



TeraPlast[®]

**RESULTS OF TERAPLAST GROUP
Q1/2021**

April 22, 2021

2021

1

Steel Division Sale

Closing date: February 26
Price: 375,5 million lei
Net profit Q1*: 274 million lei



- We submit to the approval of the shareholders the distribution of dividends in the total amount of 226.6 million lei: gross dividend of 0.13 lei/share.
- We submit to the approval of the shareholders the granting of 1 free share to 4 shares held through the share capital increase by 43.6 million lei.

2

Somplast Takeover

On April 13, TeraPlast obtained the favourable notice from the Competition Council for taking over Somplast.

3

Investment Projects

We started the implementation of the investment projects cofinanced through state aid.

4

Delivering Performance

On the first quarter the operating profit doubled, EBITDA had an increase of 61%, and the turnover increased by 28% compared to the first quarter of 2020.



TeraPlast brought the highest yield for investors on the main stock market of Bucharest Stock Exchange in the first quarter: +83%.



TeraPlast was the second most traded share on the Bucharest Stock Exchange this year.

*The price of 373 million lei announced in February represents the initial consideration, and the final consideration based on the audited results is 375.5 million lei. The net profit registered by TeraPlast SA (standalone): 274 million lei, from which dividends will be granted and the share capital increase will be operated.

TeraPlast Group structure



- Leader of the Romanian exterior sewerage (PVC) market
- 2021 investment plan: EUR 20 mln to become the market leader on the water & gas networks and interior sewerage markets
- Processing capacities of 96.000to of polymers – LEADERS IN CENTRAL & EASTERN EUROPE



- Rigid PVC recycler
- In 2021 we reach a production capacity of 28.000 tons (end-product)
- The largest producer of recycled micronized PVC in Europe and among top 5 European rigid PVC recyclers



- We invest EUR 12mln in 2021 in the new factory, equipment and state-of-the-art technology
- Biodegradable sacks and bags producer
- Biodegradable compounds producer



- Stake acquired in December 2020
- Adds to the flexible packaging portfolio by the industrial polyethylene films



- PVC and Aluminum windows & doors producer
- Over 15 years of experience on the market
- 65% of its turnover is exported to Germany, Austria, Czech Rep., Slovakia, Hungary, Slovenia

Product Portofolio



Installation



TeraPlast Industrial Park,
Saratel, BN, Romania

Complete systems for:

- Exterior sewage
- Water & Gas
- Interior sewage
- Electric cable protection
- Rainwater & Wastewater management
- Underfloor heating

Leader on the exterior PVC
sewage market



Residential
Non-residential
Infrastructure



PVC Compounds



TeraPlast Industrial Park,
Saratel, BN, Romania

- Rigid PVC compounds
- Plasticized PVC compounds
- HFFR compounds

Romanian market leader,
34% market share



Manufacturing



Windows & Doors



Bistrița, BN, România

- PVC & Aluminum Windows
- PVC & Aluminum Doors
- Facades & Terraces
- Aluminum accessories

Over 60% annual export



Residential
Non-residential



Rigid PVC Recycling



TeraPlast Industrial Park,
Saratel, BN, Romania

- Regranulated PVC
- Micronized PVC

The largest Romanian
rigid PVC recycler & in
top 10 in Europe



Manufacturing

Product Portofolio



Biodegradable packaging



TeraPlast Industrial Park,
Saratel, BN, Romania

Sacks and bags with a minimum 90% biodegradability degree. "OK Home Compost" certified.

12 milion EUR investment in 2021.



Retail bags
Waste management



Flexible packaging



Năsăud, BN, România

Flexible foils and packaging with applications in agriculture, construction materials, food, home use, FMCG.

Contributes to the flexible packaging portfolio of TeraPlast Folii Biodegradabile.



