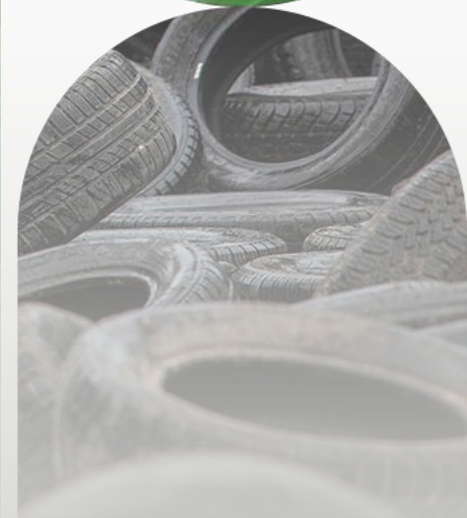
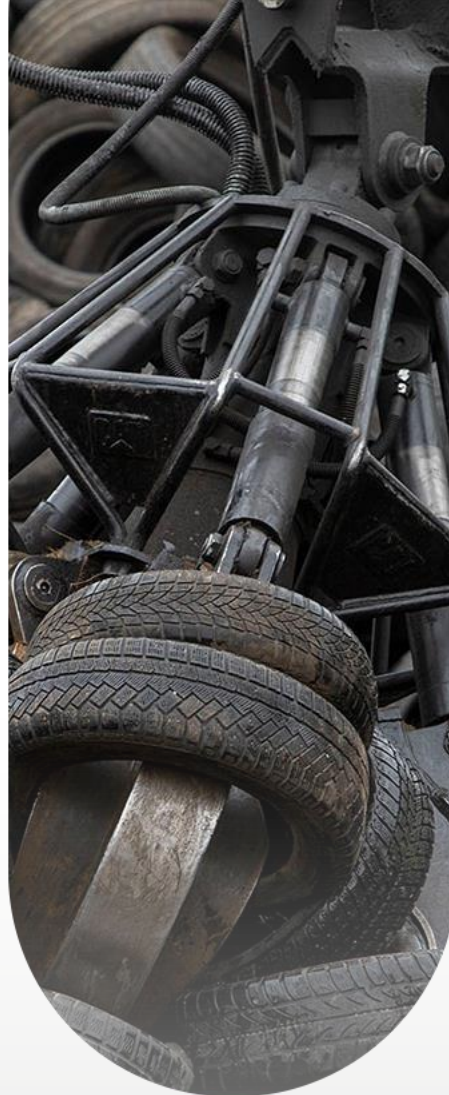




Financial results for the first half of 2023

Śrem, August 2023



Agenda

- **About the Group**
- Financial results for H1 2023
- The Group's Strategy for 2021-2030
- Investment summary



Where are we today?

Market leader in waste tyre management through collection, recovery and recycling
Long-term growth axis – innovative, new and high-margin solutions*



>19 years

market activities
(concerns Recykl O.O. S.A.
and Reco-Trans Sp. z o.o.)

>12 years

Period of listing on
NewConnect

~60 thou. tonnes

Annual production potential
of SBR granulate

298

Number of employees

3

Number of production
facilities

~ PLN 190 mn

Balance sheet total

**~140 thou.
tonnes**

Annual waste tyre
throughput potential

**>3 thou. points
/ 400 pcs**

Number of collection
points / containers in
Poland's largest collection
network



We are a member of industry organisations: European Tyre Recycling Association and the Polish Tyre Recyclers Association;

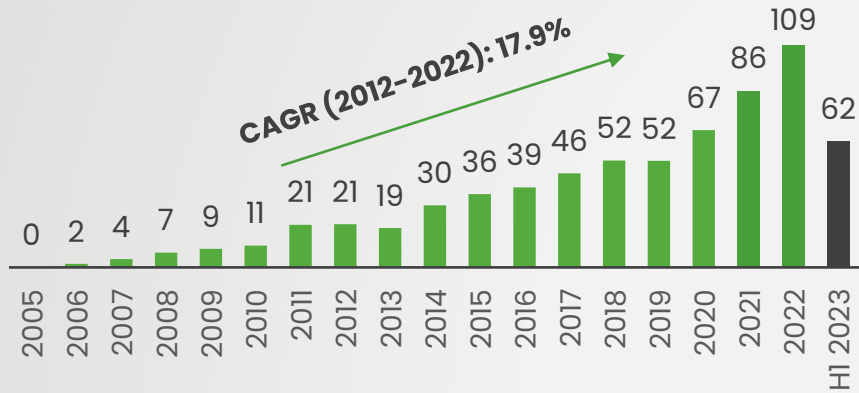


We are actively involved in a European Commission project: Life-RePlanCityLife by participating in groups working on the use of tyre recycling products in transport, construction and sports-recreation infrastructure in urban spaces.

