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For Romcarbon standalone 2023 9M recorded a net profit of 5,281,559 lei, decreased with -777,884 lei (-13%) as compared with 2022 9M.

The net profit was also influenced by the profit for selling assets (registered in Q1) and FOREX gain from the investment in Recyplat that was registered in LEI at historical cost.

Overall, the market situation started to recover in Q3, the Plastic Processing sector (polypropylene, polystyrene, polyethylene) registering better results in Q3 as compare to the previous periods of 2023. Polypropylene Processing and Polystyrene Processing sectors achieved better results than in the same period of the previous year, + 530,615 lei |+20%, respectively 304,619 lei |+6%, while the Polyethylene Processing sector even though recorded less profit compare with 2022, but increased significantly compare with Q1 and Q2 2023.

In the Recycled Polymers and Compounds sector we had several disruptions due to machine breakdowns. This was the main problem for Q2 with an impact on Q3 results too. However, with the new production line, we started to increase the capacity. The output of Oct. have reached the biggest quantity after Mar. 2023.

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

Indicators	9 Months 2021	9 Months 2022	9 Months 2023	2023 vs. 2022	
Revenues (Net sales)	201,408,483	201,268,839	162,394,285	▼	(38,874,554) -19%
Other Income	3,337,597	3,369,066	3,222,537	▼	(146,529) -4%
EBITDA	11,901,014	13,656,454	12,237,620	▼	(1,418,834) -10%
EBITDA Operational	12,537,767	13,578,953	5,593,044	▼	(7,985,909) -59%
Profit(loss) from operations	6,779,916	7,982,060	3,857,564	▼	(4,124,496) -52%
Net profit (loss) (1)	4,669,567	6,059,443	5,281,559	▼	(777,884) -13%
Profit on fixed assets sale (2)	55,256	79,572	3,992,451	▲	3,912,879 4917%
FOREX gain on diminishing the financial investment in Recyplat (3)	-	-	2,913,582	▲	2,913,582
Net profit (loss) (1 - 2 -3)	4,614,311	5,979,871	(1,624,474)	▼	(7,604,345) -127%
Non-Current assets	145,336,714	136,165,053	116,582,827	▼	(19,582,226) -14%
Current assets	107,960,537	117,264,899	118,467,210	▲	1,202,311 1%
Total Equity	140,240,889	137,563,103	152,298,411	▲	14,735,308 11%
Total Liabilities	113,056,362	115,866,849	82,751,626	▼	(33,115,223) -29%
Debt ratio	45%	46%	35%	▼	(0) -23%
Current liquidity	117%	124%	196%	▲	1 58%

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

The consolidated result of Romcarbon Group

The consolidated result in the first 9 months of 2023 is a net loss of - 906,030 lei, being mainly influenced by:

➤ Livingjumbo Industry SA – registered a loss of – 3,599,624 lei, while in 2022 9M it was registered a net profit of 2,812,732 lei.

Livingjumbo had faced the same difficulties as Romcarbon in terms of low demand on the market, especially in the PET sector (food packaging), as consumers have steadily reduced spending due to inflation.

A positive aspect was observed in the Polypropylene Big Bags Sector, where, starting with June, a positive result was recorded, and this trend continued in the 3rd quarter.

➤ RC Energo Install SRL – registered a net profit of 109,319 lei, decreased by – 616,735 lei as compared with 2022 9M. The variation is mainly from the Christmas festive lighting projects. The variation is due to the timing of invoicing.

