

FUTURE MATERIALISED

TRANSFORMATION JOURNEY



From local plastics manufacturer to leading regional specialist manufacturer and solutions provider for the circular economy



From a commoditized to a sustainable and profitable business model



From existing to a young, professional, dynamic and motivated team



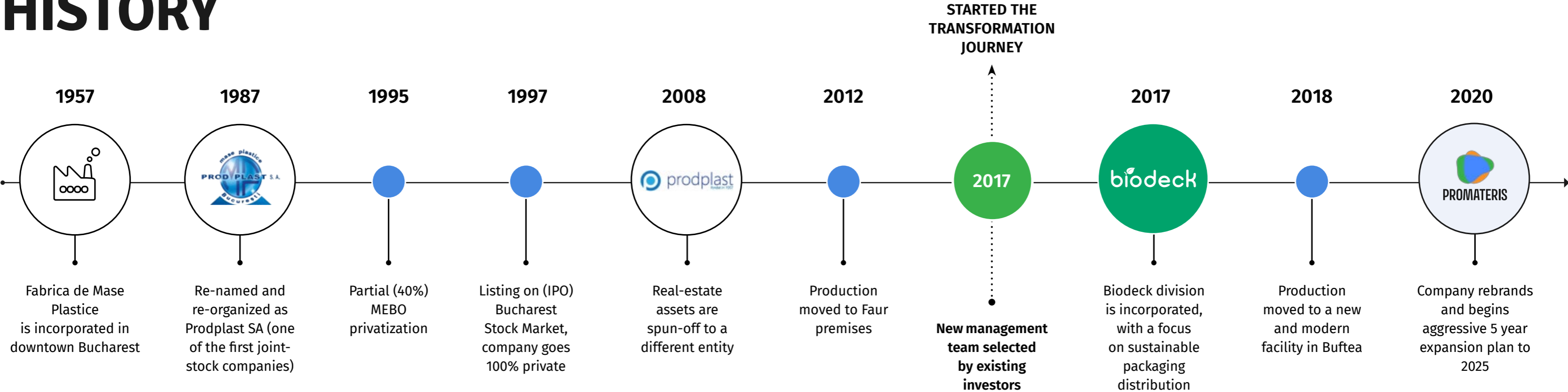
From long-established factory to an entrepreneurial organization operating the latest technology plant



From mainstream to innovation leader



HISTORY



→ First group to start producing **biodegradable and compostable packaging in Romania**

→ First group to offer a wide portfolio of **sustainable packaging on the Romanian market**

PROMATERIS GROUP INNOVATIONS

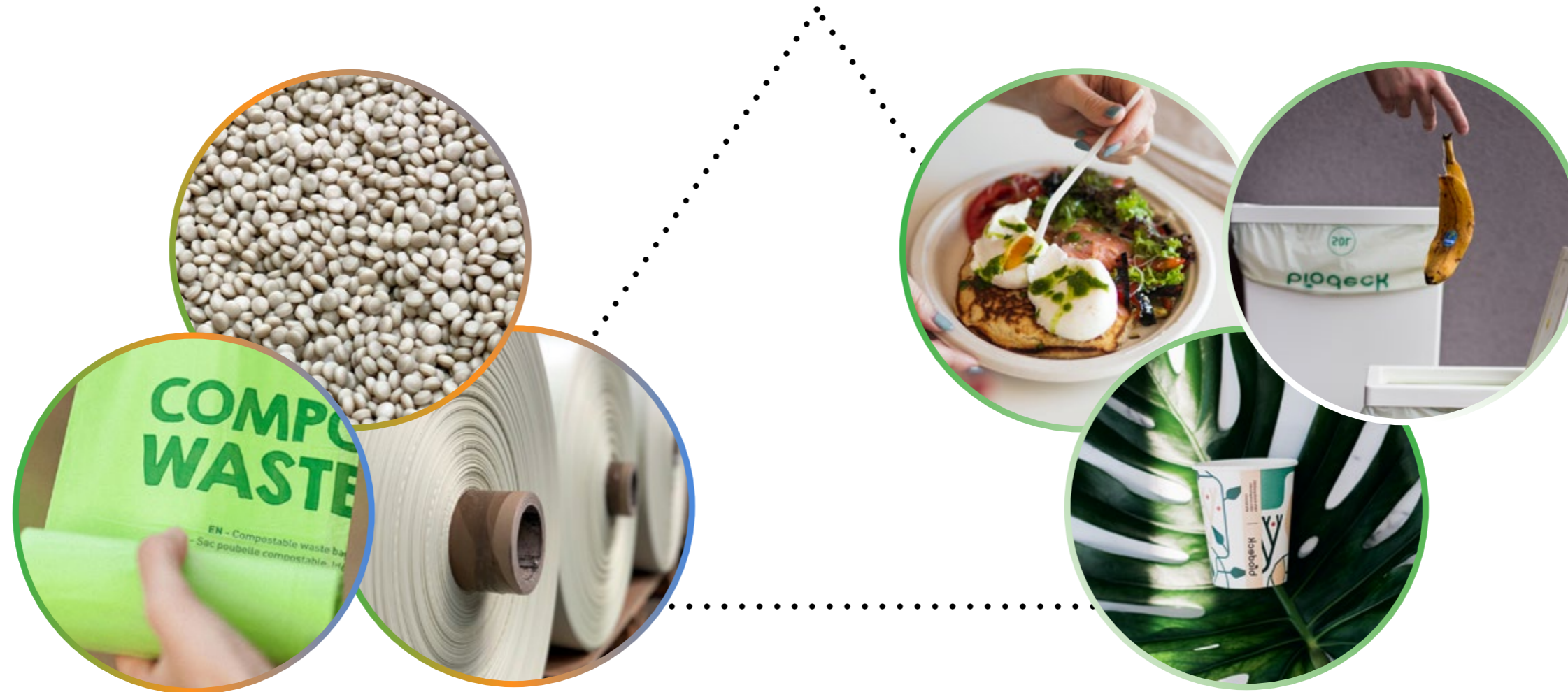
→ Promateris develops **solutions for marine biodegradable films**

→ Promateris is the **first company in Central and Eastern Europe to produce raw materials based on corn starch**



THE PROMATERIS GROUP

Circular Economy Solutions



- Promateris is specialised in **production activities**
- **Regional market leader** in the production of biodegradable and compostable packaging.
- **Market leader in Romania for the production of bio-based & compostable packaging**
- First mover advantage in CEE countries

- Biodeck is specialised in sustainable packaging distribution, having more than **400 products** in its portfolio
 - **Market leader in Romania**
 - Clients from all over Europe



BIODECK

- > B2C distribution company specialised in offering sustainable packaging & retail solutions.
- > Strong brand that influences customer choice and creates loyalty

We are pioneers of innovative solutions for a new generation of sustainable packaging, whether it's plant-based products with a reduced impact on the climate or initiatives and partnerships that contribute to a transition towards the circular economy, which places us at the forefront of the challenge to ensure a more sustainable future.



PORTFOLIO:
OVER 400 PRODUCTS

carrier bags / bin liners / hot drinks cups / cold drinks cups / cutlery / takeaway boxes / bowls / lids / reusables

OUR CLIENTS

- grocery stores
- retail
- cafes & restaurants
- food trucks
- airlines
- festivals & parties

DIVISIONS

Bio-based & compostable

- A new generation of sustainable packaging, made from partially renewable resources
- Biodegradable & compostable
- In line with the EU legislation regarding Food waste reduction

Bio-recycling

- The bio-based compostable solutions are designed to enable circular supply chains
- In 2021 we achieved a 100% recycling rate for industrial waste
- 1707 tons recycled & 1.516 tons re-introduced in production in the same year

Bio-compounds

- First company in CEE to develop a bio-based compounding facility
- Bio-based raw material used in the production of biodegradable & compostable packaging
- Vertical integration enables flexibility of supply and higher gross margin

Technical compounds

- More than 60+ years of experience in compounding
- Technical pellets used for the electrical cable industry & other specialty polymer-based compounds

PRODUCTION SITE



Our group
170 employees



Plant location
Buftea, Romania



Production capacity:
Over 10.000 tons/year for Bio+Compounds

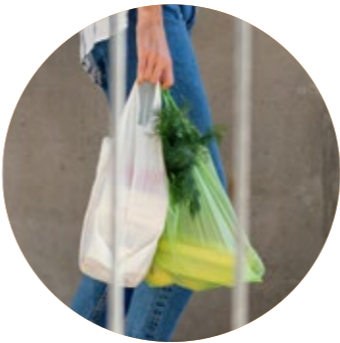


Production area:
15.000 m²



Turnover:
EUR: +38 MIL consolidated

PRODUCTS



PRODUCTION

- High recycling rate
- Developing new packaging solutions
- Implementing energy efficiency solutions

Our on-going investments are aimed at supporting the company's growth strategy and allowing it to maintain its competitive edge.

Between 2018 and 2021, Promateris invested over 10 million euros in developing the production line for packaging made from renewable resources. Our goal is to invest another 15 million euros over the next five years in order to reach our business plan objectives.