Regular growth of business scale

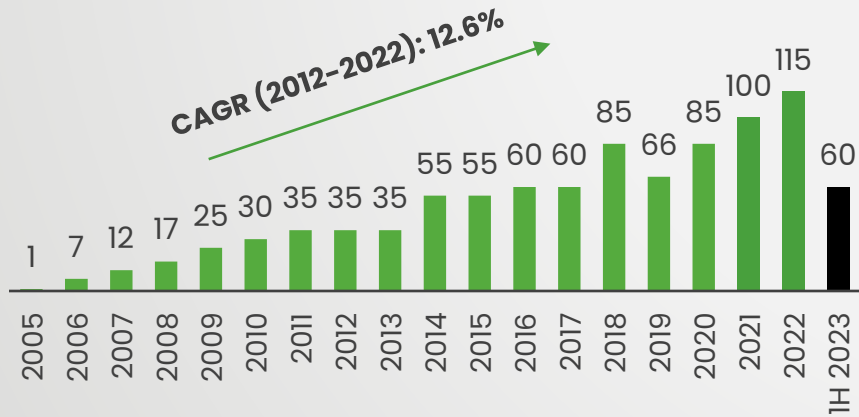
Sales revenue

[PLN mn]



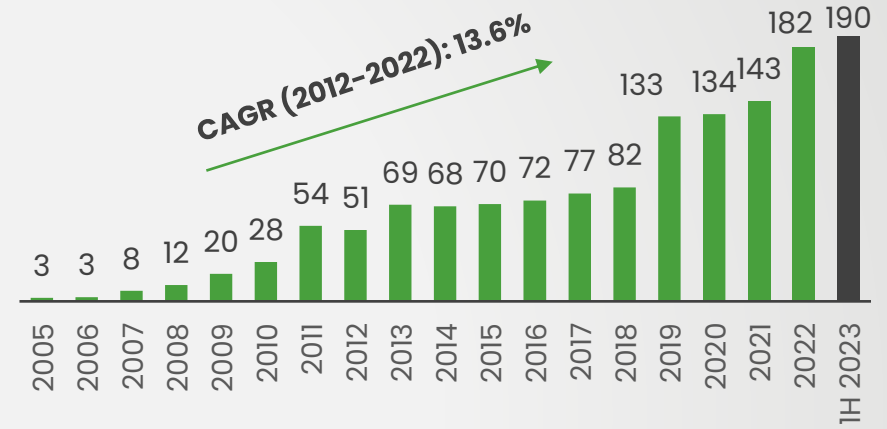
Volume of tyre throughput

('000 tonnes)



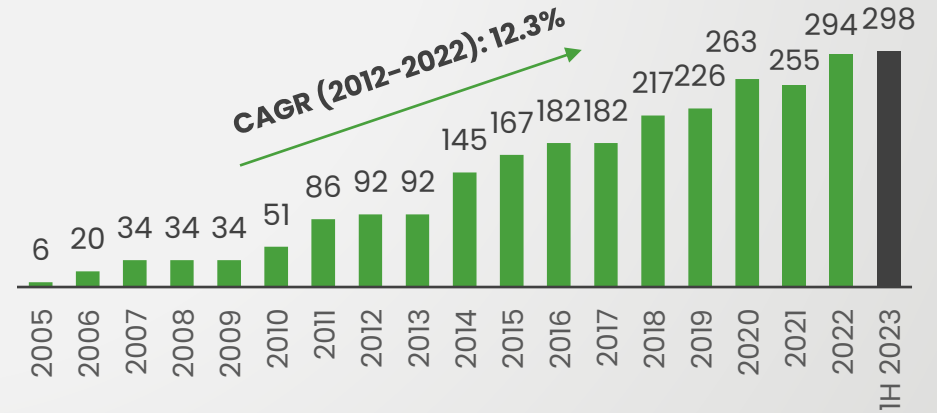
Total assets

[PLN mn]



Employment

(number of persons)



Transparent business model

Collection

Own collection network (more than 3,000 active collection points)

Collection and delivery of tyres from countries such as: **Germany, Belgium, the Czech Republic, Slovakia, Lithuania**

Reco-Trans as part of the surplus collection for the CUO

Processing

Plant in Śrem

Plant in Krosno Odrzańskie

Plant on the site of the Chełm cement plant

Product



Pure granules Rubber (Green Gran)



Rubber powder (Green Powder)



