approval that starting from July 1, 2022, the value of the meal vouchers granted by ROMCARBON S.A. to its employees to be 12 lei/ticket. (Decision no. 10/04.07.2022)
- Approval, in consideration of the Resolution of the Ordinary General Meeting of Romcarbon SA Shareholders no. 1 of 28.04.2022, for ROMCARBON S.A. to conclude with DELOITTE AUDIT S.R.L. the contract for the statutory audit 2022. (Decision no. 11/18.07.2022)
- Approval of the Directors' Report on the Individual and Consolidated Financial Situations of ROMCARBON S.A. on 30.06.2022, drawn up in accordance with the provisions of Law 24/2017, which includes the half-yearly report on the individual interim financial statements, the unaudited condensed individual interim financial statements for the period ended on June 30, 2022, the half-yearly report on the consolidated financial statements and the financial statements unaudited condensed interim consolidated accounts for the period ending on June 30, 2022. (Decision no. 12/12.08.2022)
- Approval for Romcarbon S.A. to conclude, as a promissory seller, with LIDL România S.A., as a promissory buyer, Additional Act no. 3 to the buying selling pre-contract concluded by the parties, authenticated under no. 3006 of 11.12.2019, to update the initial terms and conditions agreed in the above-mentioned preliminary contract, as it was modified by Additional Acts no. 1 and no. 2. (Decision no. 13/24.08.2022)
- Approval of the Procedure for the distribution of dividends related to the financial year 2021, due to ROMCARBON S.A. shareholders (ROCE), according to those approved by the Resolution of the Ordinary General Meeting of ROMCARBON S.A. Shareholders. no. 1 of 08.06.2022. (Decision no. 14/23.09.2022)
- Approval of the sale either to OFFICE & LOGISTIC S.R.L. (company based in Iasi, J22/13/2018, CIF RO 38653333) as the holder of the right of preemption registered in the land register, either to ACCORD BUILDING ESTATE S.R.L. (company with headquarters in Iasi, J22/3153/2022, CIF RO 46684209) as the bidder, the real estate property of the company located in Iasi, Calea Chisinului no. 29, Iasi county, with a total area of 2732 m.p. land at the price of 432,257 euros (158.22 euro/sqm), without VAT, in lei equivalent. (Decision no. 15/11.10.2022)
- Approval for convening the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders of S.C. ROMCARBON S.A. on 22.11.2022, at 12.00, respectively 12.30, at the company headquarters in Buzau, Transilvaniei street no. 132. (Decision no. 16/17.10.2022)
- Approval of the Directors' Report on the Individual and Consolidated Financial Situations of ROMCARBON S.A. on 30.09.2022, prepared in accordance with the provisions of Law 24/2017, which includes the Quarterly Report (Q3) on individual interim financial statements, the unaudited condensed individual interim financial statements for the period ended on September 30, 2022, the Quarterly Report (Q3) on the consolidated financial statements and the unaudited condensed interim consolidated financial statements for the period ending on September 30, 2022. (Decision no. 18/14.11.2022)
- Approval the items on the Agenda of Eco Pack Management SA OGMS, regarding the approval of the extension of external financial auditor Stefanoiu C. Vasile-Cabinet Financial Auditor mandate for a new period of 3 years, respectively from 10.12.2022 to 10.12 .2025. (Decision no. 19/22.11.2022)
- Approval, taking into account those approved by the Resolution of the Extraordinary General Meeting of Shareholders no. 1 of 22.11.2022, 12.30 p.m., as Romcarbon S.A. to contract from Unicredit Bank SA the increase by EUR 2,550,000 of the ceiling of the credit line granted by UniCredit Bank SA, from EUR 5,450,000 to EUR 8,000,000. (Decision no. 20/13.12.2022)