We aim to:

- **Increase capacity**
- **Diversify product lines**
- **Integrate upstream**

Investment sources that supported our growth:

- **Self-financing (profit reinvestment)**
- **Bank loans**
- **Non-reimbursable grants**



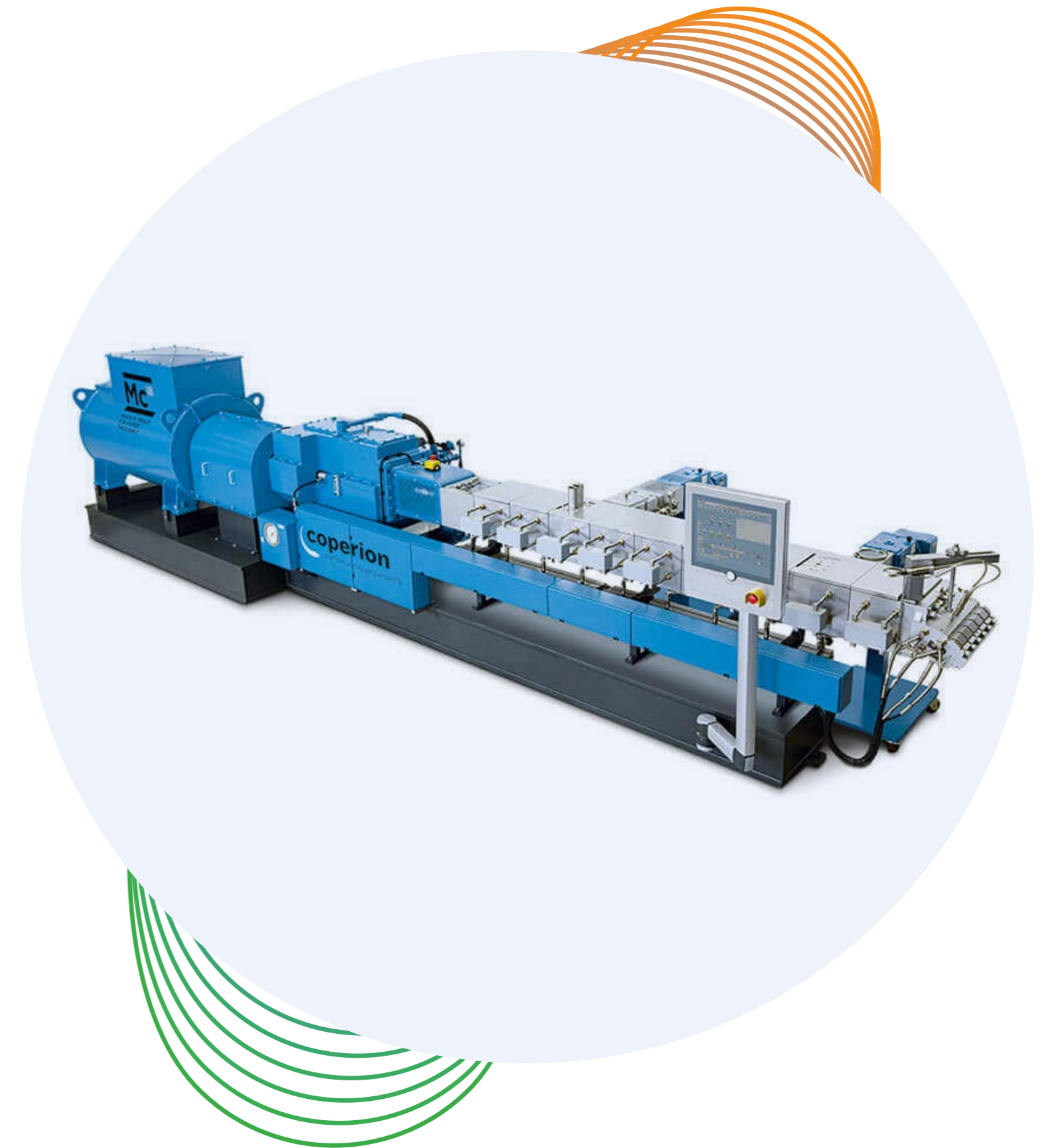
BIO-COMPOUNDING

We invested in developing **Bio-Materis**, a new generation of bio-based pellets (raw-material) for biodegradable and compostable packaging production.

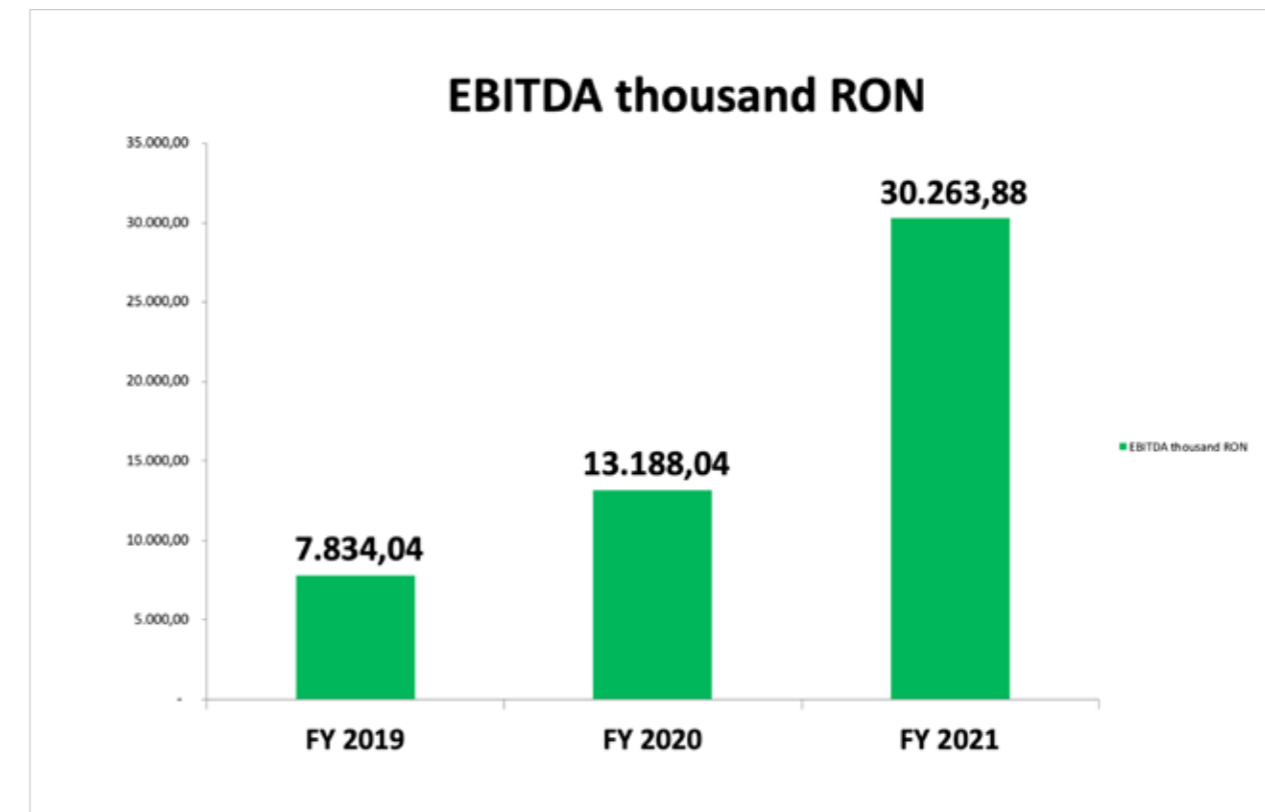
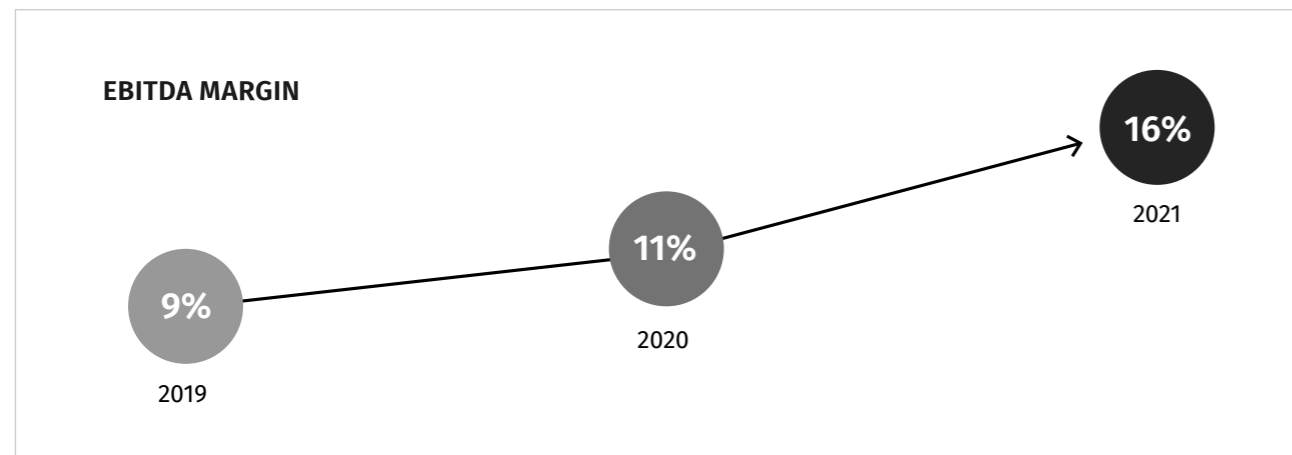
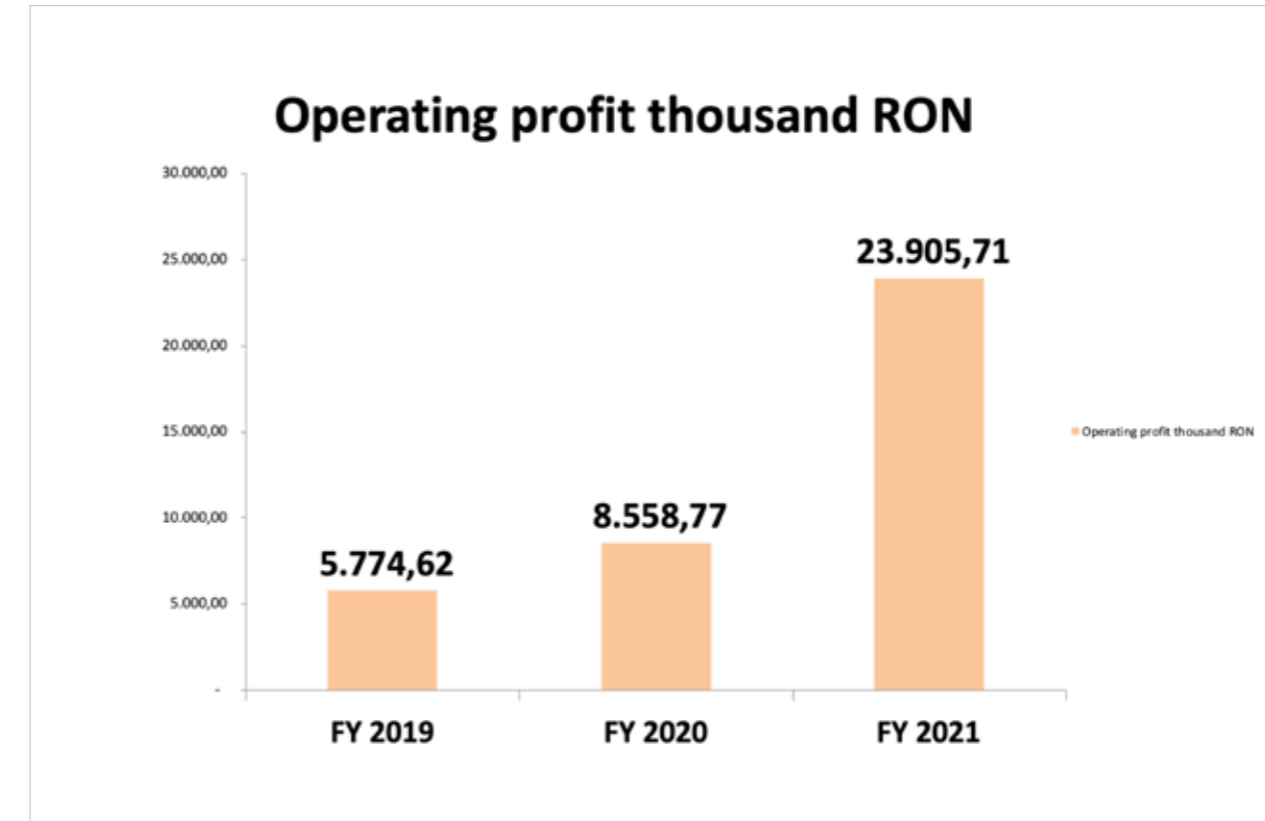
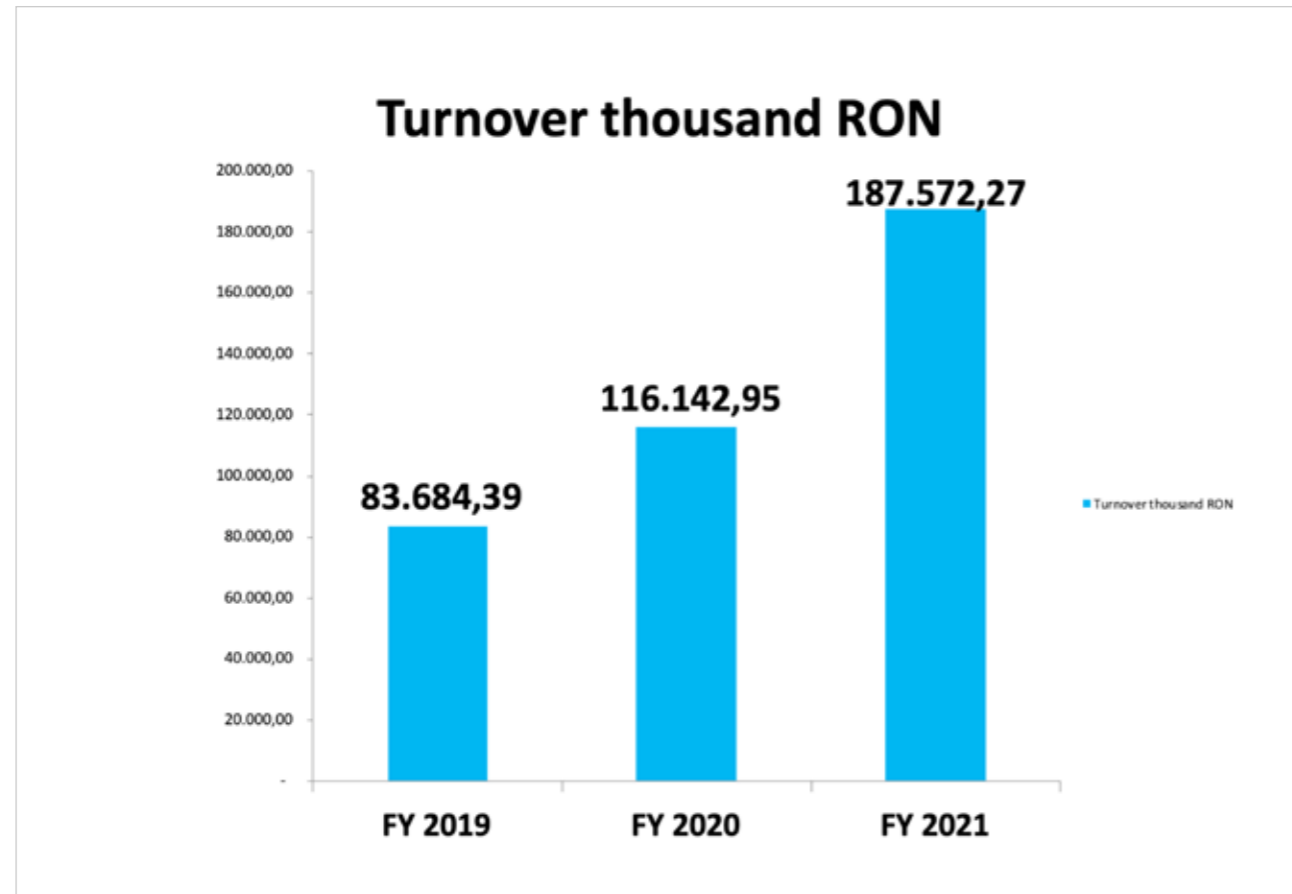
Bio-Materis is a raw material with applications in the following areas/ products: **agriculture** (mulching film, compostable clips), **packaging** (different types of bags, food contact bags, cling film, trays, lids), **carrier bags**, **food service/HoReCa** (tableware such as: knives, forks, spoons, straws, lids), **bio waste management solutions** (bin liners).

