



ANNUAL

REPORT
2023

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Annual report regarding the Separate Financial Statements

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Annual report according to FSA Regulation no.5/2018

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Name of the Company: SC ROMCARBON SA

Headquarters: Buzau , 132, Transilvaniei street

Tel / fax: 0238/711155; 0238/710697

Sole registration code: RO 1158050

Registered business number: J10 / 83/1991

Subscribed and paid up share capital: RON 52,824,419.20

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: **528,244,192** registered shares, dematerialized, with a nominal value of RON 0.1.

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MANAGEMENT'S COMMENTS

Dear shareholders,

For Romcarbon standalone 2023 recorded a net profit of 3,313,809 lei, decreased by - 48.157.881 lei as compared to 2022. Out of this difference, 45,784,358 lei was the profit from selling of the financial investment in Green Group. From the core business point of view, the profit from operational activities 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 to 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.

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 2024

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.

Budget for 2024

For the year 2024, we estimated an increase in sales by 65,473,226 lei |+31% compared to 2023, a profit from operational activities increasing by 7,073,233 lei |+332% and a gross profit increasing by 1,925,061 lei |+55%

The investment plan for the year 2024

Major investments are directed towards production:

Approximately 10 million euros is the project for which we would like to access EU funding (PNRR).

The investment includes a plastic recycling facility and targets downstream activities that can use the obtained regranulated as a raw material for plastic packaging. This investment will increase the capacity of the plastic recycling sector by around 25-30%. At the same time, the introduction of regranulated in the plastic packaging produced by us, will be the answer to the requirements regarding sustainability. The EU funding, if approved, will cover 60% of the investment. Considering the duration of the process of obtaining financing from EU funds, the implementation of the investment will most likely start at the end of 2024 and finish in the second half of 2025 at the earliest.

For the polystyrene extrusion (XPS) activity, we are planning an investment of 1.1 million euros. The existing installation is more than 20 years old and worn out, which caused several interruptions in 2023 and reduced capacity. With this old production line, we cannot cover all orders received from customers. Being the most profitable line of business, it is important for us to invest in a high performing production line to cover the demands of the customers. The capacity we lost in 2023 was about 20% during peak season.

Investments in Romcarbon platform infrastructure

These investments mainly target the production of green energy.

Infrastructure investments also include the replacement of the platform's water network, which is outdated, some water pipes having problems with flow and pressure losses, the company having the obligation to ensure a certain water pressure in the hydrant network according to ISU regulations.

However, in 2023, we have reduced our water consumption by about 88,000 m³ (-30%) by monitoring consumption and repairing the water network, and there is still room for improvement.

Financial investments

We are in the process of developing a collaboration for carbon fiber recycling activity. This investment will expand our position in the field of recycling.

At the same time, until the start of the investment, part of the available funds will be directed to short-term financial investments, if this opportunity arises. The management team will manage this type of investment with caution and under the supervision of the board of directors.

The year 2023 was a very difficult year for the company's activity. And we will remain cautious for 2024 as the economic environment is still full of challenges. Despite all these challenges, the management team has taken measures to solve the main problem we faced in 2023, namely the decrease in production capacity, measures that will continue in 2024 and which, we expect, will lead to a gradual improvement in the company's results, especially in the second half of 2024.

Huang Liang Neng

Chairman of the Board and General Manager
on behalf of the Management team

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	1,898,259
Equipment and Machineries	6,653,535
Controlling device	6,037
Vehicles	66,814
Furniture	43,426
TOTAL	8,668,071

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

Item	Entry value	Sections
THERMOFORMING LINE OF XPS PANELS PRODUCTION HALL CP5	3,668,447	CP5- PS Processing
AUTOMATIC AND CONTINUOUS MELTING FILTER	1,088,161	CP5- PS Processing
CONCRETE PLATFORM FOR STORAGE WITH RAINWATER DRAINAGE SYSTEM	947,620	CP7-Recycled polymers & Compunds
XPS PANEL PACKAGING MACHINE	385,740	Administrative and Other
SHREDDER KS-D66100	341,328	CP5- PS Processing
	319,021	CP7-Recycled polymers & Compunds

1.1.1 General assessment items

Indicator	2022	2023	2023 vs. 2022	
Sales of finished goods	183,306,275	153,331,408	(29,974,867)	-16,35%
Total sales (Turnover)	265,048,639	216,420,862	(48,627,777)	-18,35%
Exports	53,659,166	34,506,100	(19,153,066)	-35,69%
Total Revenues	328,255,881	233,580,503	(94,675,378)	-28,84%
Total Expenses	(275,872,119)	(230,084,171)	45,787,948	-16,60%
Gross profit/loss, total, out of which:	52,383,761	3,496,332	(48,887,429)	n/a
Exploitation result	6,285,832	1,848,012	(4,437,820)	-70,60%
Financial result	46,097,930	1,648,320	(44,449,610)	n/a
Profit tax	(912,071)	(182,523)	729,548	-79,99%
Net profit	51,471,690	3,313,809	(48,157,881)	n/a
EBIT	53,670,160	5,303,794	(48,366,366)	-90,12%
EBITDA	61,072,654	12,582,621	(48,490,033)	-79,40%
EBITDA Operational	15,025,300	4,873,276	(10,152,024)	-67,57%
Cash and bank balances	2,772,710	29,382,496	26,609,786	959,70%

Market share (%) in Romania:

Group of products		% of domestic market (estimation)
Automotive and industrial filters	~CP1	2%
Active carbon	~CP2	3%
Individual 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 2023, 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

	2021	2022	2023
- Sales of finished products, total, out of which:	64.02%	69.75%	71.57%
CP1~ Automotive and industrial filters,	1.02%	1.29%	1.70%
CP2~ Respiratory protective equipment and Active Carbon	0.85%	2.05%	1.06%
CP3~ Polyethylene processing products	13.60%	13.75%	14.13%
CP4~ PVC processing products	0.33%	0.27%	0.20%
CP5~ Polystyrene processing products	17.94%	19.44%	21.85%
CP6~ Polypropylene processing products	15.82%	15.26%	14.94%
CP7~ Recycled plastics & Compounds	14.46%	17.69%	17.69%

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

New products developed in 2023

The technical and investment activity was directed at new products and technologies in parallel with the growth of the offered product portfolio.

In 2023, we expanded the range of filters with 24 new benchmarks, 16 automotive and 8 industrial.

In the Polyethylene Processed sector, the production and assimilation of products with recyclable content continued, including bags intended for the separate collection of waste in a manual system or with the help of automatic collection devices, bags that can be recycled, thus ensuring a circular process.

In the polypropylene packaging sector (bags), products have been developed with a specific sliding coefficient that prevents sliding during stacking. As a result, the type-dimensional range of polypropylene woven packaging was expanded with 320 new products.

36 new compounds were developed from recyclable plastic fractions, which included optimization in order to reduce the cost and make the use of raw materials more efficient, totaling ~1,000 tons. The products were sent to the beneficiaries for testing, validation and use.

The assimilation project of folded and laminated XPS boards with aluminized boPET film intended for floor insulation, both thermally and acoustically and from the point of view of humidity, continued.

With the commissioning of the new line, boards were obtained that were tested in an external laboratory from the point of view of the characteristics stipulated in the EN 16354 standard, the products being of high quality, falling into higher classes according to the mentioned standard.

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

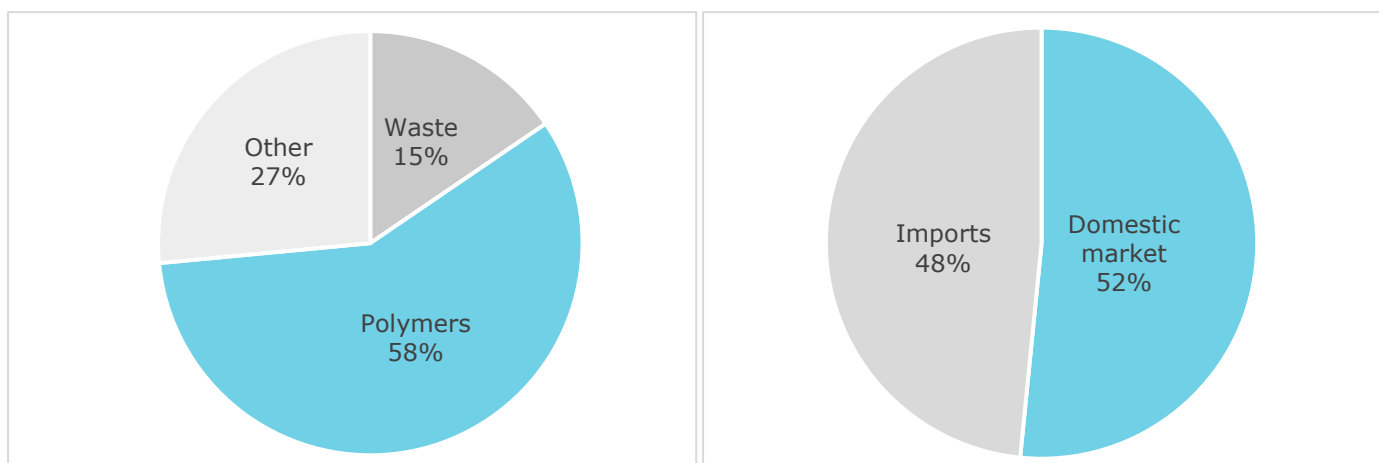
The supplying chain of raw materials, materials and services is done according to the specific internal procedures. Following the analysis of a minimum 3 commercial offers, the best alternative is selected, which then becomes the acquisition. Collaborations with agreed suppliers are conducted on the 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 48% (2022 : 43%), and companies acting on the foreign markets in a percentage of 52% (2022 : 57%).

For the Compound sector, the raw material supplied comes in a percentage of 95% from romanian market, while the difference is ensured by the foreign markets.

The most important percentage (58%) 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 2023 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	2021	2022	2023	2023 vs. 2022	
CP1~ Auto and industrial filters,	2,703,153	3,395,181	3,652,168	▲	256,986 8%
CP2~ Respiratory protective equipment and Active Carbon	2,247,391	5,396,649	2,278,627	▼	(3,118,023) -58%
CP3~ Polyethylene products	36,010,670	36,123,918	30,273,457	▼	(5,850,462) -16%
CP4~ PVC products	881,364	697,669	420,422	▼	(277,247) -40%
CP5~ Polystyrene products	47,497,169	51,082,952	46,799,707	▼	(4,283,245) -8%
CP6~ Polypropylene products	41,879,984	40,107,774	32,001,778	▼	(8,105,996) -20%
CP7~ Regenerated plastics & Compounds	38,271,305	46,502,132	37,905,250	▼	(8,596,881) -18%
Total	169,491,035	183,306,275	153,331,408	▼	(29,974,867) -16%

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	2021		2022		2023	
	Value	%	Value	%	Value	%
Domestic market	122,114,658	72%	135,276,630	74%	120,583,759	79%
Exports	47,376,377	28%	48,029,646	26%	32,779,887	21%
Total	169,491,035	100%	183,306,276	100%	153,363,647	100%

1) AUTOMOTIVE AND INDUSTRIAL FILTERS

a) Market

The filters are mainly sold on the domestic market, but some of the car filters are exported by distributors. From the total sales of this profit center, 23% represent the sales of car filters, 36% railway and naval filters, 15% industrial filters and 26% agricultural filters and others. The process of selling filters is carried out both directly by Romcarbon and through distributors. The main objectives pursued in the marketing and sales process are:

- maintaining and diversifying the sales of filters for the railway and naval fields.
- the development of filters for households and commercial applications: vacuum cleaners, exhaust hoods, etc
- developing the sale of industrial filters, offering customized elements for replacing imported filters with equivalent ones
- maintaining the sale of car filters with an increase in the share of passenger compartment filters that will represent 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 customers who are aware of its European-level quality. In addition, we produce under different brands of car component distributors, which hold significant shares in the after-market products, thus managing to be present on this market as well.

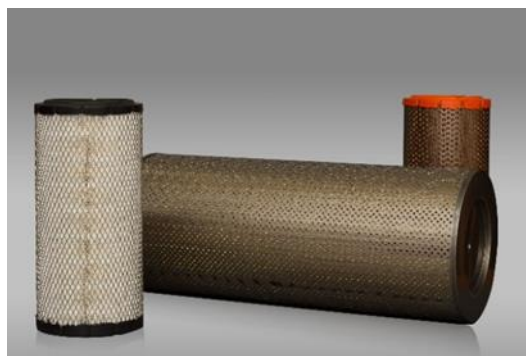
Romcarbon filters are recognized as having the appropriate quality, are risk-free, and have fair prices.

The competition is represented by established 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. A significant competition also comes from importers or regional distributors selling products from China and other low-cost sources. Our main advantage is the quality-price ratio, and an additional advantage is the relatively short delivery time, based on our policy of having sufficient stocks of the main raw materials and on the versatility of our technological lines.

2) ACTIVE CARBON AND INDIVIDUAL RESPIRATORY PROTECTIVE EQUIPMENTS

a) Market:

ROMCARBON is a long-standing manufacturer of activated carbon and individual and collective respiratory protection equipment, producing full masks, half-masks, filters against industrial toxics existing in the working atmosphere, chemical filters for shelter and for the mobile means of MAPN, but also coal granulated active and powder for air purification by reducing volatile compounds, of drinking water in municipal treatment stations, of industrial waters, for decolorization in food and pharmaceutical industries, for biogas purification, for removing dioxins and furans from gases in waste treatment. Although Romania is among the last countries in the EU in terms of spending on the purchase of respiratory protection equipment, ROMCARBON kept its old customers in 2023 and made sustained efforts to attract new customers. And in 2023, the sales market was the domestic market. Of the total value of sales, 95% represent sales to Romanian companies that design and execute filter 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 manufacturers of components for telecom



infrastructure and the automotive industry and the remaining 5% to companies in the chemical industry. The sector's products were sold both directly to the end user (80% of the number of customers) and to companies distributing protective equipment (20%).

b) Competition:

In 2023, the sales team of the division focused on promoting the products and attracting new customers, sales to them representing 55% of the total sales of individual protective equipment, this, despite the fact that a range of high-performance products belonging to recognized manufacturers are available on the market worldwide (DRAEGER SAFETY Germany, SPERIAN Italy, HONEYWELL USA, MSA AUER Germany).

3) POLYETHYLENE PRODUCTS

a) Market:

Romcarbon is the first Romanian producer of coextruded film in 3 layers of large sizes, between 2 - 12 m wide. The range of products includes basic foil, general-purpose polyethylene foil, construction foil, foil for solariums, printed heat-shrinkable foil and covers, transparent foil for plant germination, household bags and for other purposes, bags.

In 2019, the company started the production of biodegradable and biocompostable packaging.

Polyethylene products were sold in 2023 on the domestic market in a proportion of 98% and 2% on the foreign market.

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 manufactured from recycled polymers.

4) PVC PRODUCTS

In 2023, sales of PVC supports recycled material for road signs have a share of 60% on foreign markets and 40% 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 weight from the import.

In 2023, the distribution of sales of trays was 62% on domestic market and 38% to export, mainly to Balkans countries.

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

For extruded polystyrene underlayment, Romcarbon is in a dominant position as a local producer. The import is approximately 31% of the market share.

The main market for this type of product is the domestic one. The sale of this range of products is carried out both through national distributors and directly to final consumers.

In 2023, the distribution of extruded polystyrene board sales was 62% on the domestic market and 38% on export, the largest foreign market being Bulgaria.

In Dec. 2023, the first sales of laminated extruded polystyrene underlayment were made, a premium product with a higher profit margin than classic boards, used for the thermal insulation of homes.

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 market of plastic packaging.

In recent years, we 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, managed to largely compensate for the low demand from the industrial sector in recent years.

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 in 2023 was 75% on the domestic market and 25% on the foreign market.



a.1) Domestic market

SC ROMCARBON S.A. 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 active 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 the 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.

SC ROMCARBON SA 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 market. What we can say, however, is that we have to deal with very competitive prices charged by 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

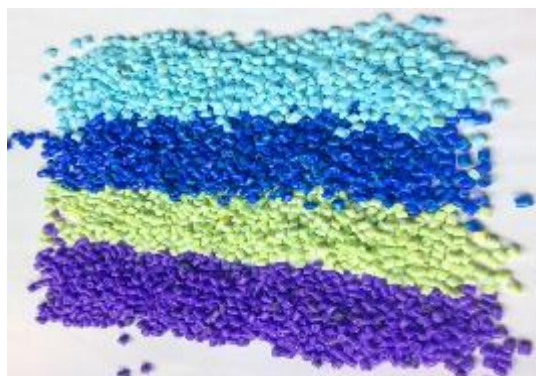
a) Market

As a result of the long experience in the field of plastics processing, is the Plastics Compounds Division of ROMCARBON, which represents the latest investment, starting in August 2012.

By adding and mixing different types of additives and fillers in polymers, improved mechanical properties are obtained, resistance to UV radiation, flame resistance, shock resistance, etc.

The center is equipped with state-of-the-art modern technology purchased from various suppliers, world leaders in the field of extrusion equipment and laboratory equipment. The current production capacity of the compounds factory is approximately 15,000 tons/year. The production capacity increased in 2020 with the start of the activity of the new polymer fraction sorting line.

Recycled polymers represent an alternative to reduce costs with virgin raw materials. Depending on the purity of the material, Romcarbon, through the installed technology, has the possibility to provide its customers with regranulates with exclusive content of recycled polymers, combinations in various proportions of virgin polymers with recycled polymers, as well as to provide optimized products from the combination of recycled polymers with various reinforced materials (calcium carbonate, talc, glass fiber, etc).



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 2023 sales were distributed as follows : 85% on the domestic market and 15% 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.

As technological evolution defines the future, the company invests in research for the development of recyclable plastics and recycled raw materials with advanced features, designed to meet the increasingly demanding standards of partner industries.

In addition, ROMCARBON is exploring partnerships and collaborations with environmental organizations and industry associations to help develop sustainable solutions and promote the responsible use of plastics throughout the industry.