**Convocation of the General Meetings of Shareholders:**

**OGMS of 28.04.2022** , by Board Decision no.3/22.03.2022, regarding:

- Presentation, discussion and approval of the annual report of the Board of Directors for the fiscal year 2021.
- Presentation and approval of the individual financial statements for the financial year 2021 in accordance with International Financial Reporting Standards (IFRS) based on: Directors' Report and External Financial Auditor's Report for the financial year 2021.
- 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 2021.
- Presentation and approval of the consolidated financial statements, for the financial year 2021 in accordance with International Financial Reporting Standards (IFRS) based on: Directors' Report and External Financial Auditor's Report for the financial year 2021.
- 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 2021.
- Approval to cover the net loss obtained in the financial year 2021 in the amount of 1,447,458.33 lei from the Result carried forward from 2014 (net undistributed profit obtained in 2014).
- \*Note: Regarding dividends, the Board of Director in its meeting scheduled for April 2022, will analyze, and decide upon the possibility of distributing as dividends a part of undistributed profit of previous years, depending on the evolution of Ukraine conflict, its impact on the financial situation of the company and under condition to obtain agreement from company financing banks.
- Presentation and approval of the Annual Report for 2021, 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 2021.
- Approval to contract services for the statutory audit of the company for the financial year 2022.
- Approval of the income and expenses budget for the financial year 2022.
- Approval of the Remuneration Report for the financial year 2021.
- Approval of 25.05.2022 as "registration date", according to Law 24/2017.
- Approval of 24.05.2022 as "ex-date", according to Law 24/2017.

**EGMS of 28.04.2022**, by Board Decision no. 3/22.03.2022 regarding:

- Approval for the banking exposure of Romcarbon SA for the financial years 2022-2023, consisting of: credits in amount of 12,303,222 Euro and 1,293,458 Lei; Bank guarantee letters with a ceiling of RON 500,000 lei contracted with UniCredit Bank SA and a letter of bank guarantee issued by Eximbank SA in the amount of 16,040 lei; Guarantees granted to Livingjumbo Industry SA for the credit facilities contracted with UniCredit Bank (1,057,200 euro), with Eximbank SA (2,000,000 euro) and CEC Bank SA (5,000,000 lei); Guarantees granted to RC Energo Install SRL for the credit facilities contracted with Eximbank SA in the amount of 5,500,000 lei, as detailed in the material no. 1816/18.03.2022.
- Approval for:
  - - the possibility to contract a factoring ceiling in amount of 500,000 euro for a period of 36 months.
  - - the extension at maturity or, if necessary, before the maturity, of the bank letter ceiling contracted with UniCredit Bank SA in the amount of 500,000 lei with a period of 36 months and/or the modification of the guarantees with the establishment of a real movable mortgage on 4 machines having a market value according to the valuation from 06.01.2022 of 270,900 euro and a net book value on 28.02.2022 of 732,054 lei;
  - - the extension by a period of 12 months of the validity of the credit lines contracted with Exim Bank SA (in the amount of 2,550,000 euro) and with UniCredit Bank SA (in the amount of 5,450,000 euro) with the maintenance of the afferent existing guarantees.
  - - contracting a multicurrency loan to finance the investment plan for 2022 for the amount of 2,965,000 euro, for a period of 60 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 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 2022 Investment Plan.
- Ratification, confirmation, and approval of the Board of Directors Decisions no.17/11.12.2019, no.5/3/10.05.2021 and no.12/14.12.2021 regarding approval for Romcarbon to sign as promissory seller with LIDL Romania SCS as promissory buyer a buying-selling pre-contract to sell the plot company property in area of 7407 sqm. cad.no.73138, and consequently approval for Romcarbon SA to conclude with LIDL Romania SCS the sale contract and to sell aforementioned plot in the conditions agreed in the pre-contract as amended by Addendums no.1 and no.2. The empowerment of Romcarbon SA General Manager to sign either in person or by delegating via a power of attorney to a third party, the sale contract with LIDL Romania SCS and any/all documents regarding this operation as well any other contracts/agreements deriving from the buying selling pre-contract.
- Approval of 25.05.2022 as "registration date", according to Law 24/2017.
- Approval of 24.05.2022 as "ex-date", according to Law 24/2017.

**OGMS of 08.06.2022** , by Board Decision no.6/28.04.2022 regarding:

- Approval for the distribution as dividends of the amount of 2,641,220.96 lei, representing a part of the net profit registered in the financial year 2014, which remained undistributed (according to the Decision of the Ordinary General Meeting of Shareholders of 29.04.2015, point 6 letter d).
- Approval, as effect of point 1, for the distribution, from the amount of 2,641,220.96 lei, mentioned in point 1, of a gross dividend/share in the amount of 0.010 lei/share, related to the financial year 2021, for the number total shares of 264,122,096, the distribution of dividends will be made in compliance with legal provisions, depending on the financial situation of the company and subject to obtaining agreement in this regard from the creditor banks of the company.
- Approval of the date of 04.10.2022 as "registration date", according to the provisions of law no. 24/2017 and of art. 2 paragraph 2 letter f of the A.S.F. nr.5 / 2018.
- Approval of the date of 03.10.2022 as "ex-date", according to art.2 paragraph 2 letter l of the A.S.F. nr.5 / 2018.
- Approval of the date of 24.10.2022 as "payment date", according to art.2 paragraph 2 letter h and art.178 paragraph 1 of the A.S.F. nr.5 / 2018.