WE WILL REACH CIRCULARITY THROUGH:

- Vertical integration enabling a series of synergies at group level.
- Strategically located
- State of the art extrusion technology
- Reduced energy consumption in the production process



2021. KEY FINANCIALS

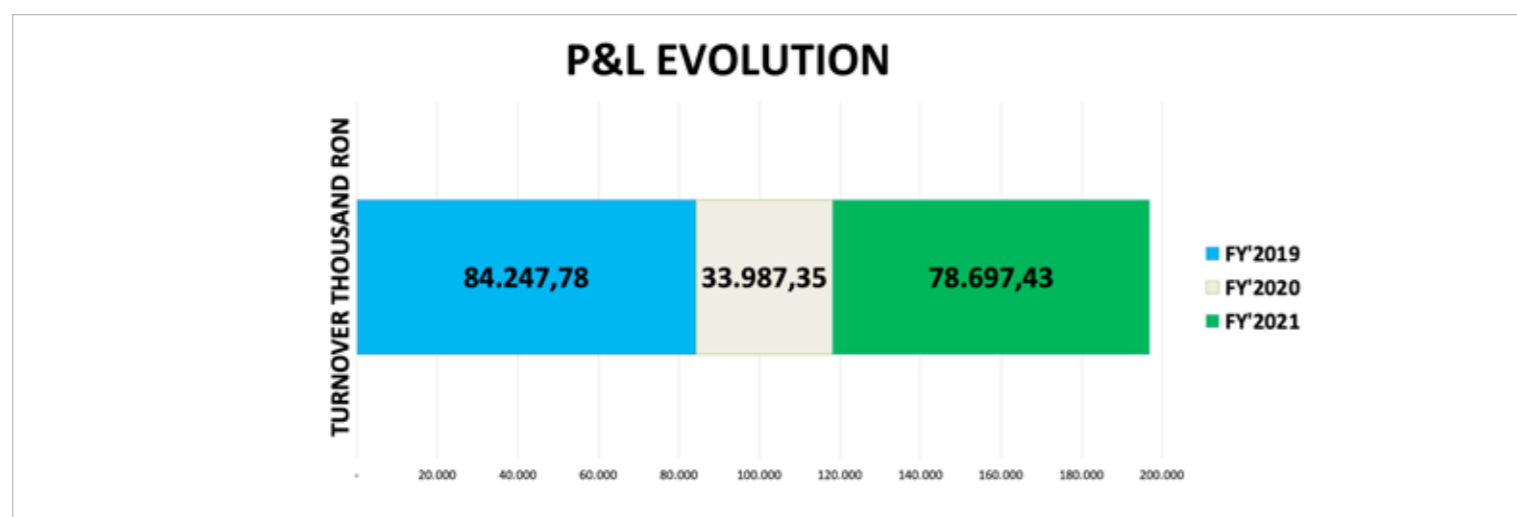
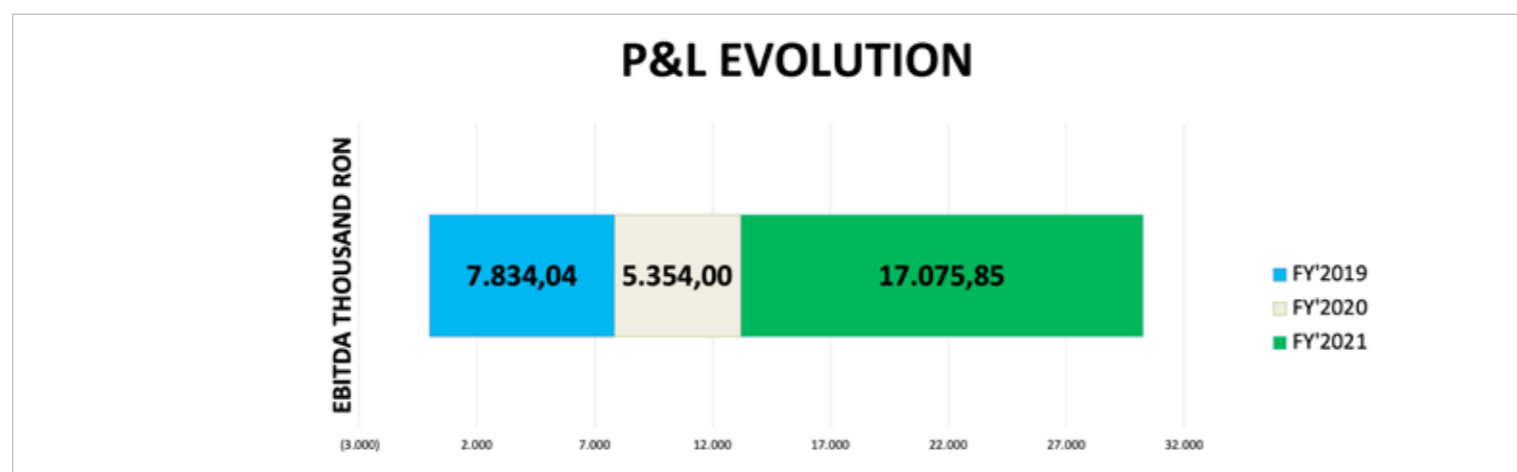