Rubber granules - chips



Steel scrap



SMAPOL

Customer

Companies manufacturing granulated products

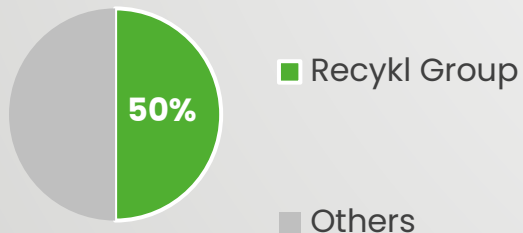
Companies purchasing scrap metal as feedstock for blast furnaces

Chełm Cement plant (on site) and external cement plants

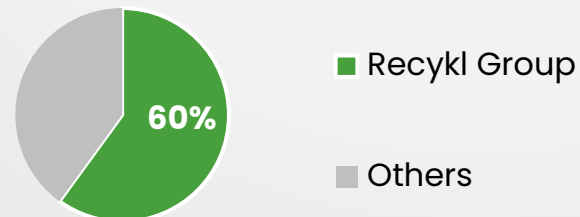
Road and general construction, paint and dye manufacturers, automotive and footwear industries

Market shares:

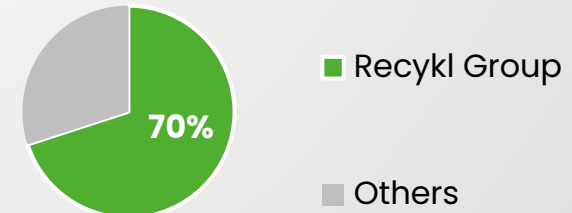
Pure rubber granules:



Rubber granules (chips)



Steel scrap



Assets and competitive advantages



Poland's largest collection network:

Over **3 000** points and **400** containers

Share in the European tyre recycling market:

About **4.9%**



The company operates three production facilities: **Śrem, Krosno Odrzańskie** and **Chełm**,



The country's largest manufacturer of Green Gran rubber granules, Green Powder rubber and alternative fuels derived from used tyres – **technologically advanced production lines**,



Three installations for the cleaning of steel cords obtained during the mechanical tyre shredding process,



Own unique tyre collection network (operations also carried out in Germany and Lithuania),



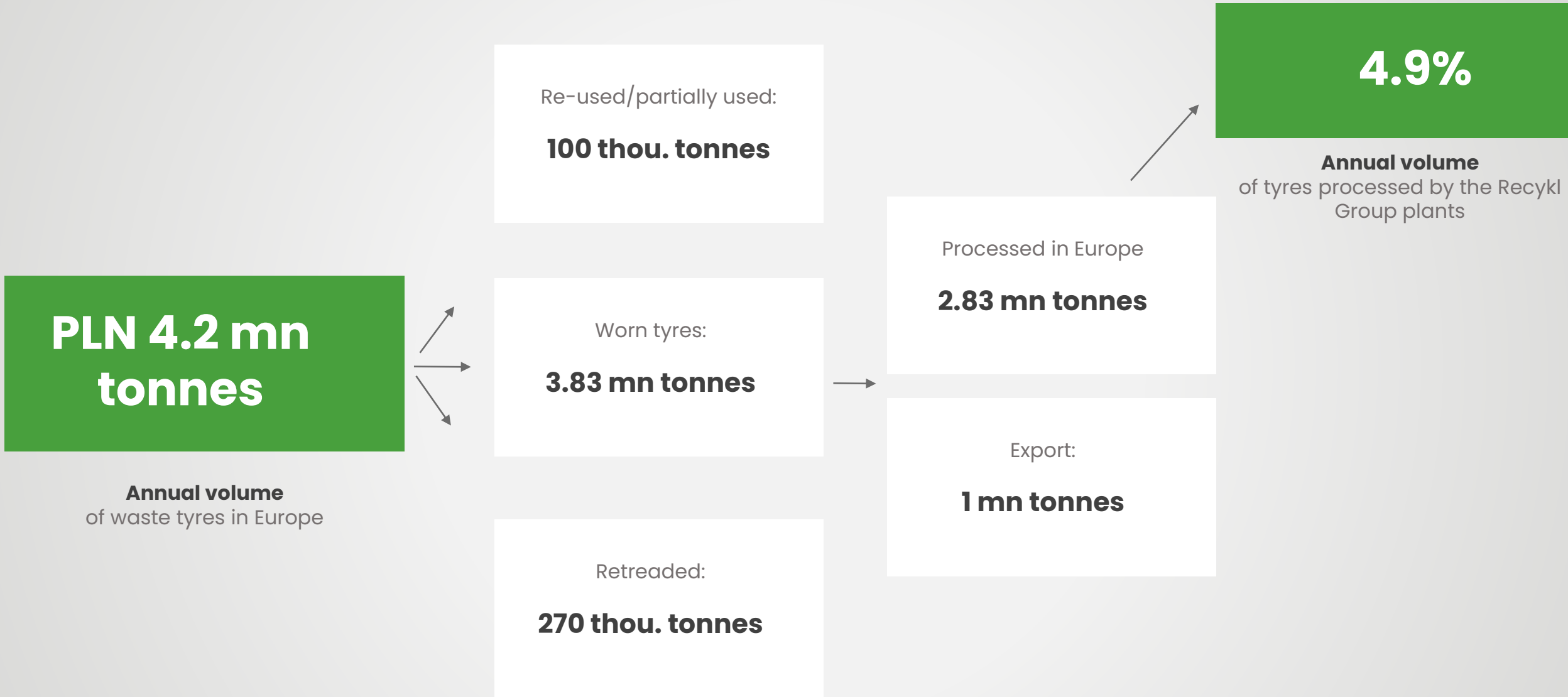
The only entity with **advanced technology** to produce rubber powder,