Industrial packaging
Retail bags
Waste management



Polyethylene systems



Năsăud, BN, România

- PE systems for water and gas networks
- PE tubes for telecommunication cables
- PE fittings

Increases the production capacity of TeraPlast Installation portofolio



Residential
Non-residential
Infrastructure

Availability & prices

- The prices of raw materials increased significantly in Q1/2021 compared to Q1/2020*:

PVC	PE	PP pipes & fittings	PP inspection chambers	Compounds Plasticizer	LDPE
+45%	+27%	+29%	+60%	+37%	+168%

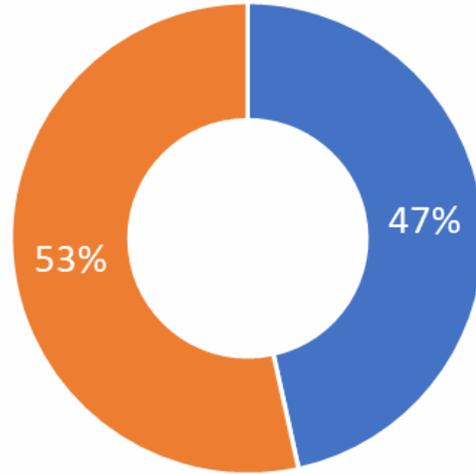
- These evolutions have led to an increase in the prices of TeraPlast Group's end products.
- In addition, there is a reduced availability of raw materials:
 - In February 2021, a number of 38 major forces were declared at various raw material production capacities in Europe.
 - This number represents a 6 time increase in the number of major forces since March 2020.**
 - TeraPlast has not been affected by the raw material crisis so far.