These additional efforts reflect ROMCARBON's continued commitment to being a key player in the plastic compounds industry, bringing innovation and sustainability to every aspect of its business.

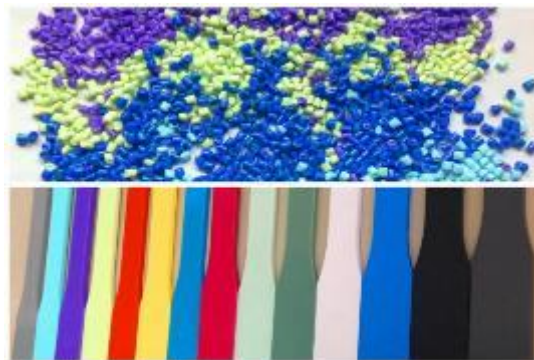
b) Competition:

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

➤ Internal market – recycled polymers

The main internal competitors are: Remat Holding, Motion&Technik srl, ItalPlast, Prointermed srl, Iza srl ,Taurus srl, Basel srl, Ecofriend Recycling srl ,Romtextil, Compact Eco srl, Onur Plast, Recycling Mondo Plast, Ecosistem Recycling, Expert Recycling, Plastic Recycling Export, Total Recover, Express Recycling, Eco Mitadia.

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.

Obtaining
EuCertPlast  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 31.12.2023 was 780, grouped according to the level of education as follows:

Total personnel, out of which:	780	%
• higher education*	97	12%
• post-secondary school	12	2%
• technical school for foreman	9	1%
• secondary education	290	37%
• vocational school	215	28%
• 9 – 11 classes/apprentice school	80	10%
• occupational qualification	2	0%
• school	75	10%

*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

SC ROMCARBON S.A. holds the environmental authorization revised on 13.03.2024, valid with an annual visa, on the new CAEN codes in accordance with the new Classification of activities in the national economy, revised edition, CAEN REV 2, according to INS Order 337/2007, published in the Official Gazette of Romania , Part I, no. 293 / 03.05.2007.

SC ROMCARBON S.A. respects the legislation by protecting the environment, not being involved in litigation regarding the violation of the legislation in the field. Compliance with legal, regulatory and other requirements to which the organization subscribes is periodically evaluated.

SC ROMCARBON S.A. has implemented and certified an integrated management system for quality - environment - health and safety at work according to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2023 standards, - certified by SRAC.

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 identified or may demands additions in the list of the significant environment aspects, in which cases is made a reassessment of the environment aspects.

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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 2024 were evaluated the environment aspects and the list of significant environmental aspects was drawn up in normal, abnormal conditions and emergency situations.

Annually, the company details the aspects and themes of sustainability in its sustainability report. For the year 2023, the sustainability report of the Romcarbon Group will be published by 30.06.2024 and can be accessed [HERE](#).

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 2023, the following certifications were extended:
 - within the Filters and Individual Protection Equipment Workshop: air filter, oil; locomotive filters; automotive (8 certifications); gas mask (1 certification) and filter cartridges (9 certifications).
 - within the Protective Materials Workshop: filter cartridges for protective equipment
 - in the PS sector: the development of the necessary documentation for the new technical approval for laminated extruded polystyrene sheets in the form of boards for parquet installation
 - in the recycling sector: extension of the EuCertPlast certification, the purpose of which is to recognize the company as a recycler that complies with the standards imposed in the field.
- obtaining the annual Health Certificate for extruded polystyrene packaging required for export to non-EU countries;
- acquisition of new technological equipment in order to increase productivity and product quality (plastic recycling line for LDPE and PP waste, line for obtaining laminated XPS boards together with a board packaging machine, bag conversion line);
- updating the technical, technological and control documentation for products from the polystyrene sector, protective equipment.

The cost of research and development activity in 2023 was 724,153 lei, while for 2024 it was budgeted a cost of 868,109 lei.

1.1.8 The assessment of the company's activity related to risk management

SC ROMCARBON SA has implemented risk management in accordance with the requirements of the SR EN ISO 31010-Risk management standard, including evaluation techniques through which risks were identified and analyzed at the level of all functional sectors within the organization. The risk registers for each functional sector, the risk register at the organization level and the risk management action plan were developed.

In order to align with sustainability requirements, the Risk Register was completed with risks related to corruption / bribery / ethics as well as risks related to technological security.

The work procedure was revised to include the new aspects but also to create the means of work regarding the prioritization of the interested parties and the way of analyzing their requirements. The analysis is documented in "Determining the requirements of interested parties" which is updated annually.

Market risk

In 2023, it was registered a decrease in total turnover with -18% reaching RON 216,420,862 (2022 : RON 265,048,638). Regarding the sales of finished products, it was registered a decrease of -16% (2022: RON 183,306,275).

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 77% in 2023 (71% in 2022).

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 2023 had a turnover representing 8% and 14% of total turnover. The sales to Livingjumbo Industry SA in 2023 included also sales of finished products, rents and income from other activities, which accounted for 6% of turnover.

For 2023, the main problem we faced was the significant reduction in demand on the markets we operate, as a result of the change in consumer behavior and the economic crisis at national and European level.

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 31.12.2023 the balance of these loans was EUR 8,772,256 (2021 : EUR 9,858,202).

In 2023 the loss generated by the fluctuation of foreign currencies rate was - RON 455,106 (2022: RON 229,121).

Liquidity risk

Current liquidity of Romcarbon SA (calculated as a ratio between current assets and current debts) recorded an increase in 2023, i.e. 1.77 as compared with 1.47 in 2022.

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 2024.

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 2024, the company budgeted the following financial indicators:

- A total turnover of RON 281,916,040 (up with 30% as compared with 2023) out of which the turnover related to the sales of finished products is budgeted at the level of RON 199,010,432 (29% higher as compared with 2023);
- a gross profit of RON 5,421,393, increased with 55% compared to 2023.

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 150.598 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 9,207.50 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 square meters 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 square meters prefabricated foundation pillars of glass type, prefabricated reinforced concrete beams, brick masonry and glass reinforced concrete roof;
- Active charcoal Hall 1 - area of 639 square meters 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 square meters - 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 elicoperizat 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 square meters built on the foundation of reinforced concrete, structure of concrete pillars, aluminum frames, Thermopane windows;

- Polystyrene hall and Warehouse - an area of 4,761.5 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 square meters built on reinforced concrete foundation, brick walls, concrete roof;
- Wiring Hall 1 -Surface 415 square meters built on reinforced concrete foundation, brick walls, concrete floor;
- Laboratory - area 642 square meters, built on concrete foundation, brick masonry, roof;
- Compressor hall with an area of 396 square meters, built on the foundation of reinforced concrete, brick walls, concrete slab, of which 276.5 square meters 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 square meters, 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 square meters built on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor;
- Hall - an area of 3,153 square meters, prefabricated foundation pillars of glass type precast concrete beams, brick masonry and glass, the concrete foundation concrete roof;
- Hall - an area of 2,718 square meters, prefabricated foundation pillars of glass type precast concrete beams, brick masonry and glass, the concrete foundation concrete roof; .
- Wiring Hall 2 - area of 468 square meters built on reinforced concrete foundation, brick walls, floor of corrugated sheets;
- Hall with an area of 692 square meters, brick walls, concrete roof;
- Hall with an area of 1,034 square meters, built of prefabricated foundation pillars of glass type precast concrete beams, brick masonry, roof prefabricated concrete.
- Hall with an area of 1,795 square meters, built of prefabricated foundation pillars of glass type precast concrete beams, brick masonry, roof prefabricated concrete.
- Warehouse with an area of 436 square meters, built on the foundation of reinforced concrete, metal pillars, walls and roof from prefabricated panels;
- Warehouse with an area of 743 square meters, built on the foundation of reinforced concrete, metal pillars, walls and roof from prefabricated panels.

II.) IASI WORKING POINT

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**.

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: 528,244,192 shares, dematerialized, with a nominal value of 0.1 lei.

On 30.06.2023, it was completed the registration in the Trade Register of the increase of the company's share capital with the amount of 26,412,209.60 lei, from 26,412,209.60 lei to 52,824,419.20 lei by issuing a number of 264,122,096 new shares, with a nominal value of 0.10 lei/share, according to the AGEA decision of 04/27/2023. The capital increase was achieved by incorporating into the company's share capital the amount of 26,412,209.60 lei, representing a part of the net profit recorded in the 2022 financial year.

3.2 The total amount of dividends due in the last 3 financial years:

2021 – 26,412,219.60 lei
2022 – 13,206,104.80 lei
2023 - conform AGOA din 29/30.04.2024

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 its own shares.

3.4 If the 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 2023.

4. THE MANAGEMENT OF THE COMPANY

4.1. DIRECTORS

a) The Board of Directors in 2023:

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, 53 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, 60 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, 29 years old;

Subsequent events : According to the OGSM decision dated 25.01.2024, the mandates of the 3 administrators were extended for a period of 4 years, until 04.02.2028.

b) Not applicable.

c) Participation of administrators to share capital of SC Romcarbon SA, at the reference date 31.12.2023:

Huang Liang Neng - 0 shares

Wey Jiann-Shyang - 0 shares

Toderita Stefan Alexandru – 71,000,000 shares (13.44%)

d) Company' s affiliates as per 31.12.2023:

d.1. Legal entities in which SC Romcarbon S.A. owned, on 31.12.2023, 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	113,154	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)

Subsequent events In its meeting of 09.02.2024, Romcarbon's Board of Directors approved the extension for 4 years of the mandate contract concluded by the Company with Mr. Huang Liang Neng, for the exercise of the position of General Director, he will continue to exercise the mandate of Director Generally during the period 17.02.2024 – 17.02.2028.

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 31.12.2023 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 2023 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;

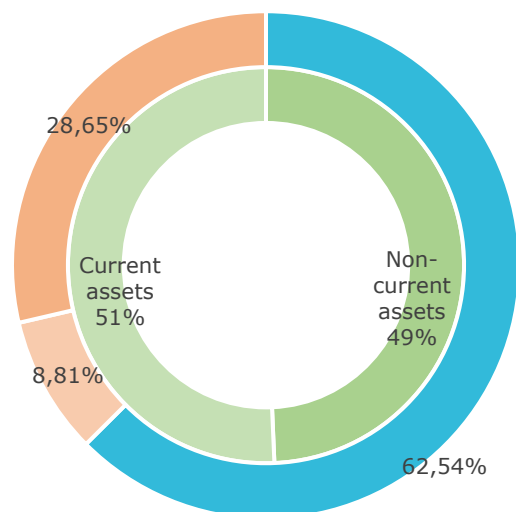
- The decision of the Ordinary General Meeting of Shareholders dated 29/30.04.2024, which approved the 2023 financial statements;

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

5.1 STATEMENT OF THE FINANCIAL POSITION

Indicator	31.12.2021	31.12.2022	31.12.2023	31.12.2023 vs. 31.12.2022		
Property, plant and equipment	106,567,874	102,490,667	106,808,714	4,318,047	▲	4.21%
Investment property	10,894,586	9,883,738	10,857,912	974,174	▲	9.86%
Intangible assets other than goodwill	294,483	330,920	809,485	478,565	▲	144.62%
Investments in subsidiaries, joint ventures and associates	20,607,559	20,608,560	460,594	-20,147,966	▼	-97.77%
Total non-current assets	138,364,501	133,313,884	118,936,705	-14,377,179	▼	-10.78%
Current inventories	27,647,514	29,963,707	30,951,095	987,388	▲	3.30%
Trade and other current receivables	57,999,727	63,653,763	55,388,563	-8,265,200	▼	-12.98%
Other current financial assets	1,265,317	42,738,851	5,929,217	-36,809,634	▼	-86.13%
Other current non-financial assets	2,187,278	3,864,347	546,177	-3,318,170	▼	-85.87%
Cash and cash equivalents	12,798,377	2,772,710	29,382,496	26,609,786	▲	959.70%
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	3,760,155	3,760,155	-	-3,760,155	▼	-100.00%
Total current assets	105,658,369	146,753,533	122,197,548	-24,555,985	▼	-16.73%
Total assets	244,022,870	280,067,417	241,134,253	-38,933,164	▼	-13.90%
Issued capital	26,412,210	26,412,210	52,824,419	26,412,209	▲	100.00%
Share premium	2,182,283	2,182,283	2,182,283	0	—	0.00%
Other reserves	58,542,209	60,895,475	63,215,703	2,320,228	▲	3.81%
Retained earnings	47,008,179	70,732,989	32,593,737	-38,139,252	▼	-53.92%
Total Equity	134,144,882	160,222,957	150,816,142	-9,406,815	▼	-5.87%
Other non – current provisions	400,000	1,000,000	1,117,000	117,000	▲	11.70%
Deferred tax liabilities	8,012,574	7,780,659	7,477,700	-302,959	▼	-3.89%
Other non-current financial liabilities	4,017,590	4,044,764	7,283,273	3,238,509	▲	80.07%
Other non-current non-financial liabilities	8,619,928	7,475,188	5,361,210	-2,113,978	▼	-28.28%
Total non-current liabilities	21,050,091	20,300,610	21,239,183	938,573	▲	4.62%
Trade and other payables	37,161,910	48,060,900	24,772,724	-23,288,176	▼	-48.46%
Other current financial liabilities	46,860,194	45,859,692	38,178,595	-7,681,097	▼	-16.75%
Other current non-financial liabilities	4,805,793	5,623,258	6,127,609	504,351	▲	8.97%
Total current liabilities	88,827,897	99,543,850	69,078,928	-30,464,922	▼	-30.60%
Total liabilities	109,877,988	119,844,460	90,318,111	-29,526,349	▼	-24.64%
Total equity and liabilities	244,022,870	280,067,417	241,134,253	-38,933,164	▼	-13.90%

STRUCTURE OF THE FINANCIAL POSITION AS OF 31.12.2023



Current liabilities: 69,078,928 lei | 29%

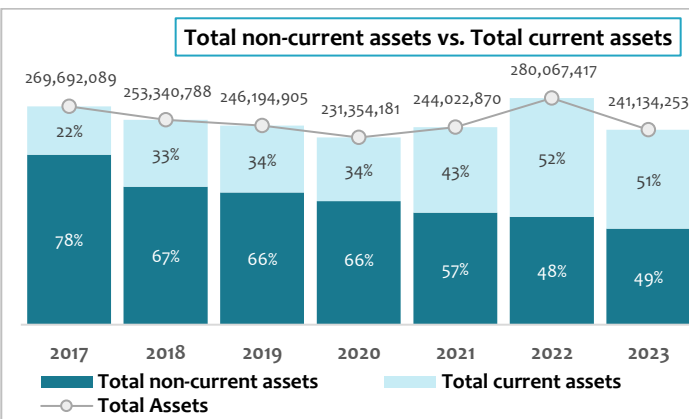
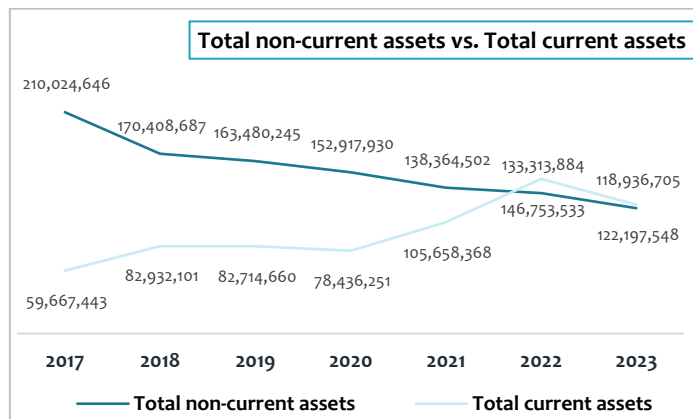
Non-current liabilities: 21,239,183 lei | 9%

Equity: 150,816,142 lei | 63%

Non-current assets: 118,936,705 lei | 49%

Current assets: 122,197,548 lei | 51%

ASSETS

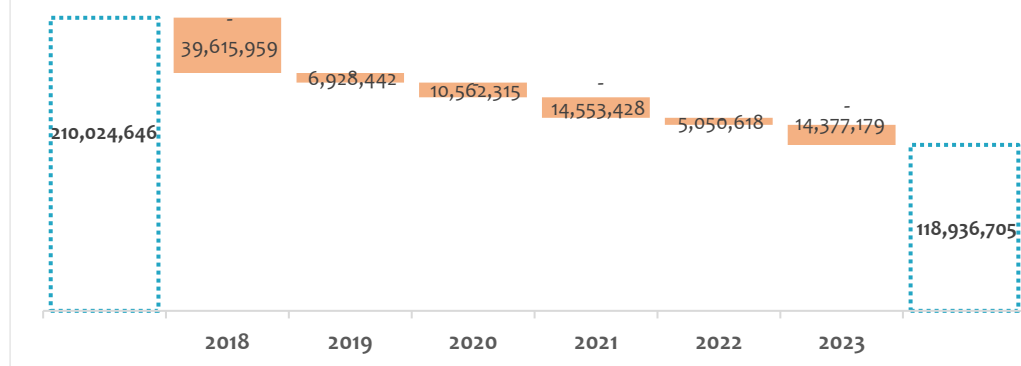


NON-CURRENT ASSETS

Non-currents assets

hold 49.32% of the company's assets, recording a decrease of – Lei 14,377,179, i.e. – 10,78%, as compared with the beginning of the year.

Evolution of non-current assets in the period 2017 - 2023



Non-current assets (NCA)	31.12.2023	% in total NCA	% in total Assets	31.12.23 vs. 31.12.22
Property, plant and equipment	106,808,714	89.80%	44.29%	4.21%
Investment property	10,857,912	9.13%	4.50%	9.86%
Intangible assets other than goodwill	809,485	0.68%	0.34%	144.62%
Investments in subsidiaries, joint ventures and associates	460,594	0.39%	0.19%	-97.77%
Total non-current assets	118,936,705	100.00%	49.32%	-10.78%

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)	:	1,898,259 lei
· Equipment and installations	:	6,769,812 lei

The inflows of the Non-current assets in 2023 had the following destinations: Plastics processing sector: Lei 5,694,647, Recycled polymers & Compounds : LEI 1,947,399 and Administrative and other sectors: 1,026,026 lei.