The only entity producing a stabilising additive for road construction (SMAPOL), manufactured from textile cord recovered from the tyre recycling process.



The Recykl Group in the European tyre recycling market



* Data from ETRA 2022 / ASTUTUS RESEARCH

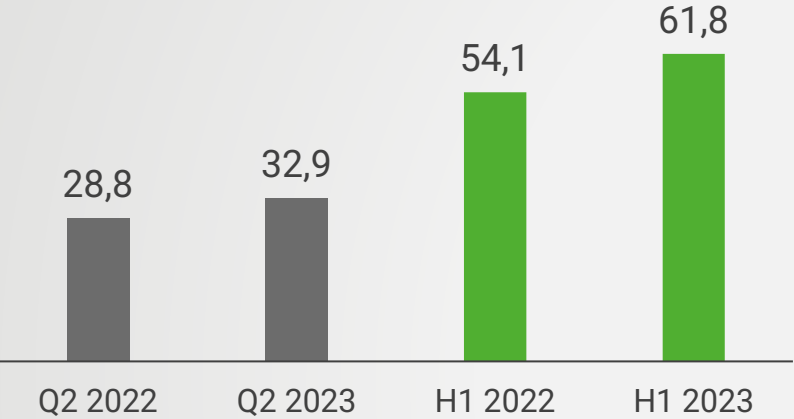
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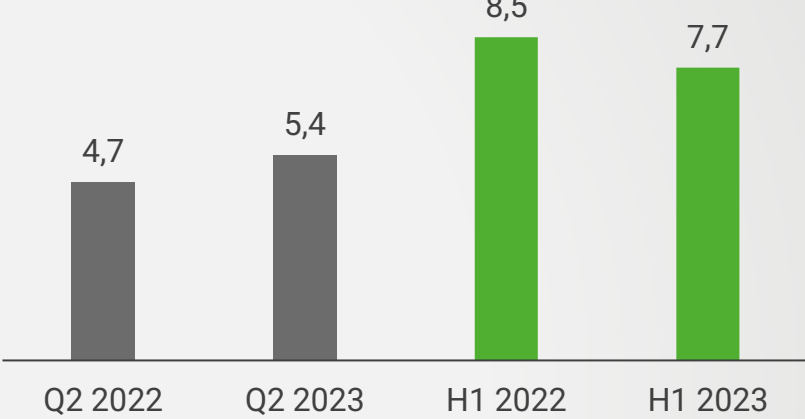


Return to growth path in Q2 2023 (PLN mn)

