

For Romcarbon standalone 2023 recorded a net profit of 3,496,332 lei, decreased by -47,975,358 lei as compared to 2022. Out of this difference, 45,784,358 lei was the profit from selling of the investment in Green Group. From the core business point of view, the profit decreased by -4,488,031 lei as compared to 2022.

Overall, the market situation started to recover in Q3, the Plastic Processing sector (polypropylene, polystyrene, polyethylene) registering better results in Q3 as compared to the previous periods of 2023. Polypropylene Processing and Polystyrene Processing sectors achieved better results than in the previous year, + 487,718 lei |+16% respectively 447,006 lei |+7%, while the Polyethylene Processing sector even though recorded less profit compared to 2022, - 236,175 lei | -14%, but increased significantly compared with H1 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 H2 results too.

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

| Indicators  | 12 Months of 2021 | 12 Months of 2022 | 12 Months of 2023  | 2023 vs. 2022  |       |
|---|-------------------|-------------------|--------------------|----------------|-------|
| <b>Revenues (Net sales)</b>   | 264,737,647       | 262,801,054       | <b>214,230,854</b> | ▼ (48,570,200) | -18%  |
| <b>Other Income</b>   | 4,459,406         | 4,454,249         | <b>4,303,986</b>   | ▼ (150,263)    | -3%   |
| <b>EBITDA</b>   | 8,112,816         | 61,072,654        | <b>12,582,621</b>  | ▼ (48,490,033) | -79%  |
| <b>EBITDA Operational</b>   | 13,987,048        | 15,025,300        | <b>4,873,276</b>   | ▼ (10,152,024) | -68%  |
| <b>Profit(loss) from operations</b>                                 | 7,560,431         | 6,621,228         | <b>2,133,197</b>   | ▼ (4,488,031)  | -68%  |
| <b>Net profit (loss)</b>  | (1,447,458)       | 51,471,690        | <b>3,496,332</b>   | ▼ (47,975,358) | -93%  |
| Revenues from dividends   | -                 | 46,745,700        | -                  | ▼ (46,745,700) | -100% |
| Expenses related to the sales of Green-group shares                 | -                 | (989,160)         | -                  | ▼ 989,160      | -100% |
| <b>Net profit w/o the impact of the sales of Green-Group shares</b> | (1,447,458)       | 5,715,150         | <b>3,496,332</b>   | ▼ (2,218,818)  | -39%  |
| <b>Non-Current assets</b>   | 138,364,501       | 133,313,884       | <b>118,936,705</b> | ▼ (14,377,179) | -11%  |
| <b>Current assets</b>   | 105,658,369       | 146,753,533       | <b>122,197,547</b> | ▼ (24,555,986) | -17%  |
| <b>Total Equity</b>   | 134,144,882       | 160,222,957       | <b>150,513,184</b> | ▼ (9,709,773)  | -6%   |
| <b>Total Liabilities</b>  | 109,877,988       | 119,844,460       | <b>90,621,068</b>  | ▼ (29,223,392) | -24%  |
| <b>Debt ratio</b>   | 45%               | 43%               | <b>38%</b>         | ▼ (0)          | -12%  |
| <b>Current liquidity</b>  | 119%              | 147%              | <b>177%</b>        | ▲ 0            | 20%   |

<sup>1</sup> 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 2023 is a loss of -4,953,324 lei, being mainly influenced by:

➤ Livingjumbo Industry SA – registered a loss of – 6,045,845 lei, while in 2022 it was registered a net profit of 3,477,122 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 H2 2023.

➤ RC Energo Install SRL – registered a net profit of 289,398 lei, decreased by -872,732 lei as compared to 2022. 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:

| Indicator  | 12 Months of 2021 | 12 Months of 2022 | 12 Months of 2023  | 2023 vs 2022 |                     |              |
|--|-------------------|-------------------|--------------------|--------------|---------------------|--------------|
| Revenue (Sales)  | 341,319,436       | 381,985,677       | 304,683,985        | ▼            | (77,301,692)        | -20%         |
| Other income   | 4,291,042         | 4,287,141         | 4,103,607          | ▼            | (183,534)           | -4%          |
| Share of profit / loss of associates   | (1,144,985)       | 2,402,565         | -                  | ▼            | (2,402,565)         | -100%        |
| EBITDA   | 15,528,594        | 70,401,193        | 8,949,657          | ▼            | (61,451,536)        | -87%         |
| <b>EBITDA Operational</b>  | <b>16,824,568</b> | <b>24,700,499</b> | <b>5,210,408</b>   | ▼            | <b>(19,490,091)</b> | <b>-79%</b>  |
| <b>Profit(loss) from operations</b>  | <b>6,833,937</b>  | <b>12,867,795</b> | <b>(1,534,380)</b> | ▼            | <b>(14,402,175)</b> | <b>-112%</b> |
| <b>Net profit/loss <sup>1</sup></b>  | <b>1,790,613</b>  | <b>56,124,755</b> | <b>(4,953,324)</b> | ▼            | <b>(61,078,079)</b> | <b>-109%</b> |
| <b>Net profit without the impact of Share of profit / loss of associates [Green-Group] and sales of the financial investment</b> | <b>2,935,598</b>  | <b>9,196,295</b>  | <b>(4,953,324)</b> | ▼            | <b>(14,149,619)</b> | <b>-154%</b> |
| Non-Current assets   | 167,356,018       | 134,542,936       | 134,774,315        | ▲            | 231,379             | 0%           |
| Current assets   | 134,454,393       | 209,568,594       | 157,796,518        | ▼            | (51,772,076)        | -25%         |
| Total Equity   | 138,920,166       | 169,680,251       | 151,741,844        | ▼            | (17,938,407)        | -11%         |
| Total Liabilities  | 162,890,245       | 174,431,279       | 140,828,988        | ▼            | (33,602,291)        | -19%         |
| Debt ratio   | 54%               | 51%               | 48%                | ▼            | (0)                 | -5%          |
| Current liquidity  | 103%              | 142%              | 138%               | ▼            | (0)                 | -2%          |

<sup>1</sup> The contribution of the company to the profit of the Group:

| Company  | 12 Months of 2022 | 12 Months of 2023  | 2023 vs 2022        |
|--|-------------------|--------------------|---------------------|
| Romcarbon SA (without impact of the GreenGroup Share transaction)  | 5,687,332         | 3,496,332          | (2,191,000)         |
| <b>Profit from Green-Group share transactions after adjustments*</b>   | 45,784,358        | -                  | (45,784,358)        |
| Living Jumbo Industry SA   | 3,477,122         | (6,045,845)        | (9,522,967)         |
| RC Energo Install SRL  | 1,162,130         | 289,398            | (872,732)           |
| Infotech Solutions SRL   | 116,305           | 283,646            | 167,341             |
| Recyplat Ltd Cipru   | -                 | (2,856,302)        | (2,856,302)         |
| Eco Pack Management SA   | (14,914)          | (2,540)            | 12,374              |
| Elimination of the unrealized profit related to the raw material inventories and fixed assets from the Group companies | (115,397)         | (85,444)           | 29,953              |
| Other consolidation adjustments  | 27,818            | (32,568)           | (60,386)            |
| <b>Total</b>   | <b>56,124,755</b> | <b>(4,953,324)</b> | <b>(61,078,079)</b> |

\*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. At 31.12.2023 the company still held a number of 25,000 shares. 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 31.12.2023 of 670,434 lei according to the number of shares held at the end of the year.

#### The prospect for the future.

In December 2023, we launched the sales of XPS laminated floor underlayment, this new product will increase the turnover and the profit of the company. For the Polymers and Recycled Compounds sector, we have installed a new production line in Q4, which will increase production capacity. The new production line will also give us the ability to do maintenance



work on the old production lines in advance, reducing the possibility of unexpected production interruptions.

Considering the evolution of the business in the last months of 2023, the management team sees a high possibility of business recovery in 2024. In addition, the management team will continue to optimize the company administrative costs and to invest in new equipment.

### **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% (75% in 2022);
- regenerated polymers and compounds: 13% (13% in 2022);
- other productive activities (production of filters for motor vehicles and industrial filters, production of respiratory protection masks, PVC traffic base): 2% (3% in 2022);
- other activities: 13% (9% in 2022).

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](http://www.romcarbon.com), **Investors, Reports and information, Financial Information/Presentations**.

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

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

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