P&L EVOLUTION SUMMARY

Strong sales & profitability evolution

→ App 2.2x increase in total turnover between 2019 and 2021, following the successful transition from traditional plastics to a leading player in circular economy solutions and bio-plastics; this equates to an industry-leading CAGR of over 31%

→ Significant growth in EBITDA margin, outpacing the turnover evolution, due to focus on innovation, leading to higher value-added products, operational improvements, productivity increases and solid sales growth; this strong performance translates into a CAGR of over 57% for EBITDA and of over 20% for EBITDA margin



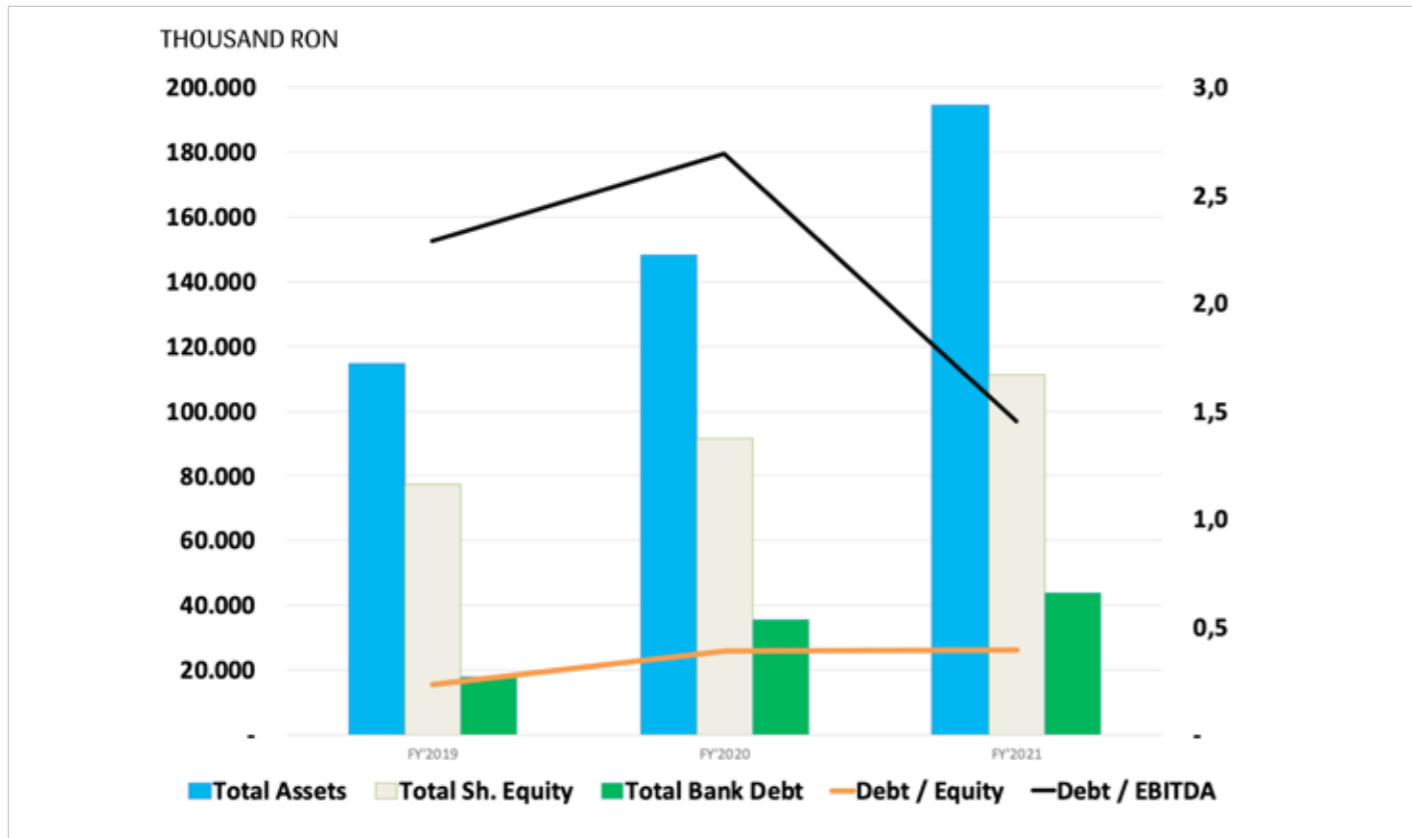
| Thousand RON | FY'2019 | FY'2020 | FY'2021 E |
|-----------------------------|--------------------|---------------------|---------------------|
| Total sales | 83.684,39 | 116.142,95 | 187.572,27 |
| Other income | 563,39 | 2.092,19 | 9.360,30 |
| TOTAL INCOME | 84.247,78 | 118.235,14 | 196.932,57 |
| COGS | (60.003,16) | (79.240,92) | (132.864,30) |
| Energy costs | (1.296,92) | (1.862,65) | (3.216,02) |
| Personnel costs | (7.186,34) | (10.738,27) | (14.235,72) |
| Depreciation costs | (2.225,13) | (4.629,27) | (6.399,18) |
| Third party costs | (6.647,96) | (11.154,04) | (14.336,44) |
| Other costs | (1.113,65) | (2.051,22) | (1.975,20) |
| TOTAL COSTS | (78.473,16) | (109.676,37) | (173.026,86) |
| OPERATING RESULT | 5.774,62 | 8.558,77 | 23.905,71 |
| EBITDA | 7.834,04 | 13.188,04 | 30.263,88 |
| EBITDA % | 9,3% | 11,2% | 16,1% |
| NET FINANCIAL RESULT | (1.720,21) | (3.212,67) | (1.160,57) |
| GROSS PROFIT | 4.054,41 | 5.346,10 | 22.745,14 |
| Taxes | 863,70 | 828,48 | 4.029,53 |
| NET PROFIT | 2.637,64 | 3.708,53 | 18.715,60 |
| NET PROFIT % | 3,1% | 3,1% | 9,5% |