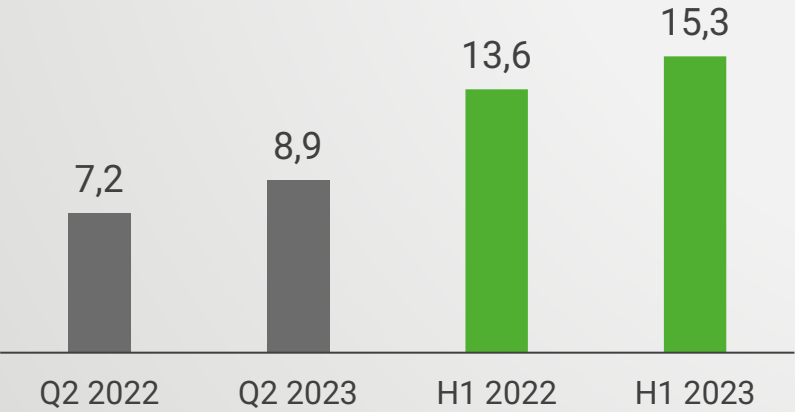
Sales revenue



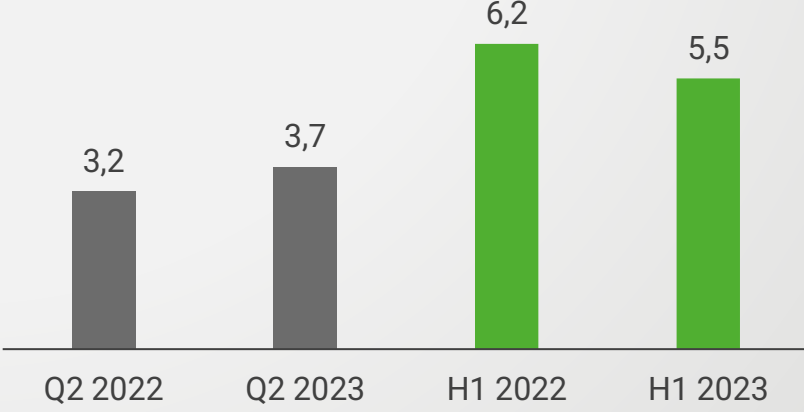
Profit from sales



EBITDA profit



Net profit



Sales increases in strategic product groups

Value structure of sales

[PLN '000]

	Q2 2022	Q2 2023	Change	H1 2022	H1 2023	Change
Sale of tyre reprocessing products	17,524	19,651	12.1%	32,964	36,822	11.7%
Implementation of a tyre recovery and recycling service	5,199	6,371	22.5%	9,228	12,009	30.1%
Collecting tyres on request	990	1,390	40.4%	1,936	2,479	28.0%
Transport services	1,221	1,083	-11.3%	2,223	2,217	-0.3%
Sale of goods and services	366	746	103.8%	712	1,311	84.1%
Change in the balance of products	- 81	799	-1086.4%	330	1,580	378.8%
Other sales	3,609	2,890	-19.9%	6,693	5,405	-19.2%
TOTAL	28,828	32,930	14.2%	54,086	61,823	14.3%

Tonnage structure of sales of tyre products

(tonnes)

	Q2 2022	Q2 2023	Change	H1 2022	H1 2023	Change
Alternative fuel (chips)	14,121	12,568	-11.0%	22,753	20,438	-10.2%
Pure SBR rubber granulate free of impurities	11,809	12,788	8.3%	21,812	24,084	10.4%
Steel scrap (cord)	4,033	4,439	10.1%	8,222	9,195	11.8%
TOTAL	29,963	29,795	-0.6%	52,787	53,717	1.8%

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Strategy - causes and current state

Changing global market trends and the regulatory environment in the waste management market aim to make sustainability a reality and improve environmental quality by promoting a circular economy

- ✓ The Group has achieved a **leading** position in **Central and Eastern Europe** in the market for the management of waste tyres through collection, recovery and recycling.
In the European market, it has an approx. 4.9% share of waste tyre recycling.
- ✓ The investments made by the Group and the leap in business in recent years, predispose it to achieve even higher levels of waste tyre processing and more efficient use.
- ✓ The Recykl Group has a portfolio of three plants in Śrem, Krosno Odrzańskie and Chełm, which had a processing capacity of **100,000 tonnes of tyres per year** at the time the Strategy was announced (**currently 140**).
- ✓ The Group has a unique nationwide tyre collection network of more than **3,000 collection points** and is present in all of Poland's neighbouring countries.



Transforming the EU economy for a sustainable future

European Green Deal as a key EU-wide regulatory change in favour of recycling businesses

- Membership of the EU and the progressive implementation of its legislation aimed at increasing the requirements for taking care of the environment.
- Green Deal as a representation of a strategy for a zero-carbon and sustainable environment, providing clean and safe energy.
- Through its activities, the Recykl Group participates in the creation of a national system for the recovery of packaging and post-consumer waste.

4 mn

20%

12%

4 mn jobs in the EU are linked to the circular economy sector

EU industry is responsible for **20% of greenhouse gas emissions** in the European Union

Just **12% of materials** used by EU industry **comes from recycling**



Group development directions

Key pillars of the 2030 Strategy:

Pillar I

Investment in plant and expansion of tyre collection network

Organic growth, through the expansion of all three plants and the continued expansion of the collection network, which will allow for an increase in production capacity and tyre processing volumes.

Pillar II

Sales development

Expansion of sales to foreign markets (including Western markets) and, as a result, strengthening the leading position in the Central and Eastern European market and seeking export opportunities in Asian countries.

Pillar III

Implementation of new products

Increasing the range of tyre products on offer, developed based on research and development work (the implementation and sale of the stabilising additive SMAPOL and the search for applications for rubber powder), as well as the introduction of further innovative finished products onto the European market through the subsidiary Rekoplast Kompozyt sp. z o.o.