The outputs of Non-current assets in 2023 totalized LEI 468,040, entire amount representing cassations/dismantle.

On December 31, 2023, the Company revaluated the investment property held at the end of the financial year, resulting in an increase in the net value of LEI 974,174 lei, the amount was recorded as a result of the year

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

Investment properties: 10,857,912 lei

Buzau: 52%

Iasi: 48%

Financial investments hold 0.19% of Total Assets, and 0.39% of Non-current assets.

As at 31.12.2023, S.C. ROMCARBON S.A. held shares in other companies totalizing Lei 10,192,233, 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	113,154	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%
TOTAL						10,192,233	

*On 07.06.2023, the amount of EUR 4,648,100 was collected from Recyplat LTD, resulting from the operation of reducing the share capital with a number of 10,000 ordinary shares with a value of EUR 1.00 per share, issued with a premium of issue, thus the issue premium account of Recyplat Limited, being reduced from EUR 4,648,100 to EUR 0.00.

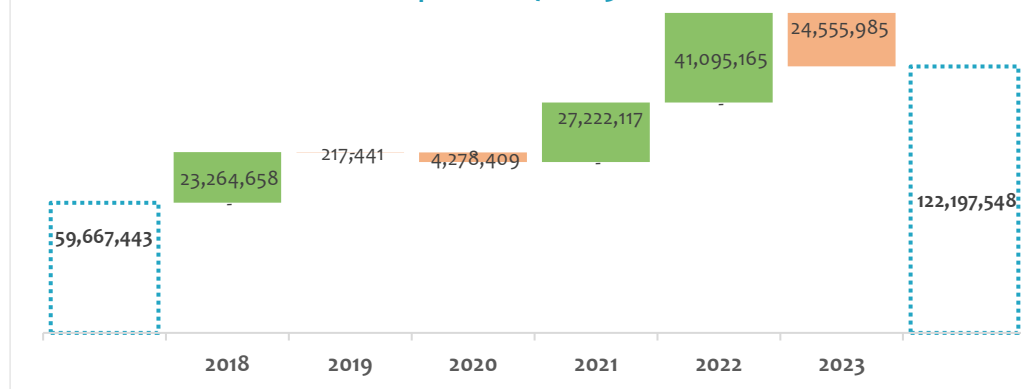
The impairment of financial investments are presented in the following table:

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
Total		9,731,638

CURRENT ASSETS

As at 31.12.2023, **Current assets** hold 50.68% of total assets recording a decrease of - Lei 24,555,985, i.e. -16.73% as compared with the beginning of the year.

Evolution of current assets in the period 2017 - 2023



Current assets (CA)	31.12.2023	% in total CA	% in Total Assets	31.12.23 vs. 31.12.22
Current inventories	30,951,095	25.33%	12.84%	3.30%
Trade and other current receivables ¹	55,388,563	45.33%	22.97%	-12.98%
Other current financial assets ²	5,929,217	4.85%	2.46%	-86.13%
Other current non-financial assets	546,177	0.45%	0.23%	-85.87%
Cash and cash equivalents	29,382,496	24.05%	12.19%	959.70%
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners ³	0	0.00%	0.00%	-100.00%
Total current assets	122,197,548	100.00%	50.68%	-16.73%

¹ In January 2023, the amount of LEI 39,579,200 (equivalent to EUR 8,000,000) was collected from Recyplat LTD, representing dividends receivable registered in December 2022.

² 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.

In June 2023, an additional act was signed by which the loan was extended by 12 months.

Affiliate	Value of the contract	Balance as at 31.12.2023	Interest	Total	Tenor
RC Energo Install SRL	3,000,000 lei	3,000,000 lei	399,651 lei	3,399,651 lei	03/06/2024
Total	3,000,000 lei	3,000,000 lei	399,651 lei	3,399,651 lei	

Shares held for short term

In the item „Other current financial assets” are also recorded the value of a number of 25,000 Hidroelectrica (H2O) shares at a purchase price of 101.18 lei/share, shares remained at 31.12.2023 from the total number of 28,086 shares acquired during the Hidroelectrica IPO from June-July 2023.

Subsequent events

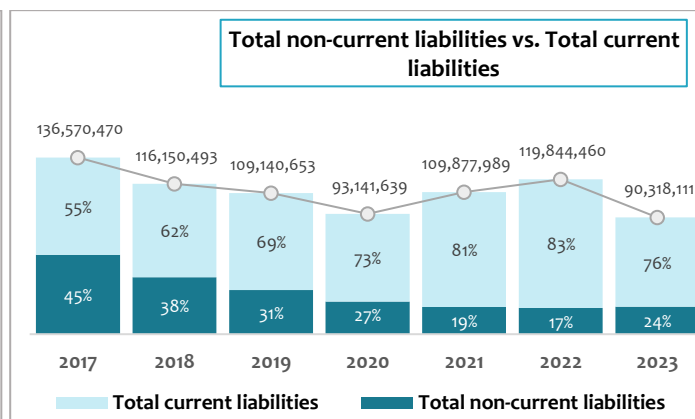
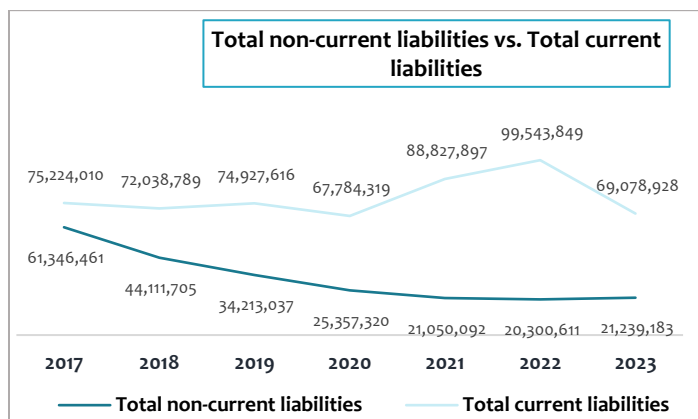
In January 2024, a number of 20,000 Hidroelectrica (H2O) shares were sold at an average price of 119.31 lei/share. In January 2024, a number of 2,062,500 Aquila Part Prod Com S.A. ("AQUILA") shares were purchased at a unit price of 0.96 lei/share. In the same month, a number of 1,062,500 shares were sold at an average price of 1.0188 lei/share.

³ Non-current assets or disposal groups classified as held for sale or as held for distribution to owners

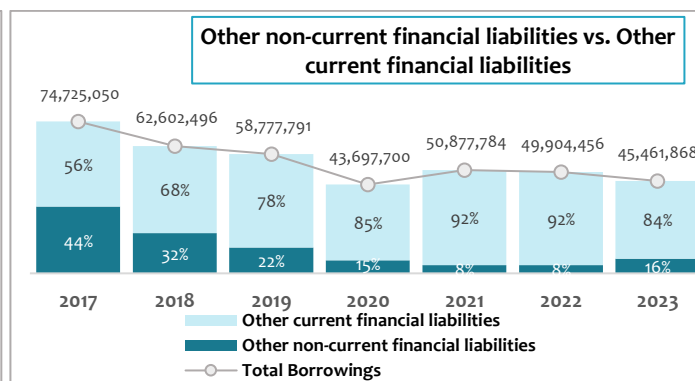
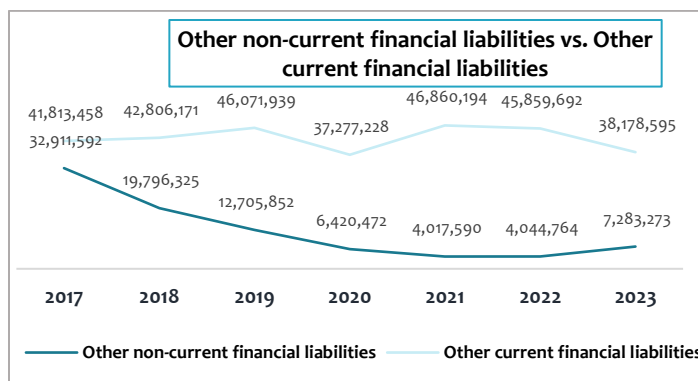
On 16.02.2023, it was signed the sale and purchase contract with LIDL ROMANIA S.C.S. the object of which is the sale of the land area of 7,407 sqm, the total price being Lei 7,659,971. The registration cost of this land is Lei 3,689,310. Initially, in December 2019, a sales-purchase anteacontract was 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 37.46% of the company's Equity&Liabilities recording a decrease of - Lei 29,526,349, i.e. -24.64% as compared with the beginning of the year.



BORROWINGS



As at 31.12.2023 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

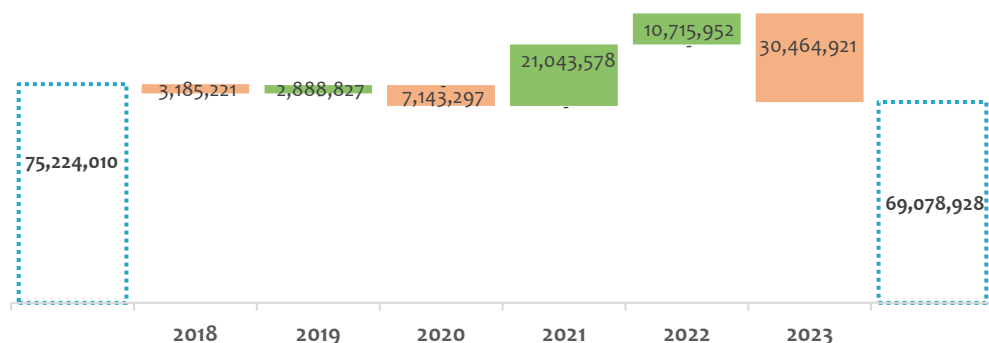
Type	Balance as at 31.12.2023		< 1 year	>1 year
	in euro	in lei		
Credit lines in euro ⁴	€ 7,027,537	34,959,186 lei	34,959,186 lei	- lei
Investment loans in euro	€ 1,744,718	8,679,277 lei	2,606,030 lei	6,073,247 lei
Total credits in euro	€ 8,772,256	43,638,463 lei	37,565,216 lei	6,073,247 lei
Investment loans in lei		1,823,405 lei	613,379 lei	1,210,026 lei
Total credits in lei		1,823,405 lei	613,379 lei	1,210,026 lei
Total bank exposure		45,461,868 lei	38,178,595 lei	7,283,273 lei

³ In December 2022, the ceiling of the credit line contracted with UniCredit Bank SA was increased from EUR 5,450,000 to EUR 8,000,000. The limit of 2,550,000 Eur was drawn by Livingjumbo Industry SA. In December 2023, the credit line was extended for a period of 12 months.

CURRENT LIABILITIES

Current liabilities of the Company, representing 76.23% of the Total Liabilities and 28.65% of Total Equity & Liabilities decreased by - Lei 30,464,921 as compared with the beginning of the year, i.e. -30.60%.

Evolution of current liabilities in the period 2017 - 2023

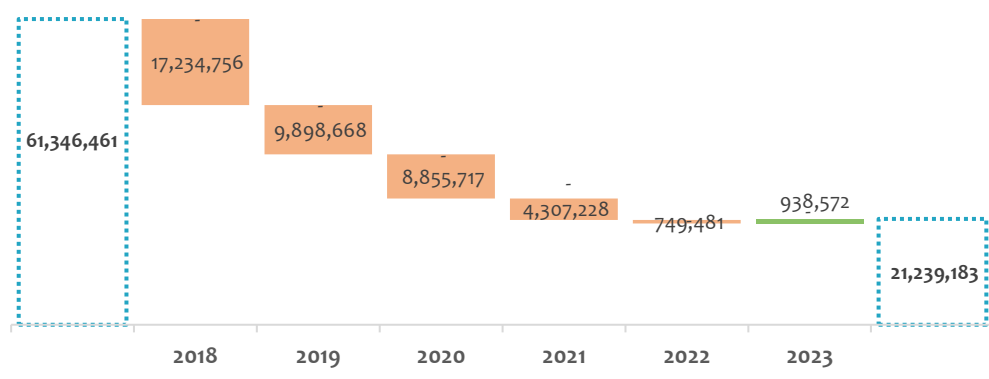


Current liabilities	31.12.2023	% in total liabilities	% in Total current liabilities	% in Total Equity and Liabilities	31.12.23 vs. 31.12.22
Trade and other payables	24,772,724	27.34%	35.86%	10.27%	-48.46%
Other current financial liabilities	38,178,595	42.13%	55.27%	15.83%	-16.75%
Other current non-financial liabilities	6,127,609	6.76%	8.87%	2.54%	8.97%
Total current liabilities	69,078,928	76.23%	100.00%	28.65%	-30.60%

NON-CURRENT LIABILITIES

Non-current Liabilities representing 8.81% of the company's Equity & Liabilities recording in the reporting period an increase of Lei 938,572, i.e. 4.62%, as compared with the beginning of the year.

Evolution of non-current liabilities in the period 2017 - 2023

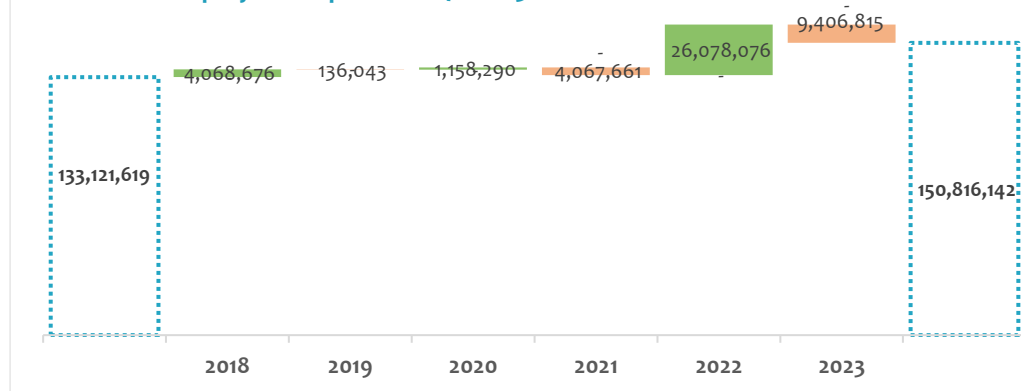


Non-current liabilities	31.12.2023	% in total liabilities	% in Total Non-current liabilities	% in Total Equity and Liabilities	31.12.23 vs. 31.12.22
Other non – current provisions	1,117,000	1.24%	5.26%	0.46%	11.70%
Deferred tax liabilities	7,477,700	8.28%	35.21%	3.10%	-3.89%
Other non-current financial liabilities	7,283,273	8.06%	34.29%	3.02%	80.07%
Other non-current non-financial liabilities	5,361,210	5.94%	25.24%	2.22%	-28.28%
Total non-current liabilities	21,239,183	23.52%	100.00%	8.81%	4.62%

EQUITY

Total Equity holds **62.54%** of Total Equity & Liabilities, recording in the reporting period a decrease of - Lei 9,406,815 as compared with the beginning of the year.

Evolution of Equity in the period 2017 - 2023



Equity	31.12.2023	% in Total Equity and Liabilities
Issued capital (528,244,192 shares at Lei 0.10/share)	52,824,419	21.91%
Share premium	2,182,283	0.91%
Reserves	63,215,703	26.22%
Retained earnings	32,593,737	13.52%
Total equity	150,816,142	62.54%

*On 30.06.2023, it was completed the registration in the Trade Register of the increase of the company's share capital with the amount of 26,412,209.60 lei, from 26,412,209.60 lei to 52,824,419.20 lei by issuing a number of 264,122,096 new shares, with a nominal value of 0.10 lei/share, according to the AGEA decision of 04/27/2023. The capital increase was achieved by incorporating into the company's share capital the amount of 26,412,209.60 lei, representing a part of the net profit recorded in the 2022 financial year.

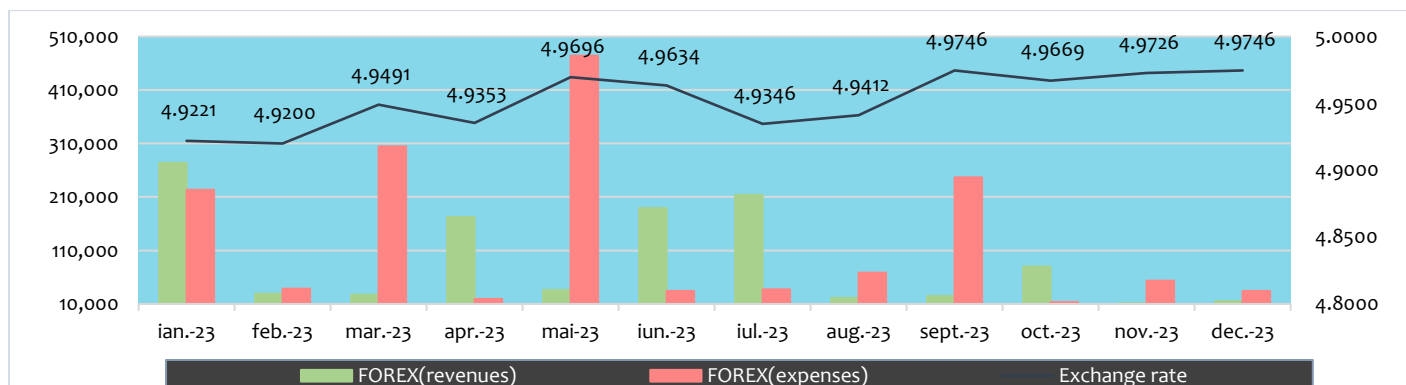
5.2 STATEMENT OF THE COMPREHENSIVE INCOME

Indicator	12 Months of 2021	12 Months of 2022	12 Months of 2023	2023 vs. 2022	
Revenues (Net sales)	264,737,647	262,801,054	214,230,854	▼	(48,570,200) -18%
Other Income ⁵	4,459,406	4,454,249	4,303,986	▼	(150,263) -3%
Increase (decrease) in inventories of finished goods and work in progress	872,217	7,447,653	485,526	▼	(6,962,127) -93%
Raw materials, consumables and utilities	(197,945,281)	(199,065,784)	(148,776,840)	▼	50,288,944 -25%
Employee benefits expenses and social charges	(40,568,395)	(42,312,860)	(47,111,543)	▲	(4,798,683) 11%
Depreciation and amortisation expenses	(9,977,583)	(9,609,158)	(9,392,805)	▼	216,353 -2%
Other expenses	(15,900,695)	(18,863,785)	(16,469,733)	▼	2,394,052 -13%
Other gains and losses	1,883,115	1,769,859	4,863,752	▲	3,093,893 175%
Profit (loss) from operating activities	7,560,431	6,621,228	2,133,197	▼	(4,488,031) -68%
Finance income ⁶	128,719	47,336,583	3,444,434	▼	(43,892,149) -93%
Finance cost	(1,769,889)	(1,574,050)	(2,081,299)	▲	(507,249) 32%
Gain/loss from the impairment of financial investment	(6,477,632)	-	-	—	- -
Profit (loss) before tax	(558,371)	52,383,761	3,496,332	▼	(48,887,429) -93%
Income Tax	(889,087)	(912,071)	(182,523)	▼	729,548 -80%
Profit (loss) of the year	(1,447,458)	51,471,690	3,313,809	▼	(48,157,881) -94%
Net gain/loss from the revaluation of tangible assets	-	745,264	-	▼	(745,264) -100%
Deferred tax adjustment for non-deductible tax revaluation reserves	21,017	273,332	485,482	▲	212,150 78%
Total comprehensive income	(1,426,441)	52,490,286	3,799,291	▼	(48,690,995) -93%
Operational EBITDA	13,987,048	15,025,300	4,873,276	▼	(10,152,024) -68%

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

Indicator	2021	2022	2023
Average no. of personnel	807	734	692

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 communicated by NBR. From this evaluation in 2023 the company registered revenues in amount of Lei 1,094,197 and expenses in amount of Lei 1,549,303, resulting a loss of - Lei 455,106.