BS EVOLUTION SUMMARY

Strong balance sheet & sustainable indebtedness

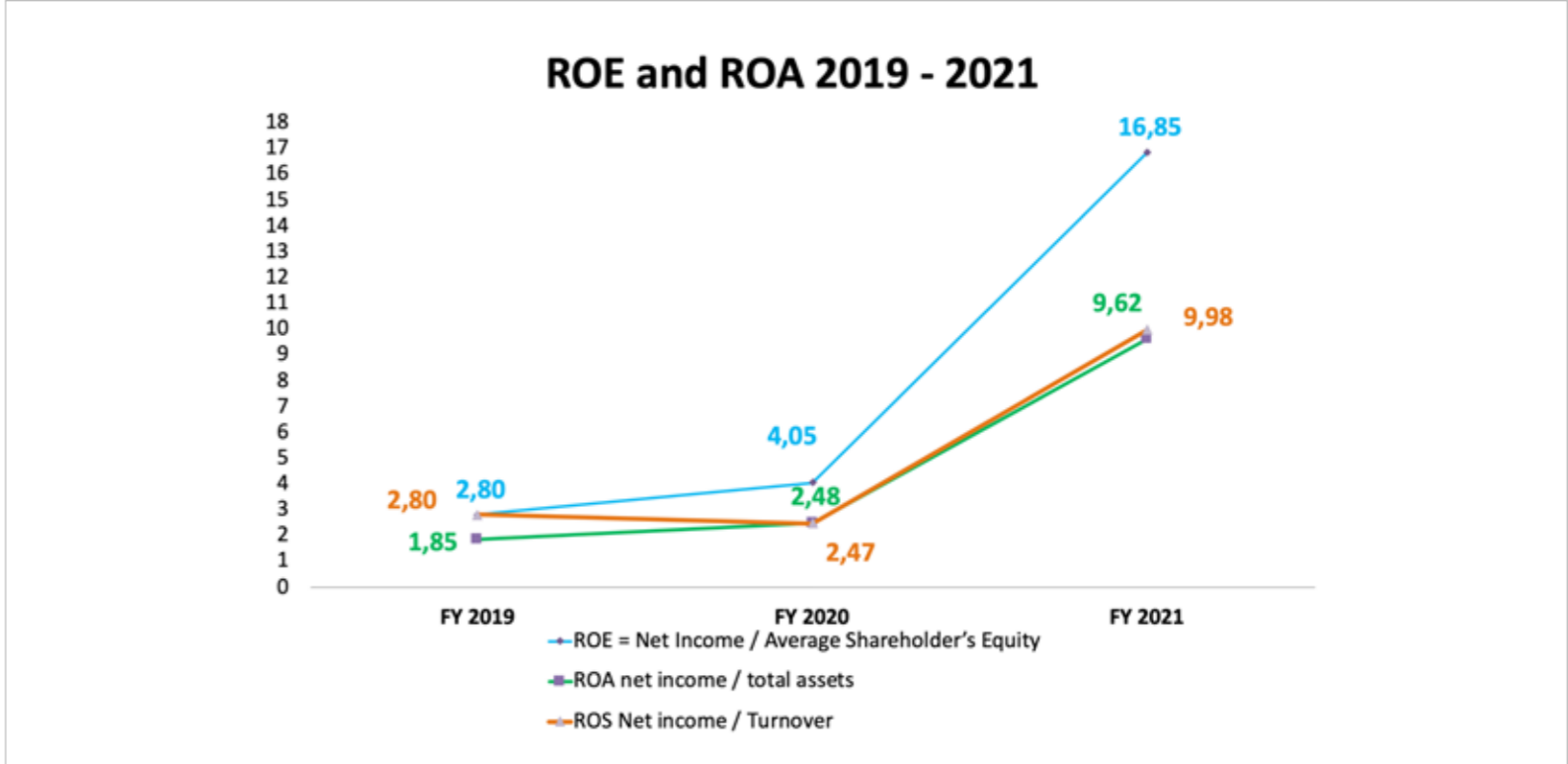
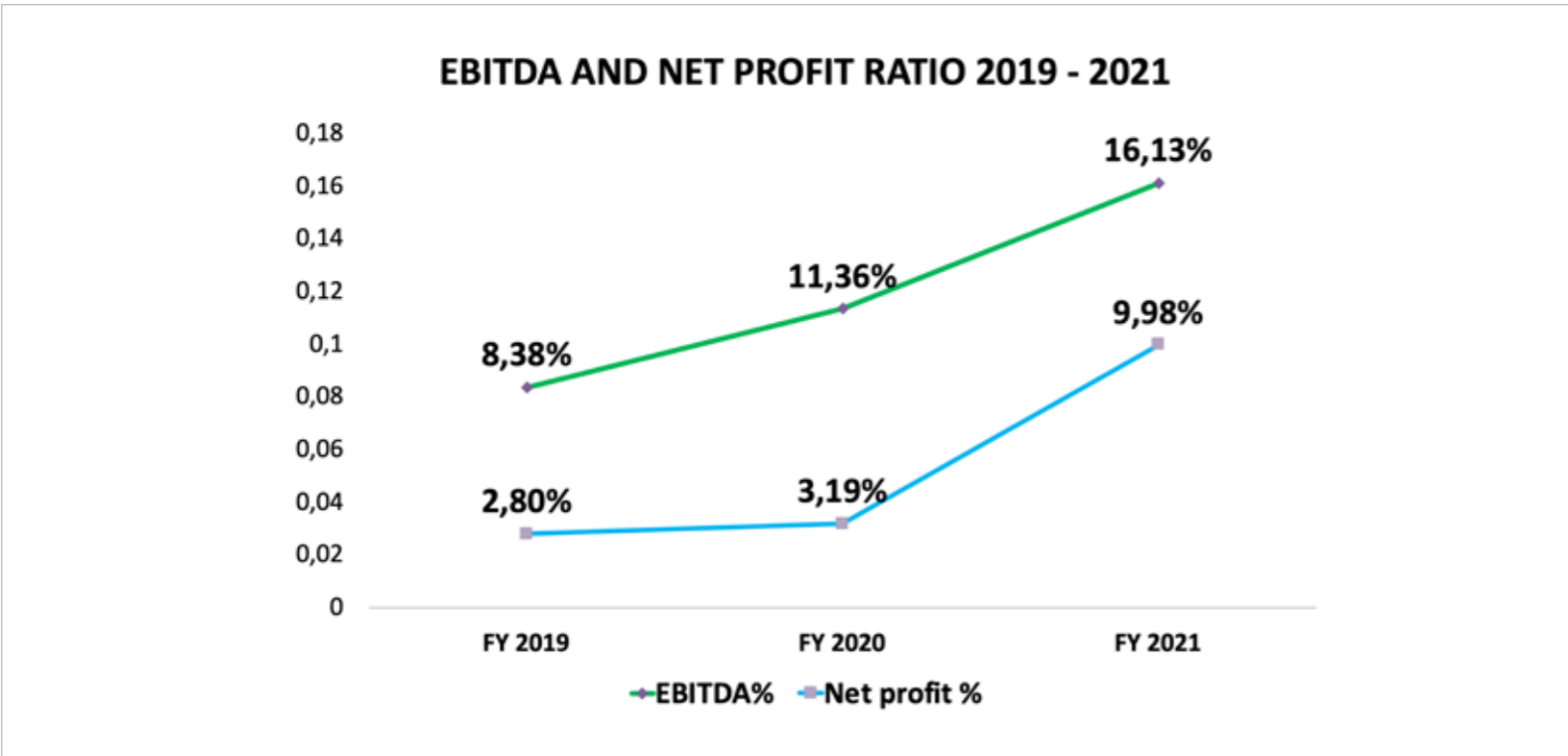
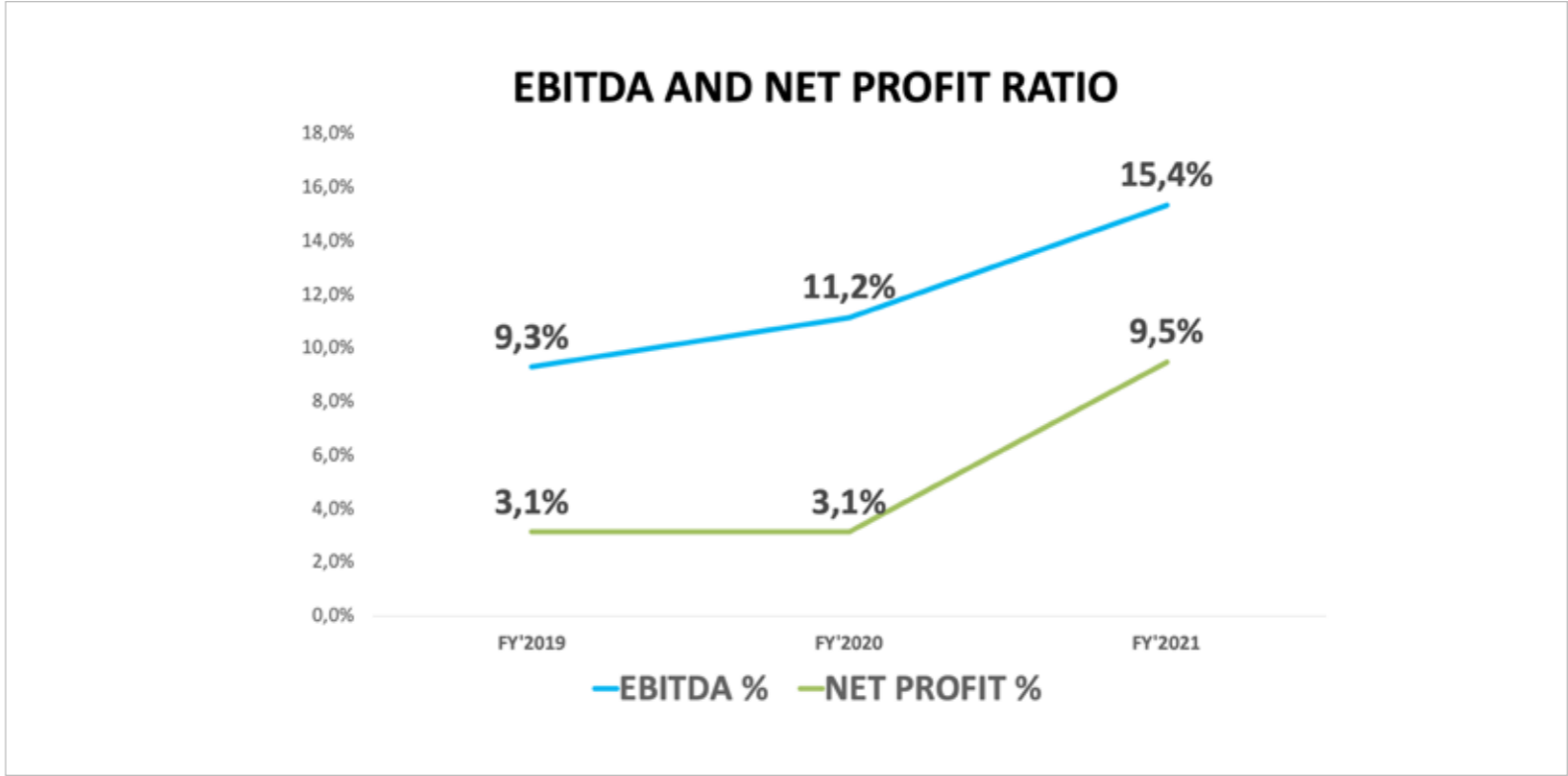
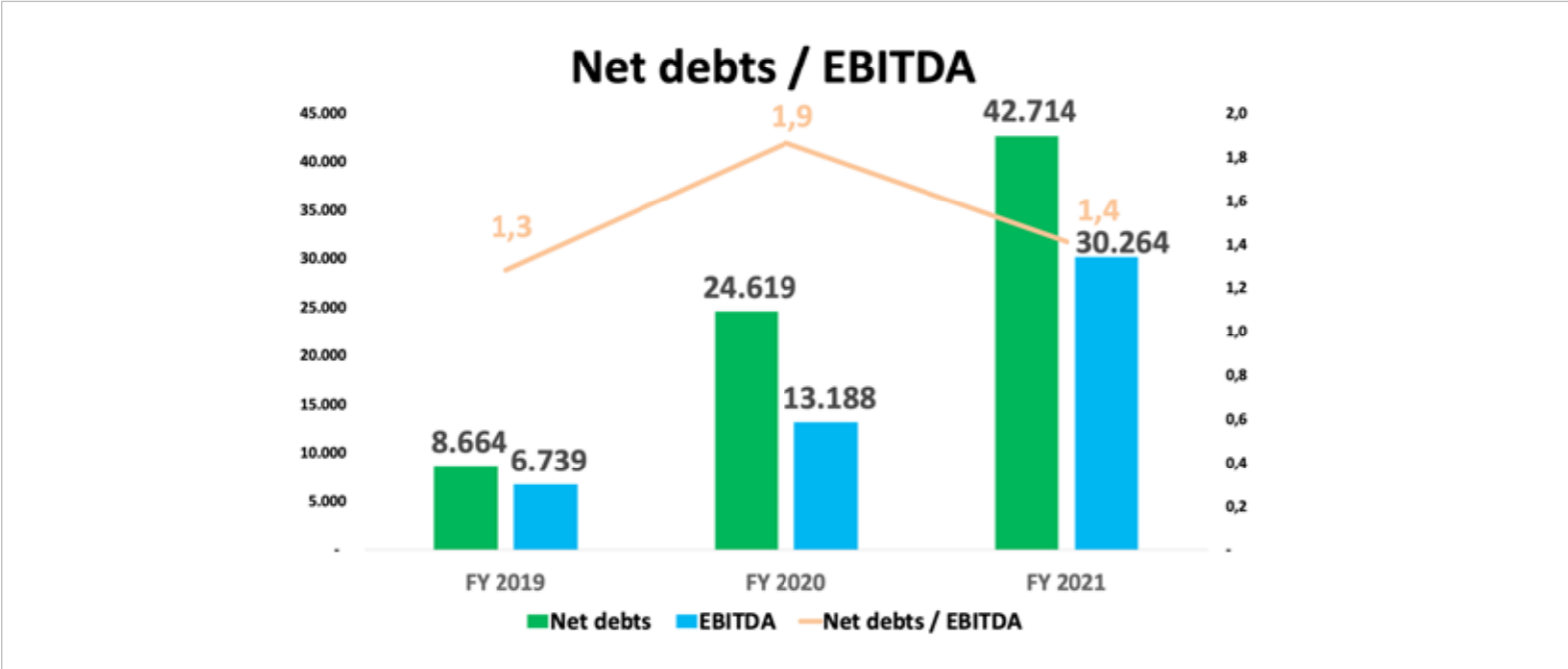
- Fixed assets more than doubled in the last 2 years, reflecting the significant investments made by the company in state-of-the-art machinery, with a focus on increasing output capacity as well as improving operational efficiency.
- Changes in inventory and receivables reflect the increased business volume, as well as the company's policy to build up raw material stocks in order to avoid production disruptions in the current market conditions.
- Strict financial discipline supported by the funding of development projects using a blend of own resources, capital increases, bank debt and EU & Norway grants have led to the company having sustainable indebtedness levels, as ratios to both Equity and EBITDA.