Pillar IV

Active participation of the Group in pro-environmental activities

Continue to develop the brand based on sustainability principles and actively contribute to the European strategy to reduce CO2 emissions and carbon footprint.

Pillar V

Active participation of shareholders and key managers of the Company in building its value

Enabling shareholders to participate in the Company's growth process also (in addition to the nominal increase in share value) through the implementation of the adopted dividend policy and the regular payment of a portion of profit in this form.

Increase in the involvement of key personnel of the Issuer and its subsidiaries through the adoption of the Company's share-based incentive programme at an assumed level of up to 5% of the share capital.

Status of current investments:

- **2 MW photovoltaic installation at the Śrem plant:**
 - In Q2 2022 signing of contract with the main contractor of the construction, in Q3 2022 obtaining a building permit for:
 - The installation of the panels and the construction of the transformer station are currently underway (more than 60% complete).
 - Completion of construction in Q3 2023
- **Expansion of the plant in Krosno Odrzańskie:**
 - In Q2 2023 complete completion of the investment and commissioning. Its total cost amounted to PLN 13.2 million. A significant part of the project was co-financed by BGK under a technology loan – a subsidy of 45% of the eligible costs, i.e., around PLN 5 million.
 - As a result of the completion of the investment, the production capacity of the Krosno plant will increase by: SBR – 2 000 t per year, clean steel scrap – 3 500 t per year, alternative fuel – 5 000 t per year.
 - In percentage terms, the increase in capacity is as follows: production of SBR: by around 20%, production of clean steel scrap by 100%, production of alternative fuels by 70%.
- **Extension of the tyre granulation line in Śrem:**
 - Investments completed in 2021
 - As a result of its implementation, the production capacity for SBR rubber granulates at the Śrem plant increased by approximately 4,000 tonnes per year (+20% of the plant's capacity).
- **Construction of a second tyre granulation line in Chełm:**
 - The project was fully completed in Q4 2022
 - The effect of the investment is to increase the production capacity of the Chełm plant by 12,000 tonnes of SBR granulate per year (doubling the plant's capacity).
- **Granular decalcification line in Śrem and Chełm:**
 - Both lines were commissioned in 2021, resulting in the ability to produce rubber granulates completely free of silica

Expected outcomes of the strategy and its implementation after H1 2023

Cumulative data over the years 2011–2020

- ✓ Cumulative net profit at **ca. PLN 19 mn**
- ✓ Cumulative sales revenue at **ca. PLN 384 mn**
- ✓ Cumulative EBITDA of **approx. PLN 96 mn**
- ✓ **No dividends**

VS

Expected outcomes of the strategy in the years 2021–2030:

- ✓ Cumulative net profit of **not less than PLN 150 mn**
- ✓ Cumulative sales revenue of **not less than PLN 1 bn**
- ✓ Cumulative EBITDA of **not less than PLN 280 mn**
- ✓ Dividends **of up to 30% of the net profit** generated by the parent company (in a given calendar year) allowing for the following distributions **in a total amount of min. PLN 30 mn**

Performance after H1 2023*:

- ✓ PLN 25.4 mn, **i.e. 17.0%**
- ✓ PLN 256.9 mn, **i.e. 25.7%**
- ✓ PLN 66.5 mn, **i.e. 23.7%**
- ✓ PLN 0.83 mn, **i.e. 2.8%**

Undertaking a strategic partnership with the Zeppelin Group

On 3 February, the Company signed an agreement with Zeppelin Systems:

01

The document sets out the framework for the parties' cooperation in developing and offering goods, technologies and services to customers operating in the rubber and waste industry.