In 2022 by re-valuing the company bank availabilities, receivables and liabilities expressed in a foreign currency it was registered a profit of Lei 229,121.

⁵ In the item « Other income » are comprised the following items :

Indicator	12 M 2021	12 M 2022	12 M 2023		2023 vs. 2022	
Rentals	2,199,955	2,247,585	2,190,008	▼	(57,577)	-3%
Income from subsidies for investments	2,259,451	2,206,664	2,113,978	▼	(92,686)	-4%
Total	4,459,406	4,454,249	4,303,986	▼	(150,263)	-3%

⁶ In the item « Financial income» are comprised the following items :

	12 M 2021	12 M 2022	12 M 2023		2023 vs. 2022	
Revenues from interests	128,719	316,730	983,890	▲	667,160	211%
Revenues from financial investments	0	0	57,882	▲	57,882	n/a
Revenues from dividends -Recyclat LTD*	0	46,745,700*	0	▼	(46,745,700)	-100%
Forex net gain	0	274,153	2,402,662	▲	2,128,509	776%
Total	128,719	47,336,583	3,444,434	▼	(43,892,149)	-93%

*Equivalent of EUR 9,500,000

From Net profit to EBITDA to Operational EBITDA

Indicator	2021	2022	2023		2023 vs 2022	
NET PROFIT	(1,447,458)	51,471,690	3,313,809		(48,157,882)	-94%
Depreciation and amortisation expenses	9,977,583	9,609,158	9,392,805		(216,353)	-2%
Revenues from subsidies for investments	(2,259,451)	(2,206,664)	(2,113,978)		92,686	-4%
Interests expenses	953,055	1,286,399	1,807,462		521,062	41%
Profit tax	889,087	912,071	182,523		(729,548)	-80%
EBITDA	8,112,816	61,072,655	12,582,621		(48,490,034)	-79%
Profi/loss from selling the assets	(432,513)	(2,106,927)	(3,992,452)		(1,885,525)	89%
Profit/loss from re-valuating the investment properties	(1,377,918)	1,199,108	(974,174)		(2,173,282)	-181%
Other non-current items(Provisions, donations, s.o)	715,608	2,244,793	713,062		(1,531,730)	-68%
FOREX gain/loss	654,633	(274,153)	(2,402,662)		(2,128,509)	776%
Other financial gains/losses	6,314,423	(47,110,176)	(1,053,120)		46,057,056	-98%
OPERATIONAL EBITDA	13,987,049	15,025,300	4,873,276		(10,152,024)	-68%

Statement of the comprehensive income on quarters

Indicators	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2023 vs. Q1 2022	Q2 2023 vs. Q2 2022	Q3 2023 vs. Q3 2022	Q4 2023 vs. Q4 2022
Revenues (Net sales)	61,570,251	50,706,030	50,118,004	51,836,569	(6,721,480)	(15,654,306)	(16,498,768)	(9,695,646)
Other Income	1,079,991	1,061,884	1,080,662	1,081,449	(36,622)	(76,330)	(33,577)	(3,734)
Increase (decrease) in inventories of finished goods and work in progress	959,536	(795,046)	244,573	76,463	(2,366,481)	(1,340,226)	(119,626)	(3,135,794)
Raw materials, consumables and utilities	(46,072,318)	(32,936,392)	(33,871,733)	(35,896,397)	8,892,938	13,955,855	14,617,461	12,822,690
Employee benefits expenses and social charges	(10,960,221)	(11,511,923)	(11,671,382)	(12,968,017)	(904,703)	(617,352)	(1,004,378)	(2,272,250)
Depreciation and amortisation expenses	(2,370,720)	(2,375,279)	(2,428,477)	(2,218,329)	88,805	69,943	(61,601)	119,206
Other expenses	(4,046,736)	(4,143,961)	(3,840,078)	(4,438,958)	(231,516)	(97,163)	146,091	2,576,640
Other gains and losses	4,022,658	21,619	16,622	802,853	3,958,056	(2,853)	(86,663)	(774,647)
Profit (loss) from operating activities	4,182,441	26,932	(351,809)	(1,724,367)	2,678,997	(3,762,432)	(3,041,061)	(363,535)
Finance income	110,551	2,735,047	156,954	441,882	35,293	2,621,948	59,913	(46,609,303)
Finance cost	(634,562)	(424,938)	(466,915)	(554,884)	(296,290)	(59,816)	(48,681)	(102,462)
Gain/loss from the impairment of financial investment	-	-	-	-	-	-	-	-
Profit (loss) before tax	3,658,430	2,337,041	(661,770)	(1,837,369)	2,418,000	(1,200,300)	(3,029,829)	(47,075,300)
Income Tax	(468,902)	(305,663)	722,423	(130,381)	(279,091)	223,622	1,089,714	(304,697)
Profit (loss) of the year	3,189,528	2,031,378	60,653	(1,967,750)	2,138,909	(976,678)	(1,940,115)	(47,379,997)
Net gain/loss from the revaluation of tangible assets	-	-	-	-	-	-	-	(745,264)
Deferred tax adjustment for non-deductible tax revaluation reserves	-	-	-	485,482	-	-	-	212,150
Total comprehensive income	3,189,528	2,031,378	60,653	(1,482,268)	2,138,909	(976,678)	(1,940,115)	(47,913,111)
Operational EBITDA	2,050,044	1,936,586	1,606,415	(719,768)	(1,375,798)	(3,755,424)	(2,854,688)	(2,166,115)

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

	Indicators	Year 2021	Year 2022	Year 2023	2023 vs 2022		
ROMCARBON	PLASTIC PROCESSING SECTOR : POLYETHYLENE						
	Turnover	36,047,057	36,512,692	30,894,710	(5,617,982)	-15%	
	EBITDA before overhead	3,051	2,439,836	2,208,646	(231,190)	-9%	
	Profit before overhead	(779,566)	1,697,246	1,461,071	(236,175)	-14%	
	PLASTIC PROCESSING SECTOR : POLYSTYRENE						
	Turnover	51,040,479	54,425,638	47,592,623	(6,833,015)	-13%	
	EBITDA before overhead	9,725,267	7,382,299	7,925,922	543,623	7%	
	Profit before overhead	8,335,220	6,131,441	6,578,447	447,006	7%	
	PLASTIC PROCESSING SECTOR : POLYPROPYLENE						
	Turnover	42,780,899	40,326,620	32,928,129	(7,398,491)	-18%	
	EBITDA before overhead	4,719,369	3,454,650	3,964,026	509,376	15%	
	Profit before overhead	4,394,850	3,129,217	3,616,936	487,718	16%	
	RECYCLED POLYMERS & COMPOUNDS						
	Turnover	40,009,626	51,224,339	39,125,177	(12,099,163)	-24%	
	EBITDA before overhead	5,811,810	6,952,632	(1,572,300)	(8,524,932)	n/a	
	Profit before overhead	1,930,489	3,094,107	(5,026,755)	(8,120,862)	n/a	
OTHER PRODUCTIVE SECTORS : FILTERS, ACTIVE CARBON, PROTECTIVE EQUIPMENT, PVC TRAFFIC BASE SIGNS							
Turnover	5,876,115	9,569,410	6,388,942	(3,180,468)	-33%		
EBITDA before overhead	743,723	2,933,897	704,507	(2,229,390)	-76%		
Profit before overhead	429,011	2,623,639	379,493	(2,244,146)	-86%		

Note: In "Turnover", in addition to the revenues from sales of finished products, the revenues from the sale of goods, revenues from services and other sales made by the production sectors are included.

5.3 REVENUES (NET SALES)

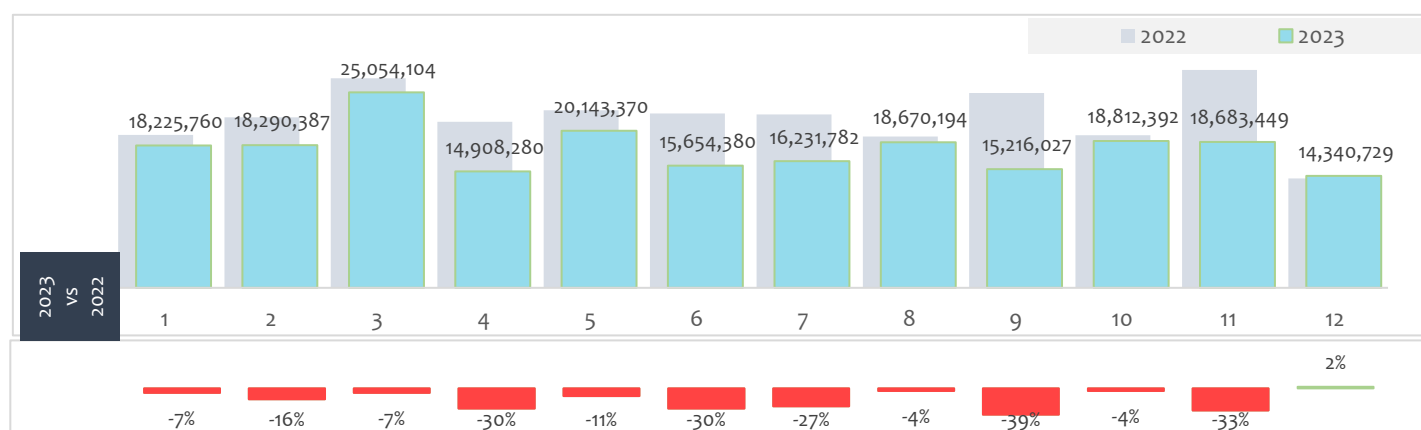
The item "Revenues (Net sales)" had the following evolution:

	12 months of 2021	12 months of 2022	12 months of 2023		2023 vs. 2022	
- Sales of finished goods, total, out of which:	169,491,035	183,306,275	153,331,408	▼	(29,974,867)	-16%
CP1~ Auto and industrial filters	2,703,153	3,395,181	3,652,168	▲	256,986	8%
CP2~ Respiratory protective equipment and Active Carbon	2,247,391	5,396,649	2,278,627	▼	(3,118,023)	-58%
CP3~ Polyethylene products	36,010,670	36,123,918	30,273,457	▼	(5,850,462)	-16%
CP4~ PVC products	881,364	697,669	420,422	▼	(277,247)	-40%
CP5~ Polystyrene products	47,497,169	51,082,952	46,799,707	▼	(4,283,245)	-8%
CP6~ Polypropylene products	41,879,984	40,107,774	32,001,778	▼	(8,105,996)	-20%
CP7~Compounds	38,271,305	46,502,132	37,905,250	▼	(8,596,881)	-18%
- Sales of intermediary goods	40,938	68,499	4,378	▼	(64,122)	-94%
- Services rendered	488,677	721,836	425,122	▼	(296,714)	-41%
- Sale of commodities	89,734,867	71,556,260	53,057,503	▼	(18,498,757)	-26%
- Revenues from sundry services	4,982,130	7,148,184	7,412,444	▲	264,260	4%
Total net sales	264,737,647	262,801,054	214,230,854	▼	(48,570,200)	-18%

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

	12 months of 2021	12 months of 2022	12 months of 2023		2023 vs. 2022	
Plastic processing sector: polyethylene+polystyrene+polypropylene	125,387,823	127,314,644	109,074,941	▼	(18,239,702)	-14%
Recycled polymers & Compounds	38,271,305	46,502,132	37,905,250	▼	(8,596,881)	-18%
Other production sectors (industrial and automotive filters, active carbon, respiratory protective equipment, PVC traffic base)	5,831,907	9,489,499	6,351,216	▼	(3,138,283)	-33%
Other activities	95,246,612	79,494,779	60,899,446	▼	(18,595,333)	-23%
Total	264,737,647	262,801,054	214,230,854	▼	(48,570,200)	-18%

The evolution of the "Net sales" by month in the reporting period



	12 months 2021	12 months 2022	12 months 2023		2023 vs. 2022	
Net sales	264,737,647	262,801,054	214,230,854	▼	(48,570,200)	-18%
Rental and royalty income	2,199,955	2,247,585	2,190,008	▼	(57,577)	-3%
Turnover, out of which:	266,937,602	265,048,639	216,420,862	▼	(48,627,777)	-18%
~domestic market	216,788,924	211,389,473	181,914,762	▼	(29,474,712)	-14%
~exports	50,148,679	53,659,166	34,506,100	▼	(19,153,066)	-36%

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	31.12.2021	31.12.2022	31.12.2023
EBIT	Gross profit + Income tax + Expenses with interest	394,684	53,670,160	5,303,794
EBITDA	EBIT + Depreciation-Subsidies for investment	8,112,816	61,072,654	12,582,621
Sales(Turnover)	Revenue + Rental and royalty income	266,937,602	265,048,639	216,420,862
EBITDA to sales ratio	EBITDA/Sales	3.04%	23.04%	5.81%
EBITDA to Equity ratio	EBITDA/Equity	6.05%	38.12%	8.34%
Gross profit margin	Gross profit/Sales	-0.21%	19.76%	1.62%
Current ratio	Current assets/Current liabilities	1.19	1.47	1.77
Quick ratio	(Current assets - Inventories)/Current liabilities	0.88	1.17	1.32
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	16%	13%	14%
Total liabilities to Assets ratio	Total liabilities/Total Assets	45%	43%	37%
Long term capital to Equity	Borrowed capital/Equity	3%	3%	5%
Long term capital to engaged capital	Borrowed capital/Engaged capital	3%	2%	5%
Interest coverage ratio	EBIT/Interest expenses	0.41	41.72	2.93
Account receivable turnover ratio (days)	Average receivables/Sales	64	83	99
Account payable turnover ratio (days)	Average payables/Sales	43	58	61
Non-current assets rotation	Non-current liabilities/Sales	1.93	1.99	1.82
Return on assets (ROA)	Net profit/Assets	-0.59%	18.38%	1.37%
Return on equity (ROE)	Net profit/Equity	-1.08%	32.13%	2.20%
Return on sales (ROS)	Net profit/Sales	-0.54%	19.42%	1.53%

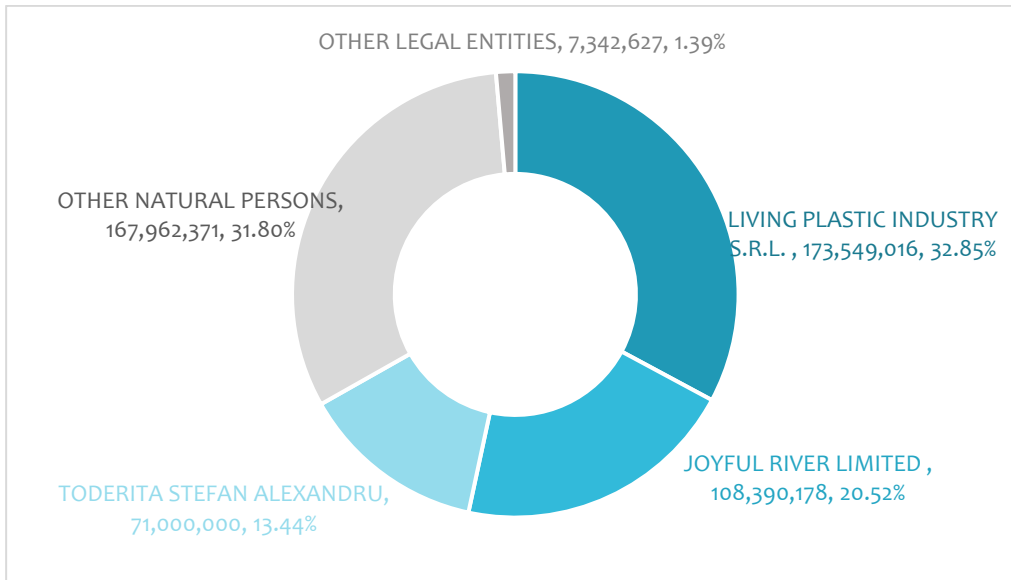
5.5 CASH-FLOW

	31/12/2021	31/12/2022	31/12/2023
Profit (loss) of the year	(1,447,458)	51,471,690	3,313,809
Income tax expense / (income)	712,964	870,654	-
Deferred income tax expense / (income)	176,123	41,417	182,523
Non-current asset depreciation/(impairment)	9,977,583	9,609,158	9,392,805
Provisions for untaken leaves	200,000	600,000	117,000
(Gain) / Loss on sale of fixed assets	(21,280)	(915,621)	-
(Gain) / Loss on changes in fair value of investment property	(1,377,918)	(170,996)	(974,174)
(Gain) / Loss on disposal of investment property	(411,233)	(1,191,307)	-
(Gain) / Loss on revaluation of tangible assets	-	1,370,104	-
(Gain) / Loss on disposal of assets held for sales	-	-	(3,992,451)
Gains on internal set-up of fixed assets	(327,189)	(9,793)	(288,092)
Expenses / (Revenues) regarding value adjustments for clients and inventories	13,642	(54,640)	83,148
Loss on receivables and sundry debtors	45,827	54,270	54,865
Expenses / (Revenues) regarding allowances for financial assets	6,477,632	-	-
Interest expense	1,149,747	1,574,050	2,081,299
Interest income	(128,719)	(316,730)	(983,890)
Income from dividends	-	(46,745,700)	-
Income from subsidies	(2,259,451)	(2,206,664)	(2,113,978)
Unrealised foreign exchange gain / (loss)	654,632	(274,153)	(2,402,662)