**OGMS of 22.11.2022** , by Board Decision no.16/17.10.2022 regarding:

- Approval for the distribution as dividends of the amount of 2,641,220.96 lei, representing a part of the net profit registered in the financial year 2014, which remained undistributed (according to the Decision of the Ordinary General Meeting of Shareholders of 29.04.2015, point 6 letter d).
- Approval, in addition to the amount of 2,641,220.96 lei, indicated in point 1 above, for the distribution as dividends of the amount of 21,129,767.68 lei, representing part of the net profit recorded in the 2014 financial year, which remained undistributed (according Resolutions of the Ordinary General Meeting of Shareholders of 29.04.2015, point 6 letter d).
- Approval, as effect of point 1, for the distribution, from the amount of 2,641,220.96 lei, mentioned in point 1, of a gross dividend/share in the amount of 0.010 lei/share, related to the financial year 2021, for the number total shares of 264,122,096, the distribution of dividends will be made in compliance with legal provisions, depending on the financial situation of the company and subject to obtaining agreement in this regard from the creditor banks of the company.
- Approval, as an effect of the approval of point 1.1., of the distribution, from the amount of 21,129,767.68 lei, mentioned in point 1.1., of a gross dividend/share in the amount of 0.080 lei/share, related to the financial year 2021, for the number total of 264,122,096 shares, the distribution of dividends following to be made in compliance with the legal provisions in force, depending on the financial situation of the company and under the condition of obtaining the agreement in this sense from the creditor banks of the company.
- The total gross dividend related to the 2021 financial year that will be distributed, as a result of the approval of points 1 and 1.1. from the agenda, from the total amount of 23,770,988.64 lei is 0.090 lei/share for the total number of shares of 264,122,096, with the maintenance of the payment date, on 21.12.2022, as it was submitted approval of O.G.M.S.
- Approval of the date of 09.12.2022 as "registration date", according to the provisions of law no. 24/2017 and of art. 2 paragraph 2 letter f of the A.S.F. nr.5 / 2018.
- Approval of the date of 08.12.2022 as "ex-date", according to art.2 paragraph 2 letter l of the A.S.F. nr.5 / 2018.
- Approval of the date of 21.12.2022 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 22.11.2022**, by Board Decision no.16/17.10.2022 regarding:

- Approval of the share sale operation and operations connexed with it, whereby Recyplat Limited (a company in which Romcarbon SA owns 100% of the share capital) sells its participation in the share capital of Romgreen Universal Limited, representing 17.58794% of the share capital of this company, for the price of 14,200,000 Euro.



- Approval of the items to be included on the agenda of the General Meeting of Shareholders of Recyplat Limited, regarding the approval of the share sale operation and any other operations connexed with it, detailed in point 1 and the authorization of the President of the Board of Directors of Romcarbon SA, Mr. Huang Liang Neng, to represent Romcarbon S.A. in G.M.S. of Recyplat Limited, to vote "for" on all items on the agenda and to sign all/any documents/contracts/requests/etc. in order to fulfill the decisions.
- Empowering the Board of Directors of Romcarbon SA to, after the completion of the share sale operation, detailed in point 1, decide on the operations, of any value, regarding the distribution of dividends, the reduction of the capital of Recyplat Limited, the dissolution and liquidation of the company or the granting of any loans to Romcarbon SA, and the empowerment of the Chairman of the Board of Directors of Romcarbon SA, Mr. Huang Liang Neng, to sign all/any documents/contracts/requests/etc necessary in this regard.
- Empowering of the Chairman of the Board of Directors of Romcarbon SA, Mr. Huang Liang Neng, to represent Romcarbon SA for carrying out the operation from point 1 and any other operations connexed with it, to negotiate and sign on behalf of and for Romcarbon SA any/all documents/contracts /cereri/etc., for the completion of the sale of shares and the operations connexed with it.
- Approval for the increase by 2,550,000 Euro of the ceiling of the credit line granted by UniCredit Bank SA to Romcarbon SA, based on contract no. BUZA/014/2012, from 5,450,000 Euro to 8,000,000 Euro and the approval of the increase, as a consequence, of the guarantee ceiling established by Romcarbon SA in favor of UniCredit Bank SA, as well as the approval of the guarantee for the credit line that will be contracted by Livingjumbo Industry SA from UniCredit Bank SA for a ceiling of 2,000,000 Euro, according to what is mentioned in material no. 6419/13.10.2022.
- Empowering the Board of Directors to negotiate and decide on the conditions for contracting the increase in the credit line granted by UniCredit Bank SA to Romcarbon SA, as well as on the conditions for the additional guarantees related to this increase, as well as on the conditions for granting guarantees in favor of UniCredit Bank SA for guaranteeing the credit line that will be contracted by Livingjumbo Industry SA from UniCredit Bank SA for a ceiling of 2,000,000 Euro.
- Empowering the General Director, Mr. Huang Liang Neng or, in his absence, regardless of the reason, of the General Deputy Administrative Director, Mrs. Manaila Carmen, and of the Financial Director, Mrs. Zainescu Viorica Ioana, to sign the credit contracts and all the addendums to them, the related guarantee contracts and all the addendums to them, as well as any other necessary documents in order to carry out what will be decided by the E.G.M.S.
- 6.Approval of the date of 09.12.2022 as "registration date", according to the provisions of law no. 24/2017 and of art. 2 paragraph 2 letter f of the A.S.F. nr.5 / 2018.
- Approval of the date of 08.12.2022 as "ex-date", according to art.2 paragraph 2 letter l of the A.S.F. nr.5/2018.