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

Indicators	9 Months 2021	9 Months 2022	9 Months 2023		2023 vs. 2022	
Revenue (Sales)	247,775,883	288,827,110	229,981,206	▼	(58,845,904)	-20%
Other income	3,206,812	3,243,392	3,074,258	▼	(169,134)	-5%
Share of profit / loss of associates	2,857,339	3,825,314	-	▼	(3,825,314)	-100%
EBITDA	16,019,992	24,518,607	9,620,650	▼	(14,897,957)	-61%
EBITDA Operational	14,103,112	20,837,719	5,992,767	▼	(14,844,952)	-71%
Profit(loss) from operations	5,875,369	12,933,613	1,893,831	▼	(11,039,782)	-85%
Net profit (loss) ¹	5,676,182	13,407,174	(906,030)	▼	(14,313,203)	-107%
Net profit (loss) without the impact of Share of profit / loss of associates [Green-Group]	2,818,844	9,581,860	(906,030)	▼	(10,487,889)	-109%
Non-Current assets	173,961,191	165,632,081	135,236,591	▼	(30,395,490)	-18%
Current assets	126,480,541	150,312,232	148,022,999	▼	(2,289,233)	-2%
Total Equity	142,784,719	149,715,065	155,789,239	▲	6,074,174	4%
Total Liabilities	157,657,014	166,229,248	127,470,351	▼	(38,758,897)	-23%
Debt ratio	52%	53%	45%	▼	(0)	-14%
Current liquidity	105%	109%	149%	▲	0	36%

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

Company	Result 9 Months 2022 (in lei)	Result 9 Months 2023 (in lei)	2023 vs 2022
Romcarbon SA	6,059,443	5,281,559	(777,884)
Living Jumbo Industry SA	2,812,732	(3,599,624)	(6,412,356)
RC Energo Install SRL	726,054	109,319	(616,735)
Infotech Solutions SRL	84,873	251,766	166,893
Recyplat Ltd Cipru	(246)	(2,849,719)	(2,849,473)
Eco Pack Management SA	(1,479)	(2,465)	(987)
Consolidation adjustments (Share of the profit of the associate Romgreen Universal LTD (Green-Group))*	3,825,314	-	(3,825,314)
Other consolidation adjustments	(99,516)	(96,866)	2,651
Total profit	13,407,174	(906,030)	(14,313,204)

*In December 2022 the Group sold its holding in Romgreen Universal LTD (Green-Group)

Other remark

In July 2023, Romcarbon participated in the IPO of Hidroelectrica (H2O), buying a number of 28,086 shares, the total acquisition cost being 2,841,816 lei. The company keeps financial investments at acquisition cost. If this financial investment had been recorded at market value, the company would have had a profit on 30.09.2023 of 528,504 lei.

The prospect for the future.

The Polyethylene sector has gained a big order of package for waste collection. With clear forecast, this will help us to organize the production more efficiently.

The Polypropylene sector is planning the reorganization of the production line to manage the production with less operators, since lack of manpower has been worsened. We plan to finish this reorganization by end of the year or beginning of Jan. 2024.

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The Polystyrene sector is waiting to receive the certification of technical agreement for the new product – laminated underlay flooring. Unfortunately, there is some delay, but we shall have it in Nov. Afterward, we will be qualified to supply this product to the market.

The continue increase of the energy price and the minimum wage will be a big challenge for 2024.

Besides the efforts dedicated to the existing business, the management team is in discussion with some strategic partners for new business opportunities that can be developed on our existing facility with small investment. Those projects will create the added value for our existing business.

About the Group

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

The main companies of the Group with production activities are Romcarbon SA and Livingjumbo Industry SA, owning 82% and 14% of the total fixed assets.

The revenue distribution by field of activity in 2023 was as follows:

- plastics processing (polyethylene, polystyrene, polypropylene, PET): 72% (79% in 2022 9M);
- regenerated polymers and compounds: 13% (14% in 2022 9M);
- other productive activities (production of filters for motor vehicles and industrial filters, production of respiratory protection masks, PVC traffic base): 2% (2% in 2022 9M);
- other activities: 13% (5% in 2022 9M).

We also inform that the main financial information comprised in the report are available, for download, in excel format, on the company's website - www.romcarbon.com, **Investors, Reports and information, Financial Information/Presentations**.

Chairman of the Board and General Manager,
Huang Liang Neng

Financial Manager,
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Deputy General Manager for Administrative Operations,
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