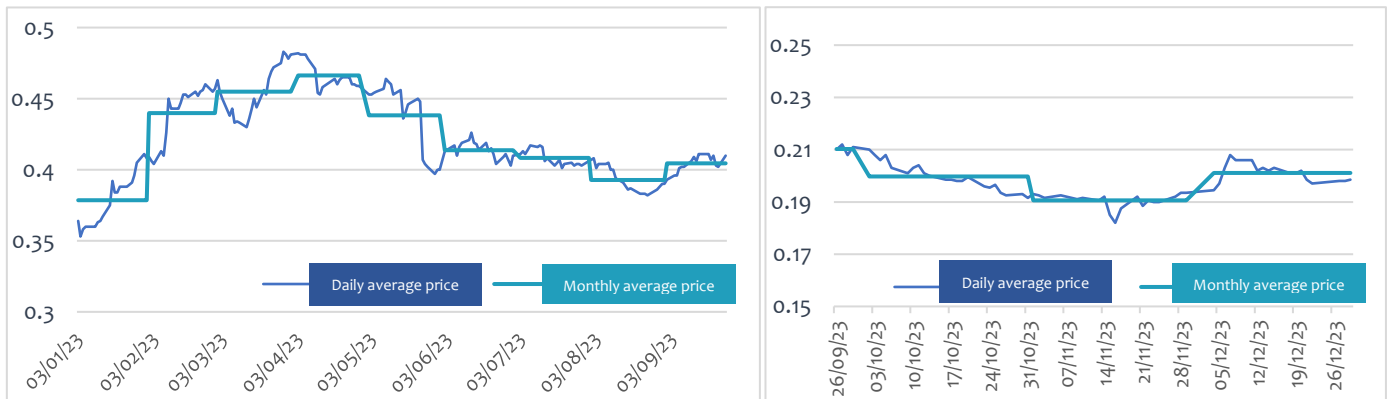
	31/12/2021	31/12/2022	31/12/2023
Movements in working capital:			
(Increase) / Decrease in trade and other receivables	(20,576,748)	(6,316,829)	8,975,358
(Increase) / Decrease in inventories	(5,375,385)	(2,261,553)	(1,119,740)
(Increase) / Decrease in other assets	(1,106,915)	(3,571,403)	3,078,170
Increase / (Decrease) in trade payables	11,032,378	(4,846,357)	(7,989,155)
Increase / (Decrease) in other liabilities	(129,356)	1,751,137	504,351
Net cash used in operating activities	(2,721,124)	(1,539,265)	7,919,186
Income tax paid	(712,964)	(1,015,734)	(619,612)
Interest and bank charges paid	(1,149,747)	(1,574,050)	(2,081,299)
Numerar net utilizat în activitati operationale	(4,583,835)	(4,129,049)	5,218,275
Cash flows from investing activities:			
Interest received	128,719	316,730	983,890
Payments for tangible assets	(3,657,008)	(5,756,882)	(13,307,466)
Proceeds from sale of investment property	2,862,617	2,373,151	-
Proceeds from sale of tangible and intangible assets	517,739	915,615	-
Proceeds from sale of assets held for sales	-	-	7,752,606
Proceeds from government grants	-	912,179	-
Payments for assets held for sale	(3,164,051)	-	-
Payments for short-term financial investments	-	-	(2,529,566)
Related party loans granted	(694,543)	-	-
Payments for intangible assets	8,254	(153,219)	(593,862)
Proceeds from financial investments	-	-	23,061,548
Payments for financial assets	-	(1,000)	-
Dividends received	-	7,166,500	39,418,400
Net cash generated by/used in investing activities	(3,998,272)	5,773,075	54,785,550
Cash flows from financing activities:			
Proceeds/Repayments from bank loans	6,433,107	(1,002,830)	(4,442,587)
Dividends paid	(2,641,221)	(10,666,862)	(28,951,452)
Net cash generated by/used in financing activities	3,791,886	(11,669,692)	(33,394,039)
Net increase/(decrease) in cash and cash equivalents	(4,790,221)	(10,025,667)	26,609,787
Cash and cash equivalents at the beginning of the year	17,588,598	12,798,377	2,772,710
Cash and cash equivalents at the end of the year	12,798,377	2,772,710	29,382,497

5.6 STRUCTURE OF SHAREHOLDERS

As at **31.12.2023** SC Romcarbon SA shareholders' structure, according to Depozitarul Central SA was as follows:



*On 30.06.2023, it was completed the registration in the Trade Register of the increase of the company's share capital with the amount of 26,412,209.60 lei, from 26,412,209.60 lei to 52,824,419.20 lei by issuing a number of 264,122,096 new shares, with a nominal value of 0.10 lei/share, according to the AGEA decision of 04/27/2023. The capital increase was achieved by incorporating into the company's share capital the amount of 26,412,209.60 lei, representing a part of the net profit recorded in the 2022 financial year.



Starting from 26.09.2023, a share price correction factor was applied with a value of 2. Details [HERE](#).

6. CORPORATE GOVERNANCE

I. PREAMBLE

This Chapter of Corporate Governance of the Company summarizes the main rules, structures, procedures and decision-making practices within the company, governance standards that ensure the application of the general principles of effective administration and control of the activities carried out by the company according to its object of activity, for shareholders benefit and increasing investor confidence. The entire set of corporate governance standards provides the structure through which the company's objectives are established, the means of achieving them and monitoring performance and aims to promote fairness, transparency, and responsibility at the company level.

"ROMCARBON" S.A. Commercial Company is a Romanian legal entity, operating 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 "Chemical Factory no. 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 the main activity, according to the codification - 2221 Manufacture of plastic plates, foils, tubes and profiles.

In 2005, the company implemented a modern ERP system for company resource planning (ERP - Enterprise Resources Planning), in order to optimize the decision-making process.

The investments made by the company aimed at the expansion of production activities through the purchase of land, the modernization and purchase of machinery, the expansion and introduction of new products in line with the legal regulations in force (including alignment with the European Union norms).

During the meeting of 11.03.2008, the National Securities Commission decided, by decision no. 469/11.03.2008, approval of the Prospectus prepared for admission to trading on the regulated market administered by S.C. BUCHAREST STOCK EXCHANGE S.A. of shares issued by S.C. ROMCARBON S.A.

Thus, **starting with the date of 30.05.2008 and until the date of 05.01.2015**, the shares of S.C. ROMCARBON S.A. were traded on the regulated market administered by the Bucharest Stock Exchange, Capital Securities Sector, Category II Shares.

Starting from 05.01.2015 the shares of S.C. ROMCARBON S.A. are traded on the regulated market administered by the Bucharest Stock Exchange, Capital Securities Sector, Standard Category, according to the new market segmentation 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 characteristics of the shares issued by S.C. ROMCARBON S.A. are:

- number of shares – 528,244,192
- a) nominal value – 0.1 lei
- b) ISIN code: ROROCEACNOR1
- c) symbol: ROCE

Entered the regulated market BVB, S.C. ROMCARBON S.A. proposed 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 sense, the management 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 it was adopted by the Council of the Bucharest Stock Exchange in December 2007, with subsequent changes, with the sole purpose of implementing it at the company level, through assuming an own corporate governance policy.

A first step in the implementation of a corporate governance policy was the adoption, respectively the implementation, of the Corporate Governance Code of the Bucharest Stock Exchange, at company level, a Code that can be accessed in Romanian and English on the website of the Bucharest Stock Exchange – www.bvb.ro

Implementation of the Code at the S.C. level. ROMCARBON S.A. consisted, first of all, in the adoption by the company's Board of Directors 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 regulations we comply with in the elaboration of this corporate governance chapter: Law no. 31/1990 of commercial companies, republished in 2004, with subsequent amendments and additions, Law no. 297/2004 regarding the capital market, Law no. 24/2017 regarding issuers of financial instruments and market operations, with subsequent amendments and additions, the normative acts issued by A.S.F. for the regulation of the capital market (Regulation no. 5 of 21.06.2018 on issuers of financial instruments and market operations, Regulation no.

10/2016 on the organization and functioning of the Financial Supervisory Authority, etc.) accounting regulations, regulations on audit activity, Law no. 82/1991 of accounting, republished with subsequent amendments and additions, the Corporate Governance Code of the Bucharest Stock Exchange adopted by the Council of the Bucharest Stock Exchange in December 2007, the Constitutive Act 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 (GMS) includes all shareholders and meets in ordinary meetings (**OGM**) and extraordinary meetings (**EGM**), each with the powers established by the legal provisions/constitutional act of the company.

Convening, organizing and conducting the works of the G.M.S. it is done in strict accordance with the legal provisions, ensuring the presentation of the materials, the recording of the works and the adopted decisions.

2.2. The 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 (BoD) guarantee the efficiency of the ability to supervise, analyze and evaluate the activity of the directors as well as the fair treatment of the shareholders.

The choice of administrators is made from among the persons appointed by the shareholders.

When appointing the members of the Board of Directors, the general meeting followed a balanced composition of the Board of Directors in accordance with the structure and activity of ROMCARBON S.A. as well as with the experience and personal qualifications of the members of the BoD.

The Board of Directors meets at the company headquarters or in other places, monthly and whenever necessary, at the call of the Chairman, at the motivated request of at least 2 of its members or of the General Director, the Chairman of B.o.D. being obliged to comply with such a request.

The Board of Directors is chaired by the Chairman, and in his absence, by the Deputy Chairman.

The notices for the meetings of the Board of Directors are sent, at least 5 days before the date of the meeting, by any means of remote communication (post, e-mail, fax) that ensures confirmation of receipt, in writing, by the addressee/member to the convened Board of Directors. These convocations include the date, respectively the location where the meeting of the Board of Directors will be held, as well as the agenda, no decision can be taken on other issues, except in case of urgency and with the condition of ratification in the next meeting by the 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 can be taken by the unanimous vote of the members expressed in writing, including by e-mail, without the need for a meeting of the respective body.

For the validity of the decisions taken, the presence/vote of at least half of the members of the Board of Directors is required and the decisions are taken with a simple majority of the members present. In case of equality of votes, the Chairman of the Board of Directors (who is not the director of the company at the same time) will have the decisive vote. If the acting Chairman of the Board of Directors cannot or is forbidden to participate in the vote, the other members of the Board of Directors will be able to elect a meeting Chairman, having the same rights as the acting Chairman. In case of parity of votes and if the Chairman does not benefit from a decisive vote, the proposal put to the vote is considered rejected.

The meetings of the Board of Directors take place in the presence of the directors or by correspondence (post, e-mail, etc.).

The members of the Board of Directors will express their vote regarding the issues on the agenda during the meeting, as well as through any means of remote communication (mail, e-mail, fax) that ensures confirmation of the receipt of the vote expressed in writing, by the secretary the Board of Directors, at the latest until the end of the meeting for which they were summoned.

The decision-making process remains a collective responsibility of the members of the Board of Directors, who are held jointly and severally responsible for all decisions taken in the exercise of their powers.

The Board of Directors' debates are recorded in the minutes of the meeting, which are 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 of the Board of Directors, its members, the directors of the company, the executive directors, are liable individually or jointly, as the case may be, to the company, for the damages resulting from crimes or deviations from the legal provisions, for deviations from the constitutive act, as well as for mistakes in administration and management of the company. In such situations, they may be revoked by the decision of the General Meeting of Shareholders, respectively of the Board of Directors.

On the date of this annual report, the Board of Directors of S.C. ROMCARBON S.A. is made up of the following directors, elected during the Ordinary General Meeting of 25.01.2024, for a 4-year term, which expires on 04.02.2028.

► **Chairman – 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 director of Tairom Import-Export SRL Buzau – Sept. 2001 – Apr. 2004
- Director of Living Plastic Industry SA Buzau: March 2007-March 2011
- Censor of Greentech SA Buzau – Jan.2005 – Mar.2005
- Director of Greentech SA Buzau: Jan. 2009 - 2012;
- Unique Director of S.C. GREENFIBER INTERNATIONAL SA: Jun. 2005- Mar.2007;
- Director of S.C. GREENFIBER INTERNATIONAL SA: Mart. 2007- 2012;
- Financial Consultant of Livingjumbo Industry SA - 2012-present;

► **Deputy Chairman – WEY JIANN SHYANG**

* **Professional experience:**

- Deputy General Manager of Living Water in Spring International Co., Ltd - 2006- present
- Investment Banking Departmental Manager for Sinopac and Jihsun and MasterLink, financial investment company - 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

► **Membru – TODERITA STEFAN ALEXANDRU**

* **Professional experience:**

- Consultant, Mastercard Europe 2018 – April 2021
- Associate, Business Consulting at Boston Consulting Group, February 2018 – April 2018
- Consultant for A.T. Kearney, Iulie 2016 – November 2017
- Swiss Capital, broker, October 2012 – March 2015
- Edenred Romania, Strategy & Business Development Director, May 2021 – July 2023
- Edenred Romania, Strategy & Partners Director, Iulie 2023 – present.

Therefore, starting from 29.11.2021, the composition of the Board of Directors of Romcarbon SA is as follows:

- Chairman – HUANG, LIANG – NENG
- Deputy Chairman – WEY JIANN SHYANG
- Member – TODERITA STEFAN ALEXANDRU

The powers of the Board of Directors are those stipulated 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 works and the adopted decisions.

Nomination and remuneration of administrators

Nomination of ROMCARBON S.A. directors it 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 fulfill, in addition to the general conditions provided by Law no. 31/1990 and the special ones established by Law no. 24/2017.

In 2023, the Board of Directors met in 20 meetings, the decisions being taken either with the majority of votes of those present, or with unanimity and with the fulfillment of the legal provisions regarding the convening and the quorum for the meeting, respectively the legal adoption of the decisions. The main decisions taken by the Board of Directors concerned:

- Approval of the negotiation and conclusion of the collective labor agreement applicable within the company in the period 2023-2025. (Decision no. 1/17.01.2023).
- Approval for granting, starting from January 1, 2023, of the minimum gross salary for the country guaranteed in payment, in the amount of 3000 lei, according to H.G. no. 1447/2022, as well as the approval to grant starting January 1, 2023, a gross monthly increase between 150 lei and 2053 lei, applied to the salaries corresponding to the normal/full-time monthly work schedule, for employees, other than those who fall under the provisions of H.G. apply. no. 1447/2022, to ensure the maintenance of salary balance within the company. (Decision no. 1/17.01.2023).
- Approval for the 12-month extension of the sales contract no. 1200/22.05.2012 (3326/24.05.2012) concluded between ROMCARBON and KASAKROM CHEMICALS Ltd. (Decision no. 1/17.01.2023).
- Approval for Romcarbon SA to establish in favor of the Administration of the Environmental Fund, the guarantee in the form of a letter of bank guarantee in the amount of 500,000 lei, in accordance with the provisions of art. 122 paragraph 2 of GEO no. No. 125/2022, valid until 31.12.2023 (Decision no. 2/10.02.2023).