Regarding the observance of the provisions of art. 138<sup>2</sup> 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 Extruded 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. 143<sup>2</sup> 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 remuneration policy of the company**

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/2022/03/Remuneration-report-2021\\_EN.pdf](https://www.romcarbon.com/wp-content/uploads/2022/03/Remuneration-report-2021_EN.pdf)

For the year 2021, the company issues, according to the legal provisions, the Remuneration Report of administrators and directors is 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 proving 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 authorized 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:

<https://www.romcarbon.com/general-shareholders-meetings-2023/>

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.

In order to provide shareholders with relevant information in real time, S.C. ROMCARBON S.A. has created a special section on its website, called Investors, <https://www.romcarbon.com/investor/> 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](http://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 28.04.2022 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 regarding environmental protection, corporate governance and social responsibility is based on a set of principles that define its relationship with its partners - employees, creditors, suppliers, customers, investors, local authorities and community members (stakeholders).

In accordance with this strategy ROMCARBON S.A. developed in 2022 its first Sustainability Report corresponding to the year 2021, out of the belief that the inclusion of sustainability principles in the strategies of the Romcarbon Group, in communication and even in the business model, can contribute to improving its reputation among its customers, suppliers and investors and can play an important role in increasing employee involvement and reducing staff fluctuation. In developing the content of this report, the principles established in the GRI Standards regarding Materiality, Inclusiveness, Sustainability Context and Exhaustiveness were taken into account. The quality of the content of the report was ensured by observing the principles of the GRI Standards regarding Balance, Comparability, Accuracy, Regularity, Clarity and Reliability.

Romcarbon was awarded III – place in a top of the best sustainability reports by a specialized jury comprising of representatives of capital market in a competition organized by ARIR (Association for Investor Relations from Romania). The 5 judges analyzed all competing reports based on 8 criteria and appreciated the concrete data presented by Romcarbon in his 2021 Sustainability Report and also inclusion of clear indicators and targets for Romcarbon ESG activity.

More details can be found in our Sustainability Report available on the Romcarbon SA website, <https://www.romcarbon.com/sustainability-reports/>

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;

Regarding the social involvement actions aimed at contributing to the development of the local community, we mention the participation of ROMCARBON SA, in 2022, as a partner of the Buzau City Hall and sole sponsor of the inter-school project competition entitled "**My school in Circular Buzau**", competition intended to encourage actions or innovative projects that encourage and facilitate the selective collection and recycling of waste and serve to raise awareness of the importance of selective collection in the local community, the involvement of students in the development of a circularity project through :

o Avoiding the creation of waste - by reusing recycled or composted materials;

a (Re)valuation of the unexploited space in the Schools where he studies

o The production of renewable energy, at an experimental level (School)

o Keeping products/materials/services in use and maintaining their value through the 3 R's - reuse, repair, reconditioning.

From the same sphere of social involvement, we must mention the participation of ROMCARBON SA, in 2022, as a partner of the Buzau City Hall in the initiation of the Consortium for dual education "Centre of excellence for dual-technical pre-university and university education Buzau", a project through which ROMCARBON will actively participate in ensuring initial vocational education and training in the dual system, in order to adapt vocational education and training to the requirements of the labor market.