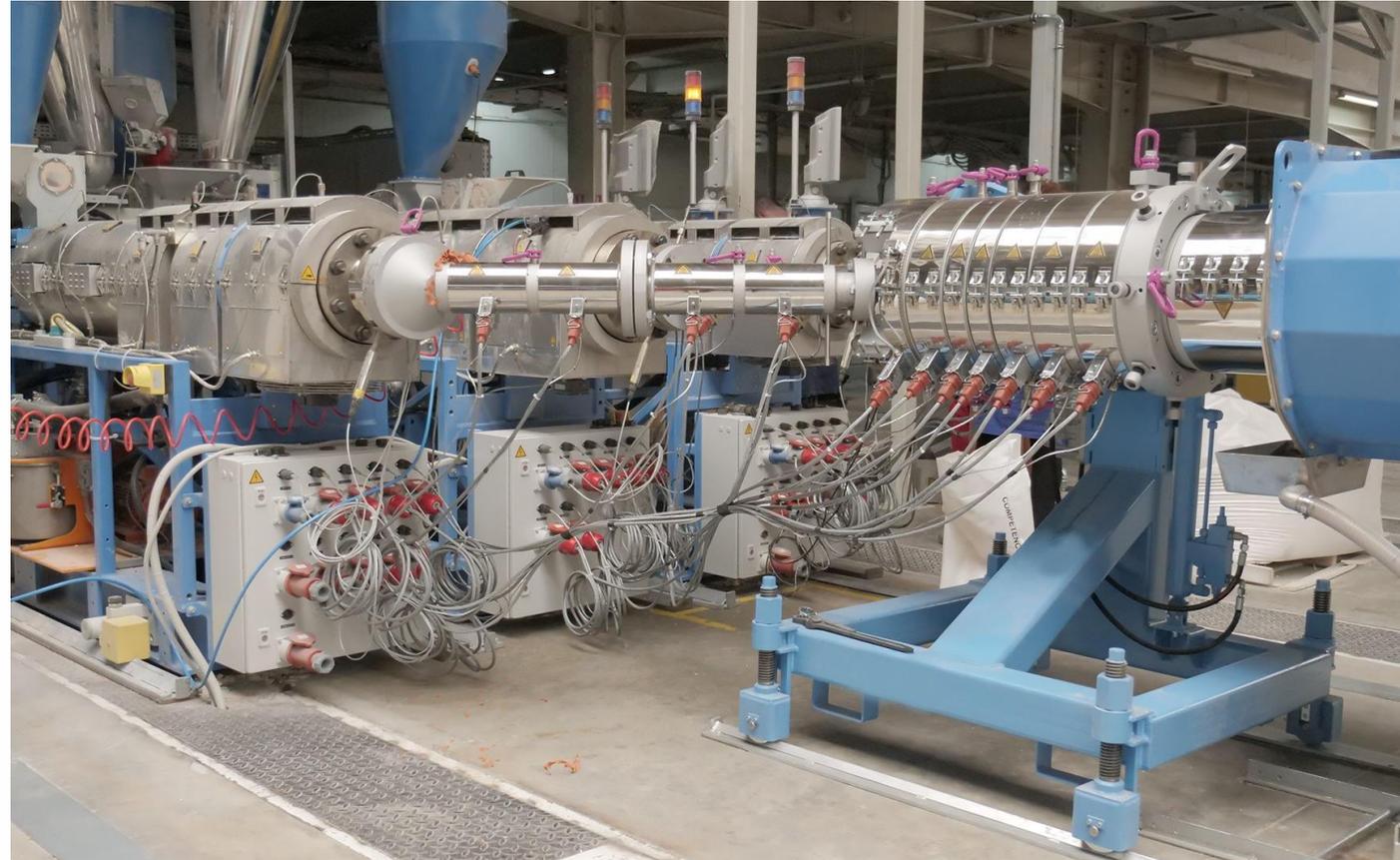
State aid projects status

State aid projects contracting status

■ Signed contracts ■ Unsigned contracts



- We are halfway in contracting equipment and construction for investment projects.
- The equipment started to be put into operation in Q1 and will continue in Q2.
- The majority execution of the equipment will take place in Q3 and Q4.



- The new PVC pipe production line within the TeraPlast state aid project; It was put into operation in January 2021; The equipment is from top manufacturers in Austria, Netherlands and Italy; Productivity by 40% over the other existing lines; High energy efficiency and state-of-the-art automation.

Sustainability

- The TeraPlast Recycling factory will reach an annual processing capacity of 31,000 tons.
- The photovoltaic plant in the Industrial Park from Sărățel provides 11.5% of the total electricity and will be extended to the new constructions we are implementing.
- We are constantly improving our product portfolio; we launch new, environmentally friendly products: biodegradable foils, PE 100-RC pipes, Grinpipe, the use of recycled PVC in the manufacture of multilayer pipes for exterior sewers etc.
- **We are committed to double our annual CO2 savings in 2 years time through the investments in recycling and renewable electricity.**

Saving

22.000 tons
of CO2 annually

Through TeraPlast
Recycling activity

Saving

660 tons
of CO2 annually

By generating 11%
of the electricity
needed through the
photovoltaic plant

We are

75%
digitalized

within our goal of
implementing a
paperless culture



Quarter 1/2021 - consolidated

- The increase in sales is due to both the increase in volumes and the increase in prices. The volume increase is 19% for TeraPlast.
- The EBITDA margin of 16.2% is above the budgeted level of 14%.
- The doubling in operating profit is the result of increased turnover and economies of scale.
- The results highlight the profitability of the fast-growing business model and reconfirm the Group's development strategy in the markets in which it targets the leading position.

Q1 Results/2021

TURNOVER

**107,9
MIL. LEI**

+28%

EBITDA

**17,5
MIL. LEI**

+61%

**EBITDA
MARGIN**

16,2%

Q1 Results/2020

TURNOVER

**85,5
MIL. LEI**

EBITDA

**10,9
MIL. LEI**

**EBITDA
MARGIN**

12,8%

The results for the first quarter take into account the resizing of the TeraPlast Group and are above budgeted figures.