- Approval for convening the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders of S.C. ROMCARBON S.A. on 27.04.2023, at 12.00, respectively 12.30, at the company headquarters in Buzau, Transilvaniei street no. 132. (Decision no. 4/21.03.2023)
- Approval for the company's income and expenditure budget project for the year 2023. (Decision no. 3/21.03.2023)
- Approval for Board of Directors proposal to the O.G.M.S. regarding the distribution of the net profit recorded in the financial year 2022, in the amount of 51,471,690.22 lei to the following destinations: Legal reserves in the amount of 1,105,471 lei; Other reserves in the amount of 862,410 lei; Dividends related to the 2022 financial year in the amount of 13,206,104.80 lei; Result carried forward in the amount of 36,297,704.42 lei, following that the final destination of this undistributed profit will be decided by the Ordinary General Meeting of Shareholders. (Decision no. 4/21.03.2023)
- Approval of Board of Directors proposal to the O.G.M.S. for distribution of the amount of 26,412,209.60 lei, representing part of the net profit recorded in the 2022 financial year, which remained undistributed (in the total amount of 36,297,704.42 lei), for the increase of the company's share capital. Consequently, the share capital of the Company will be increased from the current value of 26,412,209.60 lei to the value of 52,824,419.20 lei, by issuing 264,122,096 new shares, with a nominal value of 0.10 lei/ action. The new issued shares will be distributed free of charge to the company's shareholders registered in the Register of Shareholders on the registration date 27.09.2023. The allocation rate of new free shares will be 1:1, respectively 1 new share will be allocated for every 1 existing share, owned by shareholders registered in the Register of Shareholders on 27.09.2023. (Decision no. 4/21.03.2023)
- Approval of Board of Administration proposal to the E.G.M.S. regarding the bank exposure of the company for the financial year 2023-2024. (Decision no. 4/21.03.2023)
- Approval of Board of Administration proposal to E.G.M.S. regarding the company's investment plan for the financial year 2023-2024. (Decision no. 4/21.03.2023)
- Approval of the issuance by Romcarbon S.A. of a letter of financial support for Livingjumbo Industry SA, for the financial year 2023, assuming all obligations associated/arising from the issuance of this document, as well as authorizing the General Director, 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. 4/21.03.2023)
- Approval of Romcarbon SA Organization Chart. (Decision no. 5/24.04.2023)
- Approval for completing the secondary object of activity of Romcarbon SA with the following activities:
CAEN 4669 - Wholesale trade of other machines and equipment
CAEN 4799 - Retail trade carried out outside shops, stands, kiosks and markets. (Decision no. 5/24.04.2023)
- Approval of the items on the agenda of the General Meeting of Associates of Info Tech Solutions SRL, regarding the approval of the financial statements related to the 2022 financial year; approval of the director's discharge for the 2022 financial year; approval for the distribution of the net profit recorded in the 2022 financial year in the amount of 116,305.17 lei as undistributed profit. (Decision no. 5/24.04.2023)
- Approval of the items on the agenda of the General Meeting of Associates of Yenki SRL, regarding the approval of the financial statements related to the 2022 financial year. (Decision no. 5/24.04.2023)
- Approval of the Directors' Report for the first quarter of 2023, which includes the company's unaudited individual and consolidated financial statements for the first quarter of 2023, and the authorization of the Chairman of the Company's Board of Directors, the Financial Director and the Administrative Deputy General Director, to sign all documents related to reporting to the authorities and to BVB, according to the legal provisions in force. (Decision no. 6/15.05.2023)
- Approval of the items on the agenda of the General Meeting of Associates of RC Energo Install SRL regarding the approval of the financial statements for the year 2022; the extension by 12 months of the loan contract no. 4365/03.12.2019 concluded by Romcarbon as Lender and RC ENERGO INSTALL as Borrower, with a loan amount of 3,000,000 lei, and an interest rate of 8%/year . (Decision no. 6/15.05.2023)
- Approval to extend by 12 months the duration of the loan agreement no. 4365/03.12.2019 concluded by Romcarbon SA as Lender and RC ENERGO INSTALL SRL as Borrower, loan amount 3,000,000 lei, interest rate 8%/year. (Decision no. 6/15.05.2023)
- Approval of the items on the agenda of the General Meeting of Associates of RC ENERGO INSTALL S.R.L. regarding the approval for the increase in the credit facility contracted by RC Energo Install SRL from Exim Banca Romaneasca (formerly BANCA DE EXPORT-IMPORT A ROMANIEI EXIMBANK S.A) from 1,000,000 lei to 2,000,000 lei, the extension by 12 months from the maturity of the facility of the respective credit and the modification of the structure of guarantees related to the credit. (Decision no. 7/18.05.2023)
- Approval for ROMCARBON SA to sign an additional act for the 12-month extension of the security guarantee contract no. 33-ABZ of 07.10.2019 established in favor of Exim Banca Romaneasca (former BANCA DE

EXPORT-IMPORT A ROMANIEI EXIMBANK S.A), for the guarantee of the credit facility in the amount of 2,000,000 lei, increased from 1,000,000 lei, contracted by RC ENERGO INSTALL SRL from Exim Banca Romaneasca as well as, as Guarantor, an additional act to the Credit Agreement no. 18-ABZ of 15.10.2018, concluded by Societatea RC Energo Install SRL and Exim Banca Romaneasca S.A. (Former EXPORT-IMPORT BANK OF ROMANIEI EXIMBANK S.A). (Decision no. 7/18.05.2023)

- Approval of the items included on the agenda of the Ordinary General Meeting of Shareholders of Livingjumbo Industry SA regarding: approval of the management report of the Board of Directors for the 2022 financial year; the approval of the unconsolidated individual financial statements related to the 2022 financial year composed of: the balance sheet, the profit and loss account, the statement of changes in equity, the statement of cash flows, the accounting policies as well as the explanatory notes, based on: the administrators' report and the report of the external financial auditor for the year 2022 ; to note the report of the external financial auditor-DELOITTE AUDIT S.R.L., regarding the individual unconsolidated financial statements related to the 2022 financial year; the approval that the net profit recorded in the financial year 2022 in the amount of 3,477,122 lei should be distributed as follows: 173,856 lei - legal reserve; 3,303,266 lei to cover the losses recorded in previous years, respectively the sum of 1,455,261 lei will be used for covering the loss related to the 2016 financial year and the amount of 1,848,005 lei will be used to cover the loss related to the 2017 financial year; approving the discharge of the members of the Board of Administration for their activity carried out in the 2022 financial year; approval of the appointment of S.C. DELOITTE AUDIT S.R.L as the company's statutory financial auditor for a 1-year mandate starting on 13.07.2023 (13.07.2023-13.07.2024); approval of the income and expenditure budget for the financial year 2023. (Decision no. 8/30.05.2023)
- Approval of the internal audit plan of Romcarbon SA for the period June - December 2023. (Decision no. 9/12.06.2023)
- The approval for Romcarbon S.A. to subscribe shares in Hidroelectrica SA worth up to 2,000,000 Euro. (Decision no. 10/28.06.2023)
- Approval of the Annual Report of the Audit Committee for the year 2022 drawn up in accordance with Law no. 162/2017 on the statutory audit of the annual financial statements and of the consolidated annual financial statements and for the modification of some regulations. (Decision no. 11/30.06.2023)
- Approval of the Sustainability Report of Romcarbon SA for the financial year 2022. (Decision no. 11/30.06.2023)
- Approval of the following policies: Anti-retaliation Policy, Environmental Policy, Human Resources Policy, Health and Safety Policy, Human Rights Policy. (Decision no. 11/30.06.2023)
- Approval for Romcarbon SA to trade on the BVB the subscribed H2O shares, either the entire package of shares, or divided into several smaller volumes, depending on the conditions/opportunities of the BVB market and the empowerment of General Director of Romcarbon SA, Mr. Huang Liang Neng, to decide on the most appropriate market conditions/moment/offer for the sale of H2O shares owned by Romcarbon SA. (Decision no. 12/11.07.2023)
- Approval for the modification of the Organization Chart of the company for the introduction of the Integrity Office. (Decision no. 13/26.07.2023)
- Approval for the company to sign an additional act to the credit agreement no. BUZA/002/2009 of 04.03.2009, concluded with Unicredit Bank SA in the amount of 500,000 lei, with the maintenance of the existing guarantees, for changing the currency of use of the non- cash ceiling, by which the loan currency is changed from being used in RON to being used in RON, USD and EUR, as well as for changing some of the lending conditions. (Decision no. 13/26.07.2023)
- Approval of the Directors' Report on the Individual and Consolidated Financial Situations of ROMCARBON S.A. on 30.06.2023 (S1), 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, 2023, the half-yearly report on the consolidated financial statements and the unaudited condensed interim consolidated financial statements for the period ending on June 30, 2023. (Decision no. 14/08.08.2023)
- Approval for Romcarbon SA to increase, starting September 1, 2023, the nominal value of the meal tickets granted to the company's employees, from the value of 12 lei/ticket to the value of 20 lei/ticket. (Decision no. 15/09.05.2023)
- Approval, considering the entry into force of H.G. no. 900/28.09.2023, regarding the increase of the minimum gross salary per country guaranteed in payment, for ROMCARBON SA to grant, starting on October 1, 2023, the minimum gross salary per country guaranteed in payment in the amount of 3,300 lei, to the company's employees to whom the provisions of this act shall be applied by law, as well as to grant, starting October 1, 2023, a gross monthly increase of between 75 lei and 507 lei, for the company's employees,

other than those falling under H.G. no. 900/28.09.2023 , to ensure the maintenance of salary balance for the company's employees. (Decision no. 16/10.10.2023)

- Approval of the items included on the agenda of the General Assembly of Associates of Recyplat Limited Associates, regarding the approval of the financial statements of Recyplat Ltd. for the year 2022 and the approval of the engagement letter of the auditor of Recyplat Ltd. (Decision no. 16/10.10.2023)
- Approval for completing the Company's secondary activity object with the following activities: **4615** Intermediaries in the trade of furniture, household items and hardware; **4616** Intermediaries in trade in textiles, fur clothing, footwear and leather goods; **4637** Wholesale of coffee, tea, cocoa and spices; **4641** Wholesale of textile products; **4642** Wholesale of clothing and footwear; **4643** Wholesale trade of household electrical appliances, radios and televisions; **4645** Wholesale trade of cosmetic and perfumery products; **4647** Wholesale trade of furniture, carpets and lighting articles; **4651** Wholesale of computers, peripheral equipment and software; **4665** Wholesale of office furniture. (Decision no. 16/10.10.2023)
- Approval of the Directors' Report on the Individual and Consolidated Financial Situations of ROMCARBON S.A. on 30.09.2023 (Q3), prepared 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 September 30, 2023, the quarterly report on the consolidated financial statements and the unaudited condensed interim consolidated financial statements for the period ending on September 30, 2023. (Decision no. 17/14.11.2023)
- Approval of the Guide regarding the prevention and combating of harassment based on sex, as well as moral harassment at the workplace according to the attached material, and the empowerment of company general to sign the guide and carry out any necessary diligence for the implementation of the provisions contained in the Guide. (Decision no. 17/14.11.2023)
- Approval, taking into account those approved by EGMS Decision no. 1 of April 27, 2023, for the use of the credit line of 8,000,000 euros (of which 5,450,000 euros used by Romcarbon and 2,550,000 euros used by LivingJumbo Industry) contracted from Unicredit Bank SA, both cash and non-cash, with the possibility of issuing bank guarantee letters/letters of credit in EUR/RON currencies. The non-cash ceiling is mainly required for the issuance of a Bank Guarantee Letter in favor of the electricity supplier requesting to cover the energy consumption for one month with SGB. (Decision no. 17/14.11.2023)
- Approval of the items included on the agenda of the General Assembly of Associates of RC Energo Install SRL regarding the opening of a company bank account at Unicredit Bank SA, in RON and EURO currencies, and approving the designation by the company of its signatories in relation to the bank, signatories who will be authorized to sign all payment instruments issued by the company for Unicredit Bank SA. (Decision no. 17/14.11.2023)
- Approval for ROMCARBON S.A. to negotiate and sign with Swancor Holding Co. Ltd. the Memorandum of Understanding (MOU), with the terms and conditions stipulated in the attached material, by which both parties agree to establish a company (joined venture) on the territory of the European Union to carry out thermosetting material recycling business. (Decision no. 18/20.11.2023)
- Approval, taking into account those approved by the Resolution of the Extraordinary General Meeting of Shareholders from no. 1 of 27.04.2023, 12:30, the extension by 12 months of the credit duration consisting of a multi-purpose cash/non-cash credit line, overdraft and non-limit -cash, in the amount of EUR 8,000,000, contracted by Romcarbon S.A. (and Livingjumbo Industry SA as co-borrower) from Unicredit Bank SA, based on contract no. BUZA/014/2012, as it was modified by subsequent additional documents. (Decision no. 19/07.12.2023)
- Approval, taking into account those approved by the Extraordinary General Meeting of Shareholders Resolution no. 1 of 27.04.2023, 12:30 p.m., for Romcarbon S.A. to sign, as guarantor, with Unicredit Bank S.A. the additional act to the credit agreement no. BUZA/152021/CSC, for guaranteeing the credit for working capital - overdraft, in the amount of EUR 2,000,000 contracted by Livingjumbo Industry SA from Unicredit Bank SA. (Decision no. 19/07.12.2023)
- Approval taking into account those approved by the Extraordinary General Meeting of Shareholders Resolution no. 1 of 27.04.2023, 12:30 p.m., for Romcarbon SA to sign with Unicredit Bank SA the additional act to the credit agreement for the extension of the non-cash ceiling in the amount of 500,000 lei for the issuance of LG/LCs in RON/EUR/USD . (Decision no. 19/07.12.2023)
- Approval, taking into account those approved by the Extraordinary General Meeting of Shareholders Resolution no. 1 of 27.04.2023, at 12.30, for Romcarbon SA to sign with Unicredit Bank SA the additional document to the credit agreement for the extension of treasury lines in the amount of EUR 300,000. (Decision no. 19/07.12.2023)
- Approval of the items on the agenda of the Extraordinary General Meeting of Shareholders of Livingjumbo Industry SA regarding: approval of the 12-month extension of the credit line in the amount of EUR 2,000,000

contracted on the basis of credit agreement no. BUZA/152021/CSC concluded between UniCredit Bank S.A. (as CREDITOR) and S.C. LIVINGJUMBO INDUSTRY S.A. (as BORROWER) and S.C. ROMCARBON S.A. (as Guarantor), in compliance with the terms of Unicredit Bank SA's offer of 05.12.2023 ; approval of the 12-month extension of the credit line in the amount of EUR 8,000,000 contracted on the basis of credit agreement no. BUZA /014/ 2012 dated 29.06.2012 concluded between UniCredit Bank S.A. (as CREDITOR) and ROMCARBON S.A. and S.C. LIVINGJUMBO INDUSTRY S.A. (as BORROWERS), in compliance with the conditions of the Unicredit Bank SA offer of 12.05.2023; approval of the extension until 08.06.2027 of the treasury line in the amount of EUR 450,000 contracted by S.C. LIVINGJUMBO INDUSTRY S.A. (as BORROWER) from UniCredit Bank S.A. (as CREDITOR). (Decision no. 19/07.12.2023)

- Approval for convening of the Ordinary General Meeting of Shareholders of S.C. ROMCARBON S.A. on 25.01.2024, at 12.00, at the company headquarters in Buzau, Transilvaniei street no. 132, with the following agenda: the election of 3 new members of the Board of Directors, for a 4-year term, starting on 04.02.2024, as a result of the expiry of the mandate of the company administrators; approving the date of 20.02.2024 as "registration date", representing the identification date of the shareholders on whom the effects of the decision of the ordinary general meeting of shareholders will be applied, according to A.S.F. Regulation no. 5/2018 regarding issuers of financial instruments and market operations; the approval of the date of 19.02.2024 as "ex-date", the date prior to the registration date with one settlement cycle minus one working day, from which the financial instruments subject to the decisions of the corporate bodies are traded without the rights deriving from that decision, according to the Regulation A.S.F. no. 5/2018 regarding issuers of financial instruments and market operations. (Decision no. 20/18.12.2023)
- Approval, taking into account those approved by the Extraordinary General Meeting of Shareholders Resolution no. 1 of 27.04.2023, 12:30 p.m. and those approved by the Decision of the Board of Directors no. 19/1/07.12.2023, for the extension by 48 months, from the effective maturity of the credit consisting of a multipurpose cash/noncash credit line, overdraft and non-cash ceiling, in the amount of EUR 8,000,000, contracted by Romcarbon from Unicredit Bank SA, based on contract no. BUZA/014/2012, for the non-cash uses of this facility. LCs and LGs issued using this facility will mature upon issuance, at least 1 month before the maturity of the facility, as detailed in Unicredit Bank's updated offer. All other terms and conditions of the credit consisting of a multi-purpose cash/non-cash credit line, overdraft and non-cash ceiling, in the amount of EUR 8,000,000, contracted by Romcarbon from Unicredit Bank SA, based on contract no. BUZA/014/2012, as they were approved by the Administrative Council Decision no. 19/1/07.12.2023, are valid and produce effects as they were approved. (Decision no. 20/18.12.2023)

Convocation of the General Meetings of Shareholders:

OGMS of 27.04.2023, by the BoD Decision no. 4/21.03.2023, regarding:

- Presentation, discussion and approval of the annual report of the Board of Directors for the fiscal year 2022.
- Presentation and approval of the individual financial statements for the financial year 2022 in accordance with International Financial Reporting Standards (IFRS) based on: Directors' Report and External Financial Auditor's Report for the financial year 2022.
- 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 2022.
- Presentation and approval of the consolidated financial statements, for the financial year 2022 in accordance with International Financial Reporting Standards (IFRS) based on: Directors' Report and External Financial Auditor's Report for the financial year 2022.
- 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 2022.
- Presentation and approval of the Annual Report for 2022, 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 2022.
- Approval to contract services for the statutory audit of the company for the financial year 2023.
- Approval of the income and expenses budget for the financial year 2023.
- Approval of the Remuneration Report for the financial year 2022.
- Approval to distribute the net profit registered in the financial year 2022 in the amount of 51,471,690.22 lei on the following destinations, according to the attached material:
 - 1) Legal reserves amounting to 1,105,471 lei;
 - 2) Other reserves amounting to 862,410 lei;

- 3) Dividends corresponding to financial year 2022 amounting to 13,206,104.80 lei;
- 4) Retained earnings amounting to 36.297.704,42 lei, following for the final destination of this undistributed profit to be decided by the General Meeting of Shareholders.
- Approval for the company to distribute as cash dividends the amount of 13,206,104.80 lei, representing part of the net profit recorded in the financial year 2022, and as consequence, approval to distribute a gross dividend/share of 0.050 lei/share for total number of 264,122,096 shares, distribution of the dividends following to be made according to the provisions of the law, article of incorporation and under the condition of obtaining consent from the company's creditor banks.
 - Approval of 25.05.2023 as "registration date", according to Law 24/2017.
 - Approval of 24.05.2023 as "ex-date", according to Law 24/2017.
 - Approval of the date of 15.06.2023 as "payment date" according to art. 2 para. 2 letter h and art. 178 paragraph 1 of the A.S.F. Regulation. no. 5/2018, for points 1-12.
 - Approval of the proposal to distribute the amount of 26,412,209.60 lei, representing part of the net profit recorded in the financial year 2022, which remained undistributed (in the total amount of 36,297,704.42 lei), for the increase of the company's share capital. Consequently, the Company's share capital will be increased from the current value of 26,412,209.60 lei to the value of 52,824,419.20 lei, by issuing 264,122,096 new shares, with a nominal value of 0.10 lei/share. The newly issued shares will be distributed free of charge to the company's shareholders registered in the Register of Shareholders on the date of registration (27.09.2023). The allocation rate of new free shares will be 1:1, respectively 1 new share will be allocated for every 1 existing share, held by the shareholders registered in the Register of Shareholders on the registration date mentioned below:
 - 27.09.2023 as "registration date", according to Law 24/2017.
 - 26.09.2023 as "ex-date", according to Law 24/2017.
 - 28.09.2023 as "payment date" according to art. 2 para. 2 letter h and art. 178 paragraph 1 of the A.S.F. Regulation. no. 5/2018.
 - Empowerment of the company Board of Directors to take any/all measures and make formalities for the fulfillment of resolutions adopted by the OGMS.
 - Empowerment of the OGMS Chairman as appointed to sign with full powers in the name and on behalf of the shareholders, present, represented and who will vote by correspondence, the OGMS Resolutions.
 - Empowerment of the Company legal counselor, Mrs. Mihaela Jurubita to fulfill all formalities regarding registration of the OGMS resolutions at the Trade Register and for the publication in the Official Monitor.

