

NEWS

December 8, 2022

WEST TRENTON, NJ – Homasote Company, America’s oldest manufacturer of building products made from recycled cellulose fiber, recently released the Company’s unaudited summary financial operating information for the first nine months of 2022 and comparable figures for the same period in 2021.

Net sales for the three months ended September 30, 2022 were \$5,386,236, compared to \$4,654,080 for 2021, an increase of \$732,156. Net income for the three months ended September 30, 2022 was \$63,561, or \$0.18 per share, compared to net loss of (\$499,155), or (\$1.38) per share, for the year earlier period.

Net sales for the nine months ended September 30, 2022 were \$17,317,706, compared to \$13,440,584 for 2021, an increase of \$3,877,122. Net income for the nine months ended September 30, 2022 was \$1,514,196, or \$4.19 per share, versus net loss of (\$785,876), or (\$2.17) per share, in 2021.

Please note that the pace of orders in the Millboard Division (building products) has slowed somewhat at the beginning of the Fourth Quarter 2022. Industrial Department orders have so far continued at a steady pace.

Unaudited comparative summarized operational information for the periods ended September 30, 2022 and 2021 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net sales	\$ 5,386,236	\$ 4,065,080	\$ 17,317,706	\$ 13,440,584
Operating income (loss)	\$ 127,830	\$ (466,029)	\$ 1,683,313	\$ (674,588)
*Net income (loss)	\$ 63,561	\$ (499,155)	\$ 1,514,196	\$ (785,876)
Net income (loss) per common share	\$ 0.18	\$ (1.38)	\$ 4.19	\$ (2.17)
Weighted average common shares outstanding	361,719	361,419	361,719	361,419

The summarized financial data above for the nine month periods ended September 30, 2022 and 2021 are derived from unaudited financial information. The historical results are not necessarily indicative of the results of operations to be expected in the future. Results for the nine months ended September 30, 2022 may not be indicative of the results for the full fiscal year or for any other future period. Homasote Company information may be obtained on OTCMarkets.com with the locator HMTc.

Forward-Looking Statements

Some statements in this supplement may be “forward-looking statements” for the purposes of the Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements can be identified by words such as “believe,” “expect,” “anticipate,” “plan,” “potential,” “continue” or similar expressions. Such forward-looking statements are based upon current expectations and beliefs and are subject to a number of factors. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements, including but not limited to: events or conditions that affect the building and manufacturing industries in general and the Company in particular, such as general economic conditions, employment levels, the ongoing effects of the current pandemic, interest rates, inflation, costs of energy, weather, strikes, international unrest, terrorist acts and other factors; competitive, regulatory and market conditions, such as changes in choices regarding building materials by architects and builders and packing products by industrial firms; the performance of new products and the continued acceptance of current products in the marketplace; the execution of strategic initiatives and alliances; and other important factors disclosed previously and from time to time in the Company’s Annual Report and accompanying material. Therefore, the reader is cautioned not to rely on these forward-looking statements. The Company disclaims any intent or obligation to update these forward-looking statements.