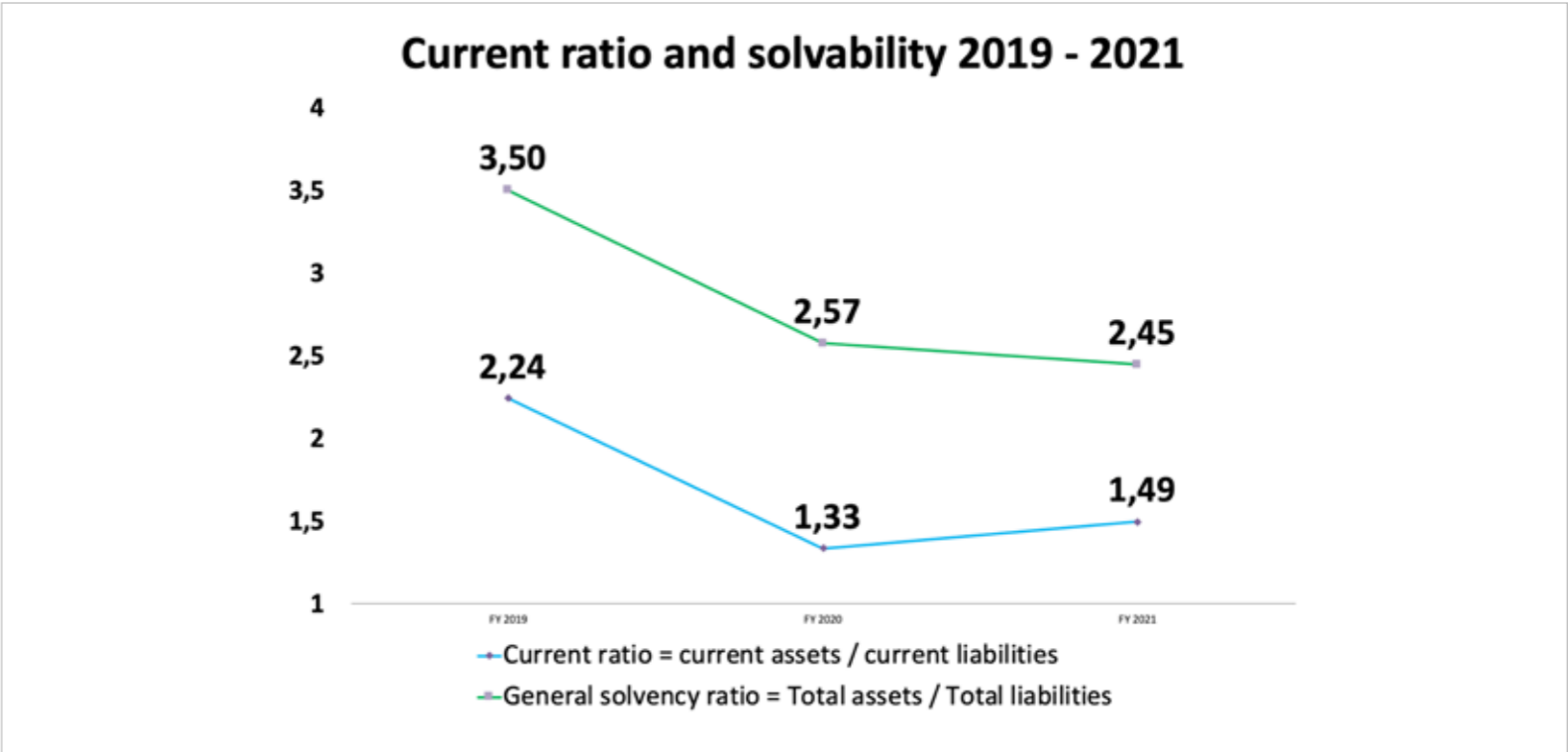
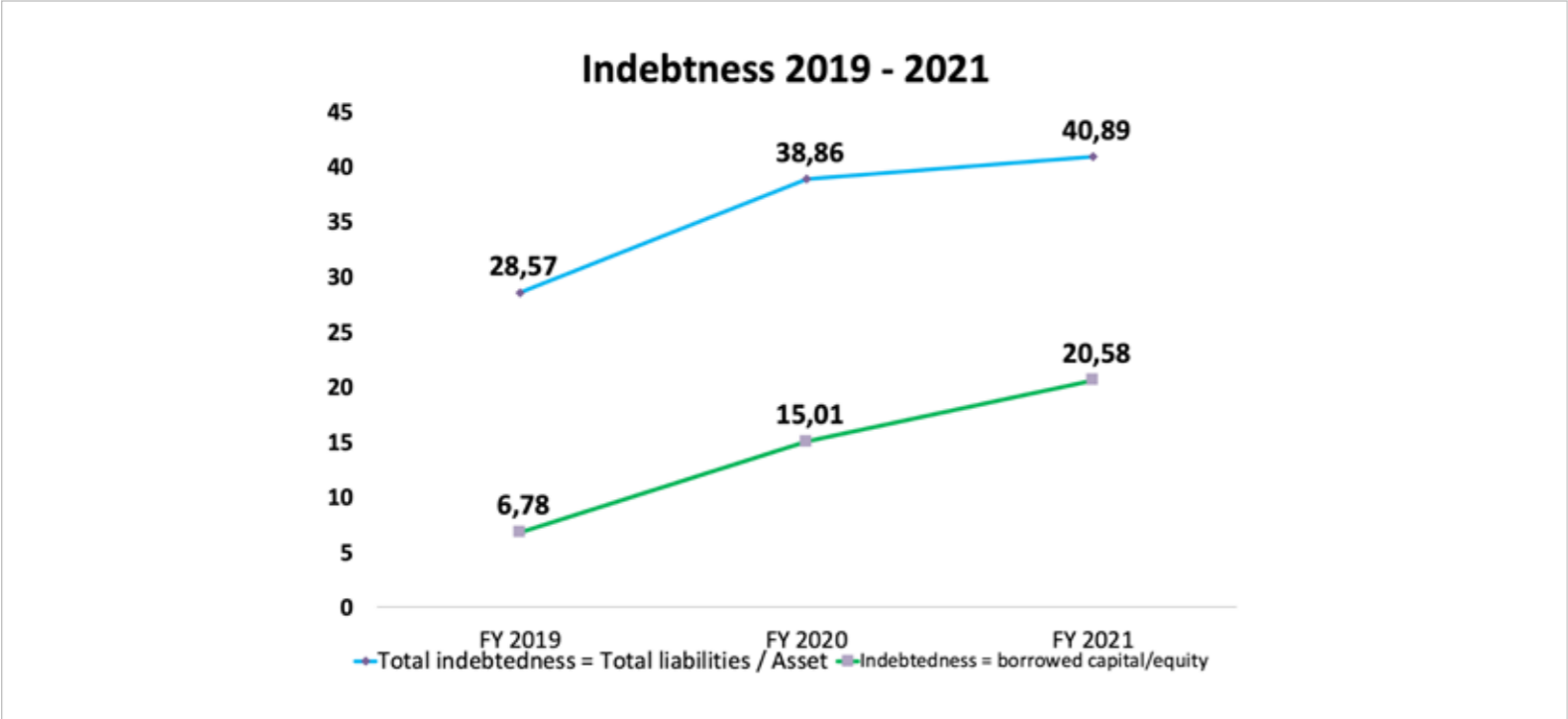
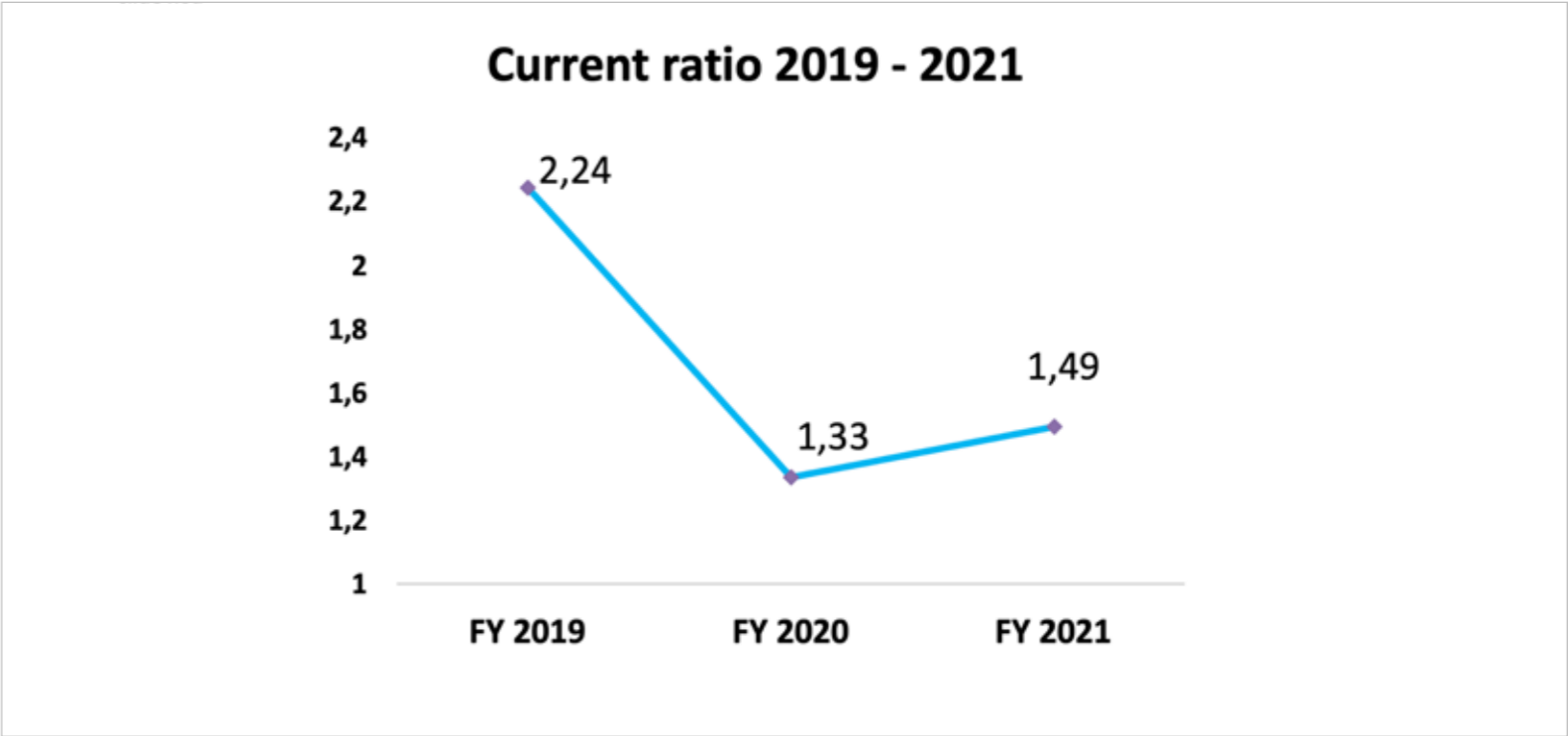
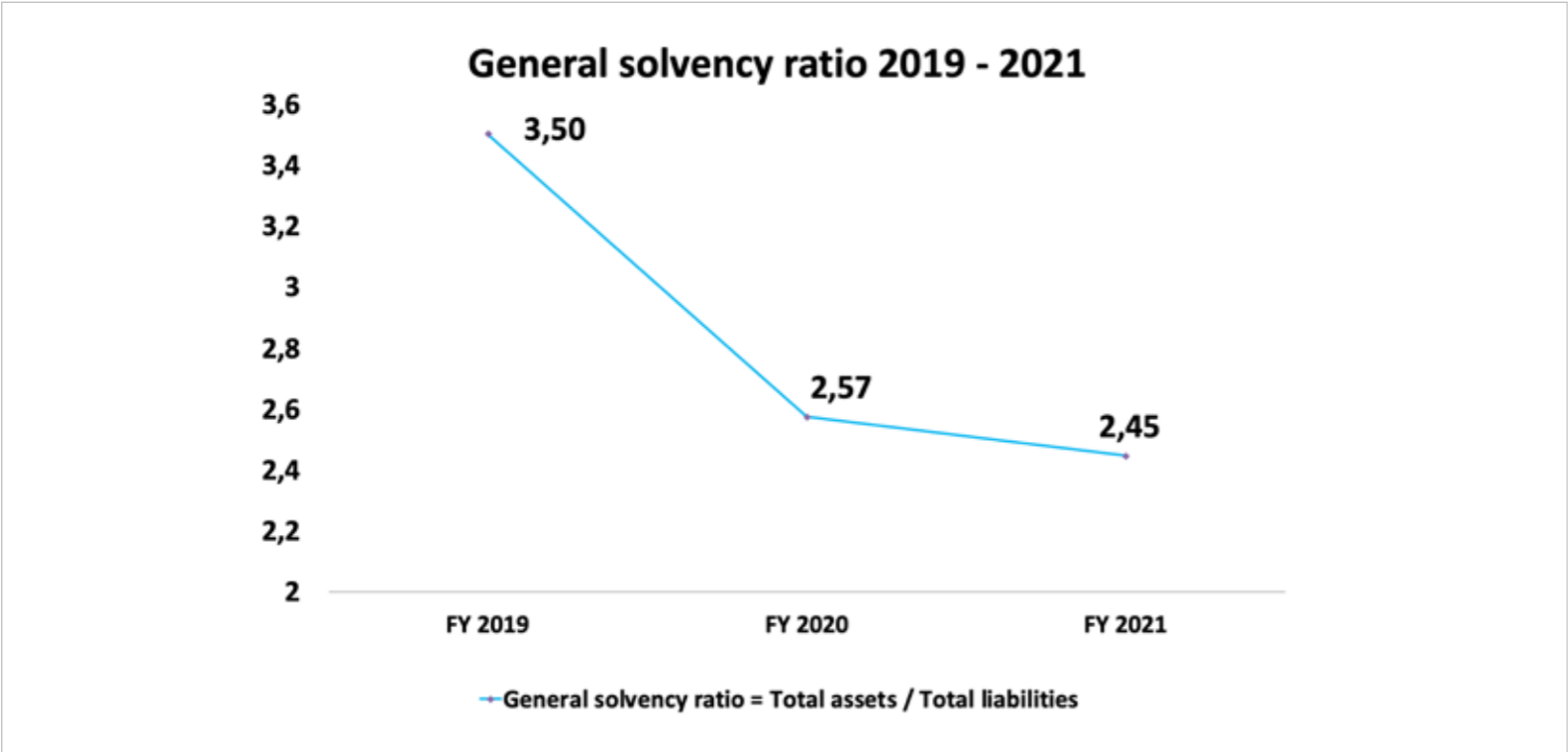
| Thousand RON | FY'2019 | FY'2020 | FY'2021 |
|---------------------------------------|-------------------|-------------------|-------------------|
| Tangible assets | 49.583,59 | 59.778,27 | 78.199,03 |
| Intangible assets | 82,80 | 494,54 | 1.406,24 |
| Financial assets | 485,09 | 30.071,02 | 30.253,02 |
| Other fixed assets | 25,40 | 13,56 | 5,14 |
| TOTAL FIXED ASSETS | 50.176,89 | 90.357,39 | 109.863,44 |
| Inventories | 19.252,22 | 24.883,77 | 47.291,54 |
| Receivables | 23.125,26 | 24.923,86 | 35.040,83 |
| Financial assets | 20.311,59 | - | - |
| Cash | 1.579,52 | 7.503,22 | 2.133,54 |
| Pre-paid expenses | 211,51 | 484,01 | 291,53 |
| TOTAL CURRENT ASSETS | 64.480,09 | 57.794,85 | 84.757,44 |