EGMS of 27.04.2023, by BoD Decision no. 4/21.03.2023 regarding:

- Approval for the banking exposure of Romcarbon SA for the financial years 2023-2024, consisting of: Bank credits in amount of 15,830,713 euro and 550,000 lei; Bank guarantee letters with a ceiling of RON 500,000 contracted with UniCredit Bank SA and a limit of bank guarantee letters that can be guaranteed with cash collateral in the amount of 50,000 lei, according to Board decision no. 3/17.02.2023, Guarantees given to Livingjumbo Industry SA for the credits contracted with UniCredit Bank (EUR 2,450,000 euro) and with Eximbank SA (EUR 2,000,000 euro); Guarantees given to RC Energo Install SRL for the credit contracted with Eximbank SA in amount of RON 1,000,000 lei, according attached material.
- Approval for:
 - The possibility to contract if it is needed a factoring facility with the ceiling of EUR 500.000 for a period of 36 months;
 - Prolongation at maturity or, if necessary, before the maturity of the ceiling of bank letters contracted with UniCredit Bank SA in the amount of 500,000 lei for a period of 36 months and/or the modification of guarantees, as well as, if necessary, its increase to 600,000 lei;
 - contracting a ceiling of letters of bank guarantee in the amount of 50,000 lei with Exim Bank SA for a period of 36 months which will be guaranteed with guarantees consisting of cash collateral;
 - 12 months extension of the credit line contracted with Eximbank SA (in amount of EUR 2,550,000 euro) and adding to the existing guarantees a movable mortgage on the building identified with cadastral number 60631, having a total area of 929 m.p.
 - extension, from 1 April 2023 until 31 december 2024 of the credit line contracted with UniCredit Bank SA (in amount of EUR 8,000,000 euro) maintaining the afferent guarantees;
 - contracting a multicurrency loan to finance the investment plan for the year 2023 for the amount of 5,100,000 euros, for a period of 60 months;
 - contracting a bridging loan for the project with European funds from the PNRR program with a value of 5,010,000 euros;
- Empower the Board of Directors to negotiate and decide regarding: changing the credit conditions of the existing contracts/ prolongation of the short term credit facilities with a period of maximum 12 months;

changing the guarantees and/or approving new guarantees for the existing credits and approving guarantees for the new investment credits which will be signed within the approved bank exposure; contracting new credits within the approved bank exposure and establishing new guarantees under the conditions of the law, as well as, as the case may be, restructuring existing bank loans/exposures, currency change or refinancing of existing credits;

- Empowering for 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 2023 Investment Plan.
- Approval for the update of the Company Incorporation Act as follows:
- Article 8 paragraph 1 will be changed and have the following content:
- „The share capital of the company can be increased by the decision of the Extraordinary General Meeting by all the means and procedures provided by the legal provisions and under the conditions provided by the law on issuers of financial instruments and market operations and this act.”
- Article 11 last paragraph will be changed and have the following contents:
- „The exercise of the EGMS powers mentioned in art.11 paragraph 3 letter b) and c) is delegated to the Board of Directors.”
- Approval of 25.05.2023 as “registration date”, according to Law 24/2017 for points 1-6.
- Approval of 24.05.2023 as “ex-date”, according to Law 24/2017 for points 1-6.
- Approval of 15.06.2023 as „payment date” according to art. 2 paragraph 2 letter h and art. 178 paragraph 1 of the A.S.F. Regulation. no. 5/2018 for points 1-6.
- Approval of the share capital increase with the amount of 26.412.209,60 lei, from the current value of the company share capital of 26.412.209,60 lei to the value of 52.824.419,20 lei, by issuing 264.122.096 new shares, with a nominal value of 0,10 lei/share. The capital increase will be executed by incorporating in the share capital of the company the amount of 26.412.209,60 lei, representing part of the net profit recorded in the financial year 2022, remained undistributed and will support the current activity of the company. The newly issued shares will be distributed as free shares to all shareholders of the company registered in the Shareholder Register held by Central Depositor at the registration date (27.09.2023). Each shareholder registered in the in the Shareholder Register held by Central Depositor at the registration date (27.09.2023) will be receiving for free 1 new share for each 1 existing share held, therefore the holding percentages in the share capital will not register any modifications.
- Approval for the update of the company Incorporation act as follows:
- The preambul of the Incorporation act will be changed and have the following contents:
- „Shareholders: List type shareholders, natural and legal persons, share of profit and loss 100% / 100%”
- Article 6 will be changed and have the following contents:
- „The subscribed and fully paid-up capital is 52.824.419,20 lei, cash contribution, divided into 528.244.192 dematerialized registered shares, worth 0.1 lei each, with the following structure of the shareholding:
- List type shareholders, natural and legal persons, share of profit and loss 100% / 100% ”
- Approval of 27.09.2023 as “registration date”, according to Law 24/2017, for points 10 - 11.
- Approval of 26.09.2023 as “ex-date”, according to Law 24/2017 for points 10 - 11.
- Approval of 28.09.2023 as „payment date” according to art. 2 paragraph 2 letter h and art. 178 paragraph 1 of the A.S.F. Regulation. no. 5/2018 for points 10 - 11.
- Empowerment of the company Board of Directors to take any/all measures and formalities for the fulfillment of resolutions adopted by the OGMS.
- Empowerment of the OGMS Chairman as appointed to sign with full powers in the name and on behalf of the shareholders, present, represented and who will vote by correspondence, the OGMS Resolutions.
- Empowerment of the Company legal counselor, Mrs. Mihaela Jurubita to fulfill all formalities regarding registration of the OGMS resolutions at the Trade Register and for the publication in the Official Monitor.

Regarding compliance with the provisions of art. 138² of Law 31/1990 respectively of Principle VI (CGC) respectively of recommendation no. 16 of the Implementation Guide of the Corporate Governance Code, we mention that among the administrators of the company the condition of independence is met only by Mr. WEY JIANN SHYANG, who is an administrator independent, non-executive.

In addition to the Board of Directors of the Company, an Audit Committee was established, as it was modified by CA decision no. 11 of 07.12.2021, consisting of the following administrators: WEY JIANN SHYANG and TODERITA STEFAN ALEXANDRU.

With regard to the existence of a Remuneration Committee, we make it clear that the company does not intend to establish such an advisory committee, the attribution of establishing, respectively applying the remuneration policy at the level of the company belongs exclusively to the General Meeting of Shareholders (remuneration/indemnity of members of the Board of Directors) respectively to the Board of Directors (remuneration of the executive management respectively of the employed personnel), within the legal limits conferred on these bodies by the Constitutive Act of the company and the legislation on commercial companies.

Currently, the Directors' remuneration is made in accordance with the provisions of the incorporation act and the Resolution of the Ordinary General Meeting of Shareholders no. 1 of 23.01.2020.

2.3. Executive management

The executive management of ROMCARBON S.A. is ensured by the following persons, who have been delegated the management duties of the company:

Huang Liang Neng - General Manager, starting from 17.02.2020

Manaila Carmen – Deputy Administrative General Director, starting on 17.02.2020

Dobrota Cristinel – Deputy General Director Development, starting from 17.02.2020

Cretu Victor - Polypropylene Profit Center Manager starting on 17.02.2020

Constantinescu Gabriel – Manager of the Filters, EIP and Activated Carbon Profit Center, starting from 17.02.2020

Ungureanu Ion – Extruded Polystyrene Profit Center Manager starting from 17.02.2020

Titi Mihai - Technical Deputy General Manager starting from 01.06.2010

Zainescu Viorica Ioana - Financial Director starting from 15.01.2010

The management of the company is delegated by the Board of Directors to the General Director, who acts independently and is responsible for the fulfillment of all measures corresponding to the management of the Company, within the scope of the Company's activity and in compliance with the exclusive competences reserved by the Law or the Articles of Association, to the Board of Directors or the General Meeting of Shareholders.

In this sense, in relations with third parties, the Company is represented by the General Director of the Company pursuant to the provisions of art. 143 para. 4 in conjunction with art. 143² para. 4 of Law 31/1990 on commercial companies, acting independently within the limits of the mandate received.

The General Director of the company is appointed or revoked from his position by the Board of Directors, which establishes his duties, responsibilities and powers, the duties of representing the Company can be delegated by the General Director of the Company to a third party only with the prior written consent of the Board of Directors Administration.

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/2021/04/ROCE_Remuneration-policy_EN.pdf

For the year 2023, the company issues, according to the legal provisions, the Remuneration Report of

administrators and directors 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 ownership of one or more shares issued by the company and who have registered their acquired right in the Register of Shareholders kept by the company designated by contract, under the conditions of the law - S.C. DEPOZITARUL CENTRAL S.A.

The acquisition, in any form, of the company's shares, requires the shareholders' unreserved adherence to all the provisions of the incorporation act in force on the date of acquisition.

SC ROMCARBON S.A. respects the rights of the holders of shares and ensures equal treatment for all holders of shares of the same type and class, providing them with all the relevant information so that they can exercise all their rights. The holders of shares must exercise their rights conferred to them, in good faith, respecting the rights and legitimate interests of the other holders and the priority interest of the commercial company, otherwise they will be liable for the damages caused.

Each share subscribed and paid by the shareholders gives them the right to a vote in the general meeting of shareholders, the right to elect and be elected in the management bodies of the company, the right to participate in the distribution of the profit, according to the provisions of the company's incorporation act and of the social asset upon 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 it passes into the ownership of another person. The company's obligations are guaranteed with its patrimony.

The company's assets cannot be encumbered by any debt or personal obligation of the shareholders.

A creditor of a shareholder can make claims on the part of the company's benefit due to him, only after the general meeting of shareholders approves the balance sheet and the benefit, as well as the share of it, which is due to each shareholder.

Each of the shareholders participates in benefits and losses in proportion to the share held in the social capital.

The share capital of the company can be increased by the decision of the Extraordinary General Meeting or, in the situations provided by law, by the Decision of the Board of Directors through all the means and procedures provided by the legal provisions and under the conditions provided by the law.

The existing shareholders will have the right of pre-emption, under the conditions of the law, to the acquisition of the new shares, proportional to the percentage 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 for exercising the right of pre-emption is set by the Extraordinary General Meeting of Shareholders that approves the capital increase, and cannot be shorter than the term provided by law. If any of the aforementioned shareholders declines or fails for any reason to exercise their right of pre-emption regarding the acquisition of new shares within the term set by the Extraordinary General Meeting of Shareholders, this right will be transmitted to the other shareholders, who will be able to exercise it within 1 week from the expiration of the term set by the meeting that approves the capital increase and proportional to the share held in the share capital on the date of identification of the shareholders who will benefit from the rights, established by this meeting.

The General Meeting of Shareholders will be able to decide the reintegration of the social capital by issuing new shares.

The Extraordinary General Meeting of Shareholders or the Board of Directors will 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, as well as in the other cases of reduction of the social capital.

In no case will the reduction of the social capital in any way affect the quality of the shareholder and the equality between the shareholders.

Currently, the social capital of S.C. ROMCARBON S.A. is **52,824,419.20 lei**.

All holders of shares issued by S.C. ROMCARBON S.A. they are treated fairly. All shares issued give the holders equal rights.

SC ROMCARBON S.A. facilitates and encourages: the participation of shareholders in the works of the General Meetings of Shareholders (GMS), the full exercise of their rights, the dialogue between shareholders and members of the Board of Directors and/or management.

The General Shareholders' Meeting is the governing body of the company, which decides on its activity and ensures its economic and commercial policy.

The responsibilities of the General Meeting of Shareholders are those stipulated 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 works and the adopted decisions.

The general meeting is convened by the board of directors whenever necessary.

Shareholders registered in the Shareholders' Register (issued by S.C. DEPOZITARUL CENTRAL S.A.) have the right to participate and vote at the General Shareholders' Meeting on the reference date established/approved by the Board of Directors. Shareholders can participate in their own name or through representation by other persons. The representation of shareholders in the general meeting of shareholders can also be done by other persons than shareholders, based on a special or general power of attorney, according to art. 105 paragraph 7 of Law no. 24/2007.

In the case of personal voting, natural person shareholders and legal person shareholders are entitled to participate in the GMS meeting by simply proving their identity, in the case of natural person shareholders with their identity document (identity card, identity card, passport, residence permit) and in the case of shareholders of legal entities with the identity document of the legal representative (identity card, identity card, passport, residence permit). The quality of legal representative is proven with a certificate of verification issued by the trade register or any equivalent document issued by a competent authority in the state in which the legal entity shareholder is legally registered, which certifies the quality of legal representative, presented in original or in copy according to the original. The documents attesting the legal representative capacity of the legal entity shareholder will be issued no later than 3 months before the date of publication of the GMS Notice. Documents presented in a language other than English will be accompanied by a translation made by an authorized translator in the Romanian/English languages.

In the case of proxy voting, it is possible to represent the shareholders at the GMS meetings by a representative/mandatory who can be another shareholder or a third person. The vote by representation with a special power of attorney can be expressed by completing and signing the special power of attorney forms made available by the company in 3 copies of which: one copy will be sent in writing, in original, to the registered office, the second copy will be handed to the representative, so that he can prove his representative capacity at the request of the technical secretariat of the meeting, the third copy remaining with the shareholder. The special/general power of attorney will be sent in physical format, in the original in the case of the special power of attorney, respectively in a copy according to the original under the signature of the representative, in the case of the general power of attorney, so that they are registered for receipt at the registered office in due time, or by e-mail to the address office@romcarbon.com (situation in which electronic means are used, the special power of attorney will be sent through the extended electronic signature incorporated according to Law no. 455/2001), until the same date and time. Irrespective of the method of transmission of the proxies for representation in the AGM, they must contain the mention written clearly and in capital letters "POWER FOR THE ORDINARY/EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS FROM _____ (the date of convening the GMS)".

A shareholder can designate only one person to represent him in the GMS. A shareholder can designate by special power of attorney one or more alternate representatives to ensure his representation in the general meeting in case the designated representative is unable to fulfill his mandate. In the event that several substitute

representatives are appointed through the special power of attorney, the order in which they will exercise their mandate will also be established. Also, a shareholder can grant a general power of attorney valid for a period that will not exceed 3 years, by which he empowers his representative to vote in all aspects under discussion at the GMS, including regarding disposition documents, provided that the power of attorney be granted by the shareholder as a client to an intermediary within the meaning of capital legislation or to a lawyer. For identification purposes, the special/general power of attorney will be accompanied by the following documents: a copy of the shareholder's identity card (identity card, identity card, passport, residence permit) and a copy of the representative's identity card, in the case of natural persons; copy of the identity document of the natural person representative/mandatory (identity card, identity card, passport, residence permit), copy of the identity document of the representative/mandatory lawyer accompanied by the power of attorney in the original or, in the case of the legal person representative/mandatory, a copy of the document of the identity of the legal representative of the legal entity representative accompanied by the ascertaining certificate issued by the trade register or any equivalent document issued by a competent authority in the state in which the representative/legal entity representative is legally registered, presented in original or a copy in accordance with the original. Documents presented in a language other than English will be accompanied by a translation made by an authorized translator in the Romanian/English languages.

When completing the special power of attorney forms, the shareholders will consider the possibility of updating the agenda, in which case the power of attorney forms will be updated and sent to the company's headquarters in good time.

The shareholders cannot be represented in the general meeting of shareholders on the basis of a general power of attorney by a person who is in a situation of conflict of interests that may arise in particular in one of the following cases: he is a majority shareholder of the issuer or another the person controlled by the respective shareholder; is a member of an administrative, management or supervisory body of the issuer, of a majority shareholder or of a controlled person, according to the provisions of art. 105 para. 15 lit. a) from Law no. 24/2017; is a member of an administrative, management or supervisory body of the issuer, of a majority shareholder or of a controlled person, according to the provisions of art. 105 paragraph 15 letter b) of Law no. 24/2017; is an employee or an auditor of the company or of a majority shareholder or of a controlled entity, according to the provisions of art. 105 para. 15 lit. c) from Law no. 24/2017; is the spouse, relative or next of kin up to the fourth degree inclusive of one of the natural persons provided for in art. 105 para. 15 letter d) of Law no. 24/2017.

The special power of attorney for representation in the GMS given by a shareholder to a credit institution that provides custody services will be valid without the presentation of other additional documents related to the respective shareholder, if the special power of attorney is drawn up according to ASF Regulation no. 5/2018, it is signed by the respective shareholder and is accompanied by a declaration on his own responsibility given by the legal representative of the credit institution who received the power of attorney through a special power of attorney, from which it appears that: (i) the credit institution provides custody services for the respective shareholder; (ii) the instructions in the special power of attorney are identical to the instructions in the SWIFT message received by the credit institution to vote on behalf of the respective shareholder; (iii) the special power of attorney is signed by the shareholder. The special power of attorney and the self-responsibility declaration must be submitted to the registered office in original, signed and, as the case may be, stamped, without the fulfillment of other formalities related to the form of these documents.

Shareholders registered in the Register of Shareholders on the reference date can express and send their vote regarding the items on the agenda of the GMS by correspondence. Voting forms can be obtained from the company's headquarters - Shareholder Service or can be downloaded from the company's website, both in Romanian and in English. The voting form by correspondence, completed and signed by the shareholder, will be sent in writing, in the original to the company's headquarters or by e-mail to the address office@romcarbon.com bearing the extended electronic signature incorporated according to Law no. 455/2001, so that be recorded as having been received in due time. Regardless of the method of sending the voting form by mail, it must contain the clearly written mention in capital letters "VOTING FORM BY CORRESPONDENCE FOR THE ORDINARY/EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS FROM _____ (the date of convening the GMS)". The postal voting form will be accompanied by the following documents: copy of identity card in the case of natural person shareholders; copy of the identity document of the representative/mandatory, certificate of verification issued by the trade register or any equivalent document issued by a competent authority in the state in which the shareholder is legally registered, certifying the quality of the legal representative, presented in the original or in a copy in accordance with the original, in the case of shareholders of legal entities.