Last but not least, we should mention the sponsorship actions carried out by ROMCARBON SA in 2022, actions through which we financially supported the activity of NGOs such as the SAINT ELENA CHILDREN'S ASSOCIATION, SAINT SAVA CHILDREN'S FOUNDATION, "DARUIESTE VIATA" ASSOCIATION, BOOKLAND ASSOCIATION , but also of institutions of local interest such as the Buzau County Emergency Hospital and the Buzau City Hall.

*As a **socially responsible company**, S.C. ROMCARBON S.A. therefore aims not only to increase the satisfaction of employees, commercial partners and its own shareholders, but also to increase involvement in the community, to increase the quality of life at the local level, but also to stimulate the labor market by raising the level of professional competence of human resources.*

## 7. ANNEX : It is not the case

**Chairman of the Board and General Manager,**

**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
<b>Section A – Responsibilities</b>				
<b>A.1.</b>	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.
<b>A.2.</b>	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.
<b>A.3.</b>	The Board of Directors or the Supervisory Board must consist of at least five members.		<b>NO</b>	Articles of Incorporation provides for a Board of directors comprising of three members according to article 137 paragraph 2 of Law No. 31/1990.
<b>A.4.</b>	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.	<b>YES</b>		
<b>A.4.</b>	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.		<b>NO</b>	Regulation of the Board of Directors to be developed and approved will regulate measures to comply with this requirement.
<b>A.5.</b>	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.	<b>YES</b>		On the company's website are published the board members CV's including information on its member's professional obligations.
<b>A.6.</b>	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.	<b>YES</b>		
<b>A.7.</b>	The company must appoint a secretary of the Board responsible for supporting the Board of Directors activity.	<b>YES</b>		
<b>A.8.</b>	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,		<b>NO</b>	



**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
	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.
<b>A.9.</b>	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.	<b>YES</b>		
<b>A.10.</b>	Corporate governance statement must include information on the exact number of independent members of the Board of Directors or Supervisory Board.	<b>YES</b>		
<b>A.11.</b>	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.			<b>Not the case</b>
<b>Section B - The risk management and internal control system</b>				
<b>B.1.</b>	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.	<b>YES</b>		
<b>B.2.</b>	Chairman of the audit committee must be an independent non-executive member.	<b>YES</b>		
<b>B.3.</b>	Within its responsibilities, the audit committee must conduct an annual assessment of internal control system.	<b>YES</b>		
<b>B.4.</b>	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.	<b>YES</b>		
<b>B.5.</b>	The Audit Committee shall assess conflicts of interest in connection with transactions of the Company and its subsidiaries with related parties.	<b>YES</b>		

Section	Provisions of the Code that must be respected	Comply	Does not comply or partially comply	The reason for non-compliance
<b>B.6.</b>	The Audit Committee shall assess the effectiveness of internal control system and risk management systems.	<b>YES</b>		
<b>B.7.</b>	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.	<b>YES</b>		
<b>B.8.</b>	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.	<b>YES</b>		
<b>B.9.</b>	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.	<b>YES</b>		
<b>B.10.</b>	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.	<b>YES</b>		
<b>B.11.</b>	Internal audits must be performed by a separate structural division (internal audit department) within the company or by hiring an independent third party entity.	<b>YES</b>		
<b>B.12.</b>	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.	<b>YES</b>		

Section	Provisions of the Code that must be respected	Comply	Does not comply or partially comply	The reason for non-compliance
<b>Section C1 - Just reward and motivation</b>				
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		
<b>Section D - adding value to the investor relations</b>				
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		

**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.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		

<b>Section</b>	<b>Provisions of the Code that must be respected</b>	<b>Comply</b>	<b>Does not comply or partially comply</b>	<b>The reason for non-compliance</b>
<b>D.6.</b>	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.	<b>YES</b>		
<b>D.7.</b>	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.	<b>YES</b>		
<b>D.8.</b>	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.	<b>YES</b>		
<b>D.9.</b>	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.	<b>YES</b>		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.
<b>D.10.</b>	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.	<b>YES</b>		

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

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

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

Follow us on **LinkedIn** 

**ROMCARBON SA** | *Thinking forward*

Buzau, Str. Transilvaniei, nr.132

Cod postal 120012

Tel.0238.711.155

Fax.0238.710.697

[www.romcarbon.com](http://www.romcarbon.com)

[investor.relations@romcarbon.com](mailto:investor.relations@romcarbon.com)