02

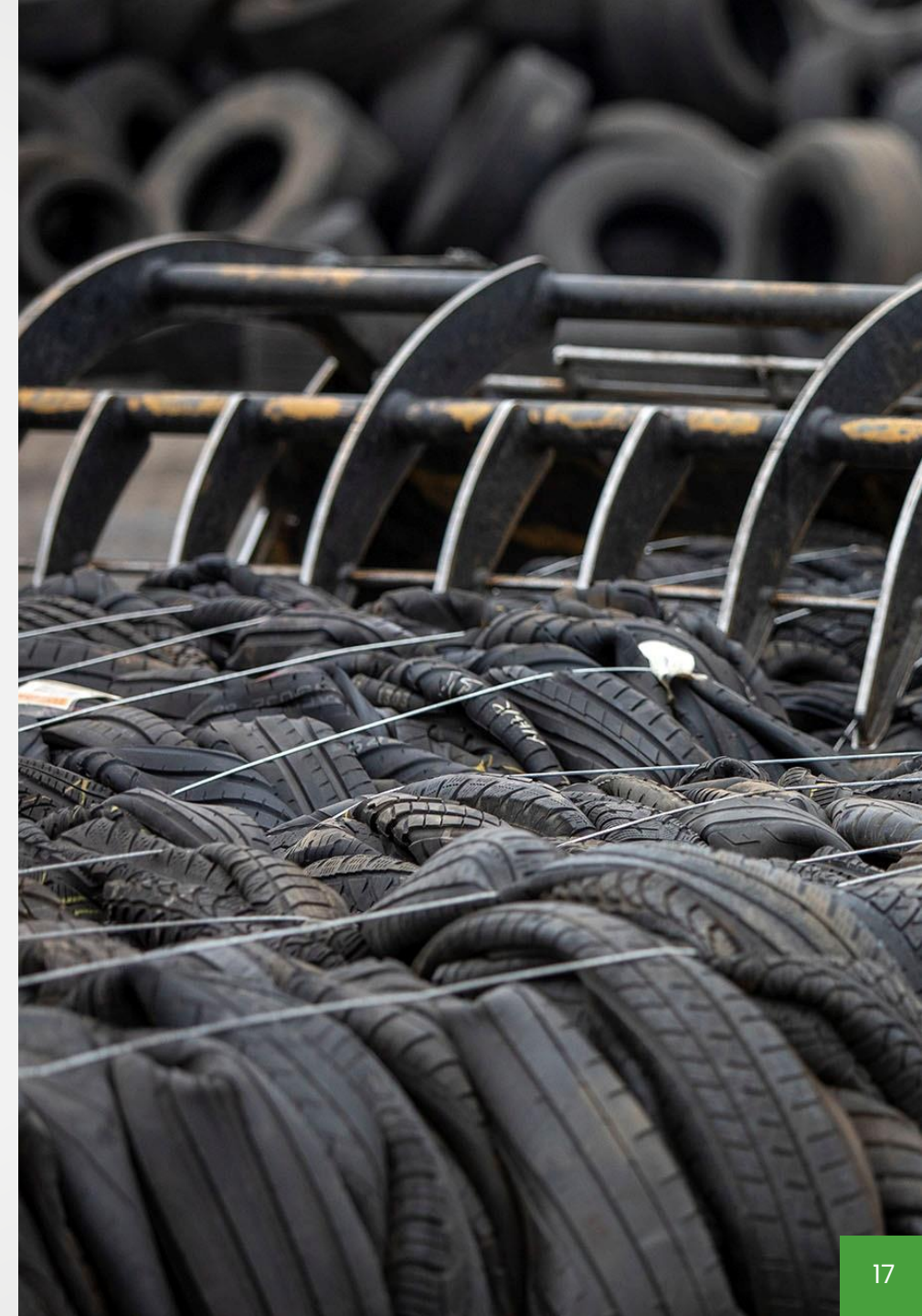
The cooperation was concluded for a min. 1 year, in which Zeppelin Systems was granted exclusive rights to acquire customers outside the Polish market for solutions offered by the Recykl Group worldwide.

Zeppelin - an international industrial group with annual revenue of approx. **EUR 3.7 bn** and employing **11,000** people.



Main fields of interaction:

- Commercialisation of the technology of the Chelm plant (including in the area of SMAPOL additives used in road construction).
- Development and commercialisation of tyre devulcanisation technology, resulting in regenerated and powdered rubber used, among other things, in the production of new tyres.
- Joint further development of tyre sorting and separation technologies (important for improving the parameters of rubber granules, powders and regenerates, i.e. the possibility of expanding their use in the production of new tyres).



New product development and commercialisation – SMA POL

SMA POL is a stabilising and reinforcing additive for mineral and asphalt mixtures used in the construction of road surfaces. It is created from the reprocessing of textile cord recovered from the recycling of used tyres.

