

Promateris posts a turnover of 18 million euros in H1 2022 and continues to consolidate its leading position in CEE

Bucharest, August 23, 2022 – Promateris (BVB: PPL), a Romanian industrial group and leader in the CEE in the production of low carbon footprint packaging, consolidates its 2021 growth and reports a consolidated turnover of 18 million euros in the first six months of the year, EBITDA of 2,4 million euros and an EBITDA margin of 13.4%.

"The first semester of 2022 was a challenging one, marked by the war in Ukraine, the rapid increase in inflation, and interest rates. However, we are satisfied with the recorded results, as we consolidated the EBITDA margin through the bioplastic recycling line, where we recycled 100% of the bio-based industrial waste, reintroducing it into production. We also made operational optimizations and continued investments in the R&D department. We developed new products which we will be launching in the coming period. At the same time, other important aspects that contributed to the positive results of the first six months of the year were new market entries and the securement of existing clients. Regarding future plans, we have a series of projects underway. These will continue the development of the group's portfolio of products, new markets entries, the launch of a new brand of recycled plastic packaging, but also the development of industrial applications" stated Tudor Georgescu, CEO of Promateris.

The increase in the company's turnover in the first half of 2022 by 3,5% is a result of the consolidation of the client portfolio and the position in the markets where Promateris sells its products. During this period, Promateris made essential investments in modern technology while achieving an EBITDA margin of 13.4%, significantly above the industry average. The net result registered a 49% normalisation compared to the first semester of 2021, reaching 1 million euros. Considering the volatility of raw material prices, Promateris maintained the high level of EBITDA margin through investments and the start-up of the bio-compounding division. The company estimates that this investment will accelerate the further EBITDA growth in the coming period.

Promateris will launch a new brand within the group, *Looper*, dedicated to recycled plastic packaging. Looper products will primarily address the modern retail and waste management sectors.

In terms of R&D, Promateris will continue to invest in the next period in developing its laboratory through investments in state-of-the-art laboratory equipment and specialized continuous trainings for the staff. The company is also considering acquiring new equipment to support its strategic investment directions.

"We are confident that the planned investments will lead to business growth, by attracting new clients and entering new markets, but also to increasing the EBITDA margin, thanks to vertical integration through bio-compounding and cost reduction through material recovery, recycling and the transition to green energy," added Tudor Georgescu.

Regarding future investments, the company will focus on several directions. One of these is the recycling area, by capitalizing the waste and turning it into packaging that can be used multiple times. Another investment targets the company's sustainable development by installing a photovoltaic system at the Promateris factory in Buftea, which will contribute to the transition to green energy by replacing the use of power based on fossil fuels with solar energy. The value of the investment amounts to approximately 1 million euros, of which 597,000 euros represent non-reimbursable Norwegian funds from the EEA & Norway



Grants within the "Green Energy Production for the bio-based and compostable packaging production" project. Promateris develop the project in partnership with Norwegian company Norsk Energi.

At the end of last year, Promateris obtained financing worth 100,000 euros within the Electric Up program. The capital raised is also used for the installation of photovoltaic panels. For Promateris, these projects will help increase the company's competitiveness and improve its product portfolio, further reducing the carbon footprint associated with its operations.

Promateris' product portfolio is in line with the European Green Deal principles and European legislation and directives aimed at reducing food waste and the consumption of virgin plastic. For the past five years, Promateris has developed international partnerships with renowned European research centres, top manufacturers in the sustainable packaging industry, and equipment manufacturers specialized in creating innovative solutions with a low carbon footprint. These partnerships position the Promateris group at the top of the companies with the most developed low-carbon packaging portfolio in Central and Eastern Europe.

About Promateris

Promateris (BVB: PPL) is a company listed on the Main Market of the Bucharest Stock Exchange. Promateris specializes in state-of-the-art packaging made from renewable, biodegradable and compostable materials. In the Buftea factory, the company produces sustainable alternatives to single-use plastic, such as a wide range of bags for retail (T-shirt bags, fruit and vegetable bags, bio-waste bin liners). Promateris operates three business lines: Bio-based and compostable packaging, which produce packaging made from renewable resources, bioplastic recycling, through which it recycles residual waste to be reintroduced into the production process; Electrical cable compounds, through which granules for the production of electrical cables are developed and manufactured.