| TOTAL ASSETS | 114.656,98 | 148.152,24 | 194.620,88 |
| Share Capital | 17.072,39 | 30.406,54 | 28.699,30 |
| Reserves | 57.057,80 | 59.457,43 | 57.974,93 |
| Reported Result | 594,06 | 1.059,74 | 4.816,62 |
| Net Result | 2.632,56 | 3.708,53 | 18.715,60 |
| Other sh. Equity | (1,02) | (3.171,29) | 896,76 |
| TOTAL SH. EQUITY | 77.355,79 | 91.460,94 | 111.103,22 |
| Advance Income | - | - | 3.937,96 |
| ST Bank Debt | 12.775,13 | 21.812,82 | 21.074,45 |
| Trade Payables | 16.476,88 | 16.478,08 | 31.311,14 |
| Other current liabilities | 2.911,76 | 6.106,30 | 4.327,95 |
| TOTAL CURRENT LIABILITIES | 32.163,77 | 44.397,20 | 56.713,54 |
| LT Bank Debt | 5.137,42 | 13.727,90 | 22.866,16 |
| TOTAL NON-CURRENT LIABILITIES | 5.137,42 | 13.727,90 | 22.866,16 |
| TOTAL EQUITY & LIABILITIES | 114.656,98 | 149.586,05 | 194.620,88 |