The documents certifying the legal representative capacity of the legal entity shareholder will be issued no later than 3 months before the date of publication of the GMS convocation. Documents presented in a language other than English will be accompanied by a translation made by an authorized translator in Romanian or English. In the event that the shareholder who cast his vote by mail participates in person or through a representative at the AGM, the mail vote expressed for the GMS is cancelled. In this situation, the vote expressed in the meeting in person or by representative will be taken into account.

The postal voting form for the vote in the GMS sent by a shareholder for whom a credit institution provides custody services, will be valid without the presentation of other additional documents related to that shareholder if the voting form is drawn up according to FSA Regulation no. 5/2018, is signed by the respective shareholder and is accompanied by a declaration on his own responsibility given by the legal representative of the credit institution, from which it appears that: (i) the credit institution provides custody services for the respective shareholder; (ii) the mail voting form is signed by the shareholder and contains voting options identical to those mentioned by the shareholder through a SWIFT message received by the credit institution from the said shareholder. When completing

the voting form by correspondence, shareholders must take into account the possibility of completing/updating the agenda, in which case these documents will be updated and made available in due time.

Power of attorney (special power of attorney) or voting by mail forms, in Romanian and English, can be obtained from shareholders and from the company's registered office, every working day, starting with the date of the convening of the AGM between 9:00 a.m. and 5:00 p.m. or from on the company website www.romcarbon.com. A copy of the special power of attorney will be sent in writing, in original, to the registered office so that it is registered as received at the office at least 2 days before the date of the new AGM, at 5:00 p.m. or by e-mail to office@romcarbon.com (provided that electronic means are used, the special power of attorney will be sent through the extended electronic signature), until the same date and time.

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 General Meetings of Shareholders, provided that each item is accompanied by a justification or a draft decision proposed for adoption and to propose draft decisions for the items included or proposed to be included on the agenda. Proposals regarding the draft decision can be submitted in a sealed envelope at the company's headquarters in Buzau, Transilvaniei str., no. 132, in good time or sent by e-mail with the extended electronic signature incorporated according to Law no. 455/2001 regarding the electronic signature, until the same date and time at the address office@romcarbon.com with the written mention "PROPOSAL OF NEW ITEMS ON THE AGENDA FOR THE ORDINARY / EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS ON ____ (date of convening the GMS)". Each new point proposed must be accompanied by a justification or a draft resolution proposed for adoption at the AGM meeting. These proposals must be accompanied by a copy of the identity document in the case of natural person shareholders; copy of the identity document of the representative/mandatory, certificate of verification issued by the trade register or any equivalent document issued by a competent authority in the state in which the shareholder is legally registered, certifying the quality of the legal representative, presented in the original or in a copy in accordance with the original, in the case of shareholders of legal entities. The documents certifying the legal representative capacity of the legal entity shareholder will be issued no later than 3 months before the date of publication of the AGM convenor.

Each shareholder has the right to ask questions regarding the items on the agenda according to art. 198 of ASF Regulation no. 5/2018. Questions can be submitted in writing, at the company's headquarters or by e-mail with the extended electronic signature incorporated in accordance with Law 455/2001 on electronic signatures, to the address office@romcarbon.com mentioning in the subject "FOR THE ORDINARY / EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS DATED DE_ (date of convening the GMS)". The questions must be accompanied by a copy of the identity document in the case of natural person shareholders; copy of the identity document of the representative/mandatory, certificate of verification issued by the trade register or any equivalent document issued by a competent authority in the state in which the shareholder is legally registered, certifying the quality of the legal representative, presented in the original or in a copy in accordance with the original, in the case of shareholders of legal entities. The documents certifying the legal representative capacity of the legal entity shareholder will be issued no later than 3 months before the date of publication of the GMS convocation.

The company will formulate a general answer for questions with the same content that will be made available on the company's website, in question-answer format.

Informative materials, special power of attorney forms and draft decisions related to the items on the agenda can be consulted at the company's headquarters, every working day, or on the company's website <https://www.romcarbon.com/general-shareholders-meetings-2024/>

In the event of non-fulfillment of the conditions stipulated by the law and the articles of incorporation for holding the General Meeting of Shareholders at the date and time provided 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 shareholders registered on the same reference 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 permanently updated.

The page is structured in such a way as to contain all the information necessary for the holders of securities: information regarding the C.A. meetings, general meetings of shareholders, financial calendar, periodic and current reports, dividends, corporate governance, etc.

Also, S.C. ROMCARBON S.A. has specialized internal structures for the relationship with investors and the relationship with its own shareholders, at the company level operating an Investor Relations Service. The persons designated to maintain contact with investors and shareholders periodically follow specialization courses.

Regarding the relationship with shareholders and investors, S.C. ROMCARBON S.A. obeys a corporate discipline by making appropriate periodic and continuous reports on all important events, including the financial situation, performance, ownership and management. In order to adapt the activity to the rules and discipline regarding corporate governance, the Company established the Investor Relations Service, which ensures compliance with the corporate rules according to the Corporate Governance Code of the Bucharest Stock Exchange.

The mentioned reports are submitted to the Bucharest Stock Exchange, the Financial Supervisory Authority, as the case may be, published in a national and local newspaper, and posted on the Company's website at <https://www.romcarbon.com/reports-and-information/>

SC ROMCARBON S.A. elaborates and disseminates periodic and continuous relevant information, in accordance with the International Financial Reporting Standards (IFRS) and other reporting standards, respectively environmental, social and management (ESG - Environment, Social and Governance).

Currently, the external financial auditor of S.C. ROMCARBON S.A. is S.C. DELOITTE AUDIT S.R.L. and was elected based on the Decision of the O.G.M.S. from 27.04.2023, for a period of 1 year.

Regarding the administration of the conflict of interests in the case of transactions with the involved parties, the corporate behavior of the members of the BoD is the following: avoiding any direct or indirect conflict of interest with the company or any subsidiary controlled by it, by informing the Board of Directors about the conflicts of interest involved, a situation in which they will abstain from the debates and voting on the respective issues.

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 2021, in 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 clients, suppliers and investors and can play an important role in increasing employee involvement and reducing staff turnover. In preparing 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.

Starting with the year 2022 ROMCARBON S.A. published, annually, for the previous exercise, a Sustainability Report through which it aims to provide a consistent and objective picture of the progress achieved by the company in the implementation of the Sustainability Strategy, adopted in 2022, simultaneously with the continuous integration of the environmental objectives, social responsibility and corporate governance in the business model. The sustainability reports corresponding to the 2021 and 2022 financial years were prepared in accordance with the Global Reporting Initiative Standards, but also in accordance with the provisions of the M.F.P. Order. No. 1938/2016 and Order No. 2844/2016, which transpose in Romania the EU Directive no. 95/2014 regarding non-financial reporting. The quality of the reports was ensured by observing the principles of the Global Reporting Initiative (GRI) Standards stated in GRI 1 – Foundation 2021, regarding Accuracy, Balance, Clarity, Comparability, Comprehensiveness, Sustainability Context, Regularity and Verifiability.

For the 2021 Sustainability Report, Romcarbon was awarded the 3rd place in the top of the best sustainability reports, by a specialized jury made up of representatives of the capital market, in a competition of the best sustainability reports, organized by ARIR (Association for Investor Relations from Romania). The 5 judges analyzed all the competing reports based on 8 criteria and appreciated the concrete data presented by Romcarbon in its Sustainability Report for 2021 and also appreciated the inclusion of clear indicators and targets for Romcarbon's 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 S.C. ROMCARBON S.A. considers that development is not possible without the contribution of each individual employee as well as of society as a whole.

The company aims, through an active CSR policy:

* **to support and respect the human rights**, of its own employees in particular. In this sense, the employees benefit from various specialization/professional training programs as well as permanent information about the evolution of the company (the presentation to the employee representatives, respectively the periodic analysis of the company's financial statements). Within its own responsibilities, the company has taken the necessary measures to protect the safety and health of employees, including the activities to prevent occupational risks of information and training, as well as the implementation of the labor protection organization and the means necessary for it. (e.g. periodical training, provision of individual protective equipment, work equipment, hygienic-sanitary materials, periodical medical check-up, etc.) S.C. ROMCARBON S.A. does not use child labor, does not engage in human trafficking, and does not encourage these ideas in any way. Corporal punishment or mental, physical or verbal pressure or any form of inhumane treatment is not tolerated in any form.

* **to support the right to free association**. *The company respects the legal right of the entire staff to appoint representatives, who negotiate on their behalf and for them in the periodic negotiations of the collective labor contract at the company level. Employee representatives are guaranteed the protection of the law against any form of conditioning, coercion or limitation of the exercise of their functions.*

* **to contribute to the elimination of discrimination in the occupation of jobs, the exercise of the profession, the establishment and granting of the salary**. *Any direct or indirect discrimination against an employee, based on sex, sexual orientation, genetic characteristics, age, nationality, race, color, ethnicity, religion, political choice, social origin, disability, family situation or responsibility, membership or trade union activity, is prohibited at the level of the Company.*

* **to combat any form of corruption**.

* **to support educational activities**.

* **to support different social categories (deserving young people, sick or disabled people)** through humanitarian actions that include sponsorships/patronages but also assistance in extreme cases as well as providing help to disadvantaged people or people in difficulty. As part of this active CSR policy, ROMCARBON SA granted during the financial year 2023 material aid, in the amount of 40,500 lei, to its own employees affected by various

events with a strong social and human impact (birth of children, deaths of some family members , fires, floods, etc.). In 2023, sponsorships totaling 37,500 lei were granted in various fields (social, sports, education);

* **to support sports activities in the municipality of Buzau, through financial aid;**

In the local community where it operates, the company assumes an active role, by supporting community initiatives through human and financial resources.

* **to proactively address environmental issues and promote responsibility towards the environment.**

SC ROMCARBON S.A. values and protects life. Starting 2018, the company constantly organizes together with the Buzau Transfusion Center blood donation campaigns at the company headquarters. Until this date, ROMCARBON SA employees have donated over 2500 units of blood. These campaigns will continue.

In this sense, S.C. ROMCARBON S.A. aims to both improve the quality of environmental factors and preserve biodiversity, by promoting awareness of environmental and health issues.

SC ROMCARBON S.A. respects the legislation by protecting the environment, not being involved in litigation regarding the violation of the legislation in the field. Compliance with legal, regulatory and other requirements to which the organization subscribes is periodically evaluated.

SC ROMCARBON S.A. has implemented and certified an integrated management system for quality - environment - occupational health and safety according to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards, applicable for the design and manufacture of individual respiratory protection equipment - certificate of SRAC.

Within S.C. ROMCARBON S.A. all real and potential, positive and negative environmental aspects are identified, including the indirect aspects generated by the companies that carry out their activity at the company headquarters and can affect the environmental performance. The identification of environmental aspects is based on the systematic analysis of each process/sub-process (including their inputs and outputs) according to the "PS 03 Environmental Aspects" system procedure in normal, abnormal (including start-up and stop) and emergency, accident situations.

Under normal operating conditions, the company's activity **does not produce a significant impact** on the environment. Following the identification and evaluation of environmental aspects, management programs were developed to improve the company's environmental performance.

For a better quality of life, S.C. ROMCARBON S.A. has carried out in recent years a series of social responsibility actions and specific sponsorships that were directed to various fields: education, health, social issues, environmental protection, such as: participation in various events/campaigns/contests organized on the occasion of the International Day of the Environment celebrated on **June 5** of each year, under the title: "For a cleaner world!"/"We have only one Earth. Let's give it priority!", etc.

Partners of these events are, constantly, the Buzau Environmental Protection Agency, the Buzau Prefect's Institution and the Buzau City Hall.

Besides, environmental protection is an absolute priority, S.C. ROMCARBON S.A. decisively supporting the development, in Buzau, of an "industry" that proves, more and more, the fact that the economy and the environment can survive together without compromise - "Green Industry".

Since 2012 within the Profit Center no. 7 - Compounds, plastic waste treatment activities are carried out by separating the recyclable fractions and grinding, extruding, filtering the separated fractions to obtain composite materials.

Starting September 4, 2014, Romcarbon SA becomes a member of the Romanian Sanitation Association, meanwhile becoming the Romanian Association for Waste Management - A.R.M.D.; as a final waste recycler, Romcarbon SA supports the directions of action of this entity:

- Sustained promotion of the interests of its members;
- Permanent involvement in the process of drafting legislation in the field of waste management in Romania;
- The dynamic involvement of the Association in waste management in Romania, through studies and market research;
- Initiating contracts with organizations in order to attract funds and grants, both for the members and for the sustainable development of the association's activity;

Regarding the social involvement actions aimed at contributing to the development of the local community, we mention the participation of ROMCARBON SA, in 2023, as a sponsor in actions to promote culture and reading among young people and children.

Thus, Romcarbon was among the sponsors that supported the organization in Buzau of the 35th edition of the "TOP T" Youth Rock Festival, the oldest rock festival in Romania, which proved to be a success, being appreciated by both the public and by the artists who took the stage. In this way, we participated in keeping the rock spirit alive in Buzau, the city with the oldest festival in Romania and one of the best audiences in the country, actively participated in supporting original and valuable artistic creation in the field of rock music, in educating the young people of Buzau in the spirit of raising awareness of true cultural values, promoting real talents and the fight against kitsch and copied music, promoting live performances and the fight against playback, as well as raising awareness of the importance of music in the education of the population by organizing art exhibitions alongside recitals photography, musical instruments, magazines and specialized books.

We sponsored the organization of the launch event of the first auxiliary of the English language written by the students of the 5th grade C of the Secondary School no. 11 Buzau, entitled "A Christmas Wish" through which

the children practiced their writing skills and thus came to the support of other children to develop their communication skills in English.

Romcarbon SA donated to the Secondary School in Potoceni Locality, Maracineni Commune, Buzau County a number of 406 books, of which 106 new volumes, sponsored by the company and the rest represented the contribution of the company's employees who responded positively and in large numbers to the company's initiative to contribute to the repopulation of the School Library of the school in Potoceni, with new and attractive titles for the children of the current generations.

In addition to this initiative, the Company also contributed to the endowment of the folk ensemble FLOARE DE BUJOR, of the Potoceni Secondary School, founded in the fall of 2023, with traditional Romanian shoes, so that all the children, members of the ensemble, can complete their traditional Romanian outfit with this important accessory, a very important part of the traditional Romanian cultural identity.

Last but not least, during the winter holidays, we gave the children from the schools and kindergartens that operate within the radius of the Maracineni Commune, Buzau County, a number of 240 packages with sweets specific to the Christmas season and thus brought the spirit of the holidays into the hearts of the little ones.

The year 2023 was the year in which books and reading were brought back to the fore, thus, at the initiative of some colleagues, starting with July 2023, the « Bookshelf. With a book closer to the others » project took place. Romcarbon supported and financed the purchase of new books to increase the available fund so that the employees who are passionate about reading can satisfy this pleasure and the others can discover it.

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	Compl y	Does not comply or partially comply	The reason for non-compliance
Section A – Responsibilities				
A.1.	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.
A.2.	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 include provisions for managing conflicts of interest and how to vote. Provisions for managing conflicts of interest will be included in the Board of Directors Regulation to be adopted.
A.3.	The Board of Directors or the Supervisory Board must consist of at least five members.		NO	Articles of Incorporation provides for a Board of directors comprising of three members according to article 137 paragraph 2 of Law No. 31/1990.
A.4.	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.	YES		
A.4.	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.		NO	Regulation of the Board of Directors to be developed and approved will regulate measures to comply with this requirement.
A.5.	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.	YES		On the company's website are published the board members CV's including information on its member's professional obligations.
A.6.	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.	YES		
A.7.	The company must appoint a secretary of the Board responsible for supporting the Board of Directors activity.	YES		
A.8.			NO	



DECLARATION OF COMPLIANCE WITH BSE CODE

Section	Provisions of the Code that must be respected	Compl y	Does not comply or partially comply	The reason for non-compliance
	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, 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.
A.9.	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.	YES		
A.10.	Corporate governance statement must include information on the exact number of independent members of the Board of Directors or Supervisory Board.	YES		
A.11.	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.			Not the case
Section B - The risk management and internal control system				
B.1.	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.	YES		
B.2.	Chairman of the audit committee must be an independent non-executive member.	YES		
B.3.	Within its responsibilities, the audit committee must conduct an annual assessment of internal control system.	YES		
B.4.	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.	YES		



DECLARATION OF COMPLIANCE WITH BSE CODE

Section	Provisions of the Code that must be respected	Compl y	Does not comply or partially comply	The reason for non-compliance
B.5.	The Audit Committee shall assess conflicts of interest in connection with transactions of the Company and its subsidiaries with related parties.	YES		
B.6.	The Audit Committee shall assess the effectiveness of internal control system and risk management systems.	YES		
B.7.	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.	YES		
B.8.	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.	YES		
B.9.	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.	YES		
B.10.	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.	YES		
B.11.	Internal audits must be performed by a separate structural division (internal audit department) within the company or by hiring an independent third-party entity.	YES		
B.12.	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.	YES		



DECLARATION OF COMPLIANCE WITH BSE CODE

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



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Section	Provisions of the Code that must be respected	Compl y	Does not comply or partially comply	The reason for non-compliance
D.1.3.	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;	YES		
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 published on 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		



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Section	Provisions of the Code that must be respected	Compl y	Does not comply or partially comply	The reason for non-compliance
D.5.	External auditors will be present at the general meeting of shareholders when their reports are presented at these meetings.	YES		
D.6.	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.	YES		
D.7.	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.	YES		
D.8.	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.	YES		
D.9.	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.	YES		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.
D.10.	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.	YES		

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

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

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

Urmareste-ne pe **Linked in**



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