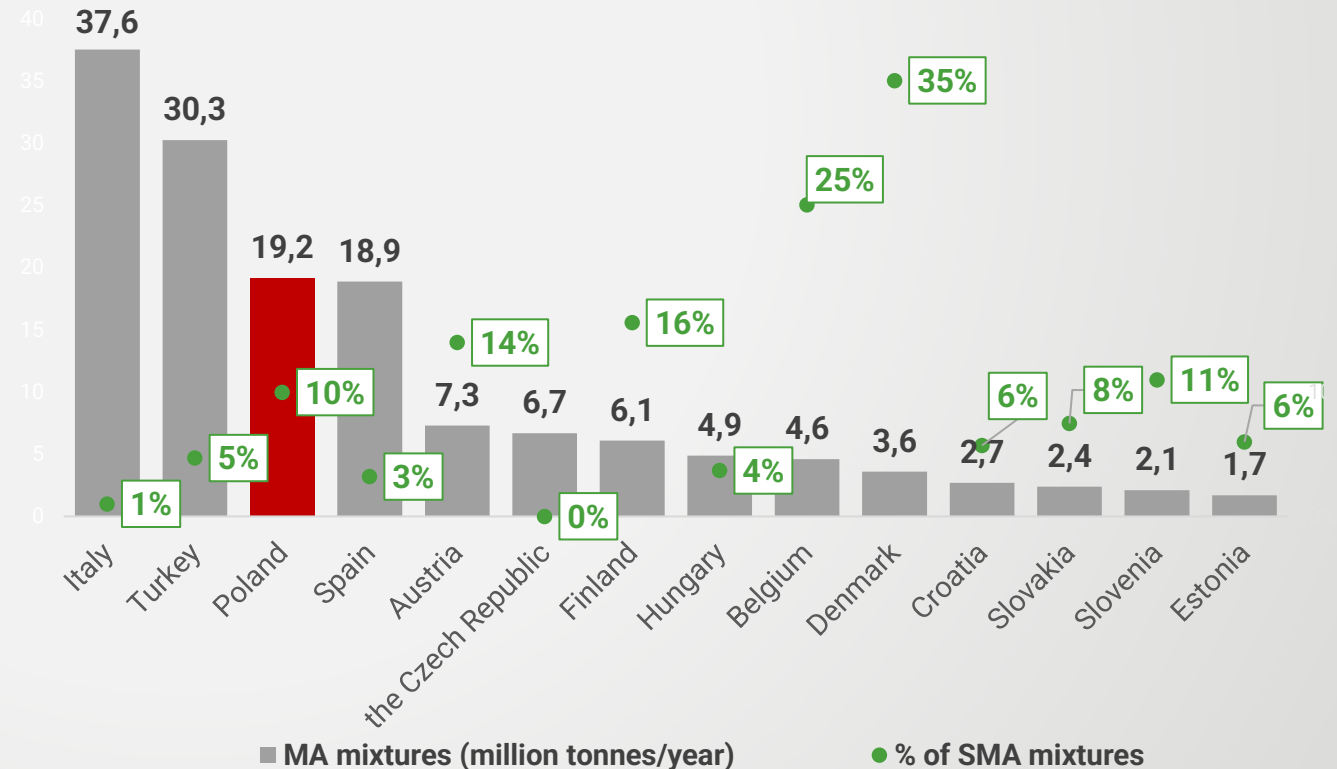
Fibres from tyres are created by mechanically shredding them and separating them from the rubber. In the additive manufacturing process, the multifibre blend is optimised in terms of composition, activated, modified and granulated.

MAIN COMPETITIVE ADVANTAGES:

- **Provides resistance to rutting** under transport loads at elevated operating temperatures for asphalt road pavements,
- **Provides low-temperature cracking resistance** for asphalt road pavements under traffic load conditions.

For more information visit: www.recykl.pl/sprzedaz-towarow/sma/

EUROPEAN MARKET FOR MINERAL AND ASPHALT MIXTURES (INCLUDING SMA)





SMAPOL production line



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Investment rationale



The Group's Strategy for 2021-2030

- Adoption of a long-term business strategy for 2021-2030
- Investment in plants, expansion of collection network, sales development and implementation of new products aiming to increase revenues, profits and margins enabling further investment intentions to be realised
- Increasing the Company's transparency and activating shareholder participation in building the Group's value



Market leader in waste tyre processing

- Market leader in waste tyre management through collection, recovery and recycling, with a processing tonnage of 140,000 tonnes per year
- Limited and fragmented competition - industry consolidation trends (around the Recykl Group)
- Recognised brand in neighbouring markets
- Supplier of alternative fuel to all major cement plants in Poland



The only asset in the industry of this scale and specialisation in Poland

- Company with 3 modern production facilities in Śrem, Krosno Odrzańskie and Chełm
- The country's largest manufacturer of rubber granulates and alternative fuels - technologically advanced production lines
- Own unique tyre collection network (operations also in Germany and Lithuania)
- The only operator with the technology to process oversized tyres



Favourable regulatory environment and growing automotive market

- Statutory provisions ensuring mandatory recovery and recycling
- Growing market for the sale of cars and trucks
- Oversupply of raw material



Stable revenue base

- Increasing demand for tyre remanufacturing products
- Increase in recycling and recovery services
- Verification of sales - e.g. commencement of finished products sales
- New sources - acceptance of tyre collection fees and commercialisation of new innovative products (e.g. SMAPOL)

Thank you for your attention



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