FINANCIAL INDICATORS



FINANCIAL INDICATORS



COMPETITIVE ADVANTAGES



R&D investments

International partnerships with leading institutions:

- Research institutes
- European leaders in biodegradable packaging & top equipment manufacturers

Technical champion

State of the art factory & equipment



High entry barriers for competition

- Increased investment required
- Know how & research in packaging production

Leading production capacity

+7000 tons biodegradable packaging

Financial performance

Strong growth in turnover — 50% CAGR over the last 2 years

Zero industrial waste

Conveyed directly in margin increase

Strong client portfolio

Well-reputed international clients from key markets in the CEE. Contracts obtained based on international tender

Management

Dynamic & experienced management team, with a focus on sustainability and growth

A digitalised company

- Digitalised & modern business processes & operations
- ERP implementation



Vertical integration

UPSTREAM:



Bio-based raw material production



PROMATERIS

DOWNSTREAM:



Sustainable packaging distribution



ESG & SUSTAINABILITY

- ✔ Grant award for 100 kpw solar panels. We have in plan installing 1 MWp in 2022
- ✔ 100% reduction of polyethylene production in 2021
- ✔ 100% recycling & re-use of industrial waste
- ✔ Carbon footprint assessment - for developing our Sustainability Strategy 2022-2027
- ✔ Energy efficient equipments

WOMEN REPRESENTATION WITHIN THE COMPANY

50% women in Top management positions

20% women in Board of Directors

Total women employees: **57**

Average age (years): **44**

Total men employees: **74**

Average age (years): **47**

+400h
HOURS OF TRAININGS FOR OUR EMPLOYEES



ESG PLANS:

- 2022: Obtain ESG rating
- Become a member of UN Global Compact
- Deployment of Promateris 2022-2027 Sustainability Strategy

WE ARE PART OF:





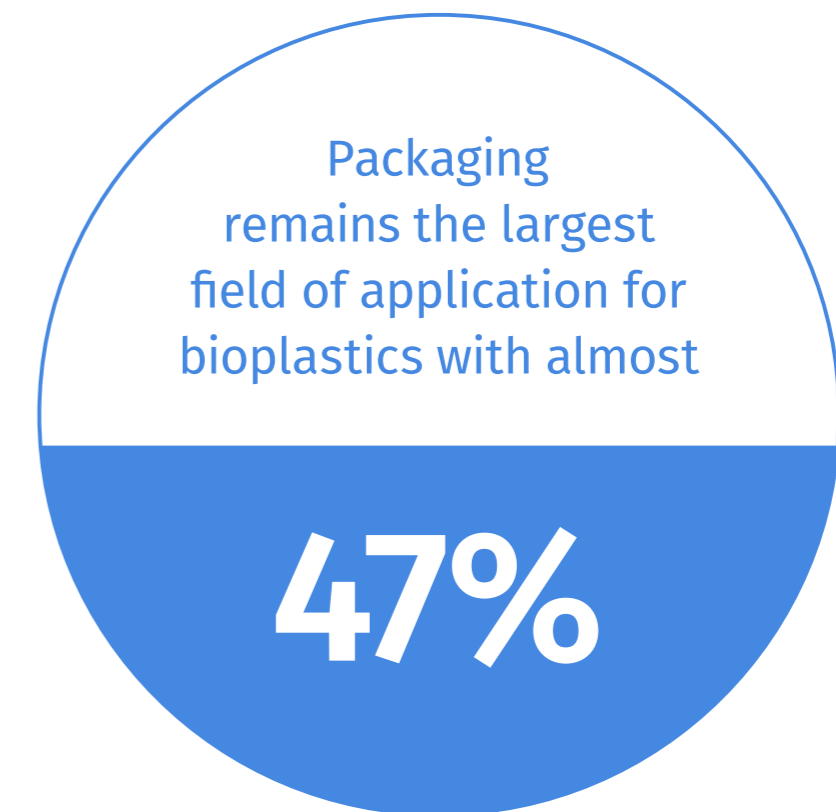
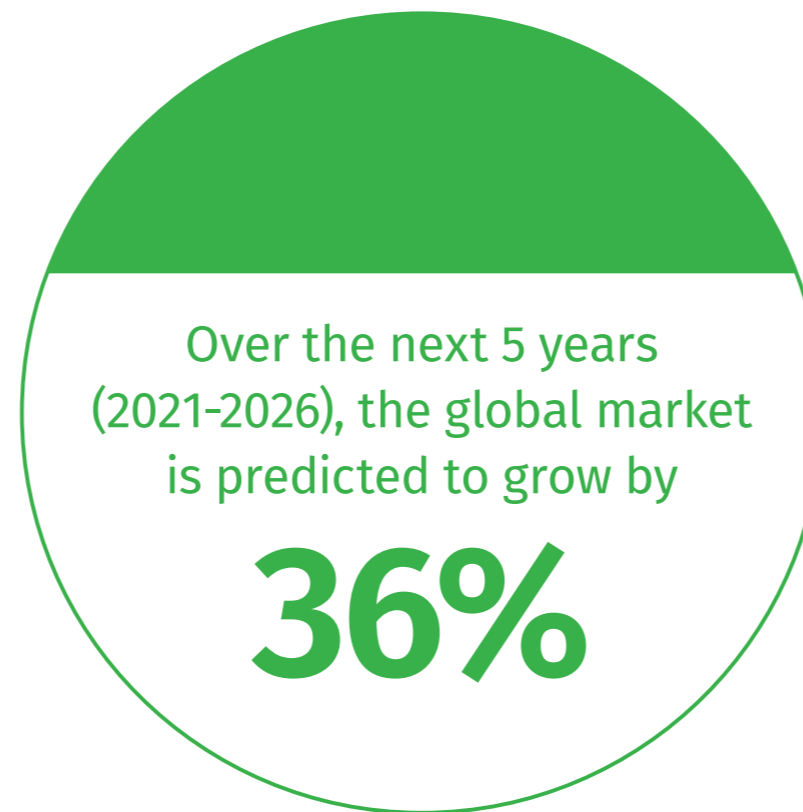


THE MARKET

Growth drivers

- Public awareness regarding plastic pollution generates increased demand for sustainable packaging
- Big brands adopt bioplastics and plastic reduction strategies
- EU directives and national level regulations for the reduction of traditional plastic usage
- Taxes on the consumption of virgin plastics
- Non-refundable grants from PNRR (+4 EUR BLN) & GREEN DEAL

GLOBAL PLASTIC MARKET

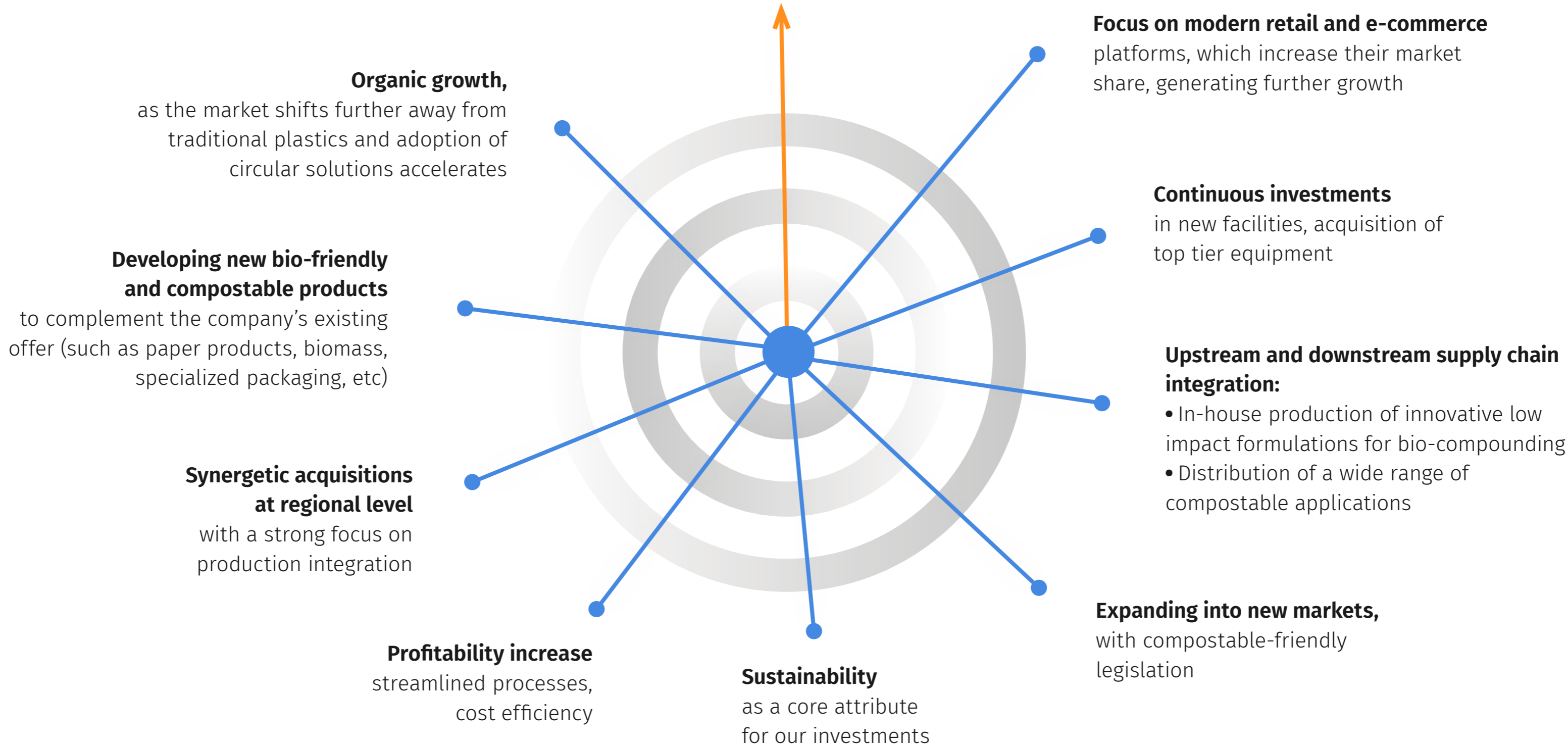


SOURCE: EUROPEAN BIOPLASTICS, NOVA INSTITUTE



PROMATERIS GROUP MEDIUM TERM OUTLOOK

Turnover by 2025: EUR 100 mil.



THANK YOU!

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