Quarter 1/2021 - segments

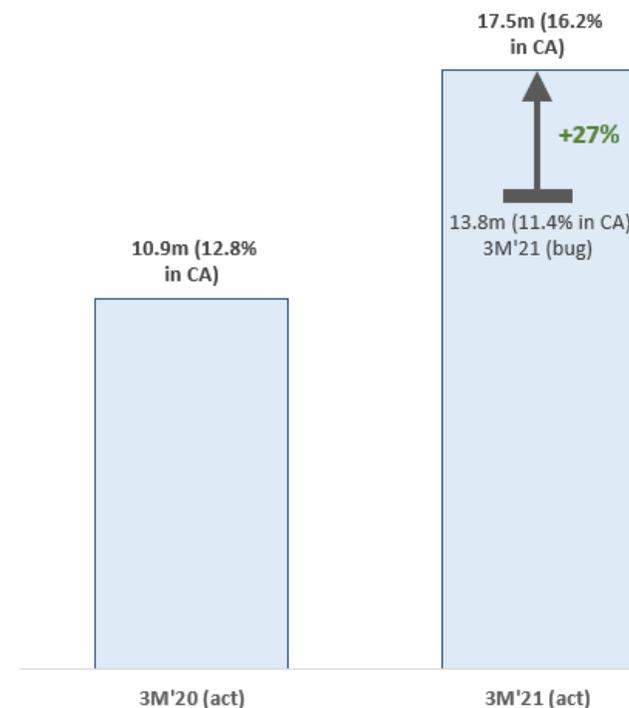
- The Installations and Recycling segment of **TeraPlast** obtained a turnover of 76.45 million lei and an EBITDA of 13.36 million lei, which represents 76% of the consolidated EBITDA of the Group.
- The Compounds segment of **TeraPlast** contributed by 20% to the consolidated turnover and had an increase of 35% compared to the first quarter of the previous year.
- **TeraGlass**, the windows and doors segment, recorded an increase of almost 40% in revenues, to 8.86 million lei, while the EBITDA margin in this segment was 8%, a considerable improvement in results after the first quarter of the previous year recorded losses.
- TeraPlast **Recycling** had an EBITDA of 1.32 million lei in the first quarter, which translates into savings for the Group, by using recycled material for the production of PVC pipes.
- For the entire year 2021, **the budget of the TeraPlast Group** is built on a turnover of 636.2 million lei and an EBITDA of 89.1 million lei. The group is implementing investments of over 160 million lei in doubling the production capacity of the facilities and in the biodegradable flexible packaging factory. The development of investments is in the established schedule.

<i>Amounts in thousand lei</i>	TeraPlast &TeraPlast Recycling		Group Total
	TeraPlast	TeraGlass	Total
Turnover Q1 2021	99.041	8.856	107.898
EBITDA Q1 2021	16.819	711	17.531
EBITDA Q1 2021 (%)	17%	8%	16,2%
Operating profit Q1 2021	12.867	332	13.199
Turnover Q1 2020	78.235	6.307	84.542
EBITDA Q1 2020	11.095	(235)	10.860
EBITDA Q1 2020 (%)	14%	-4%	13%
Operating profit Q1 2020	6.952	(510)	6.442

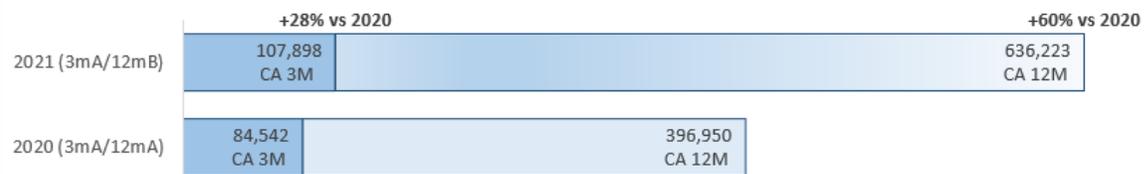
Q1/2021 | Summary P&L | Total Plastic (continuous activities, excl Somplast)

RON '000	Total Plastic			Total Plastic		
	FY'2020	FY'2021B	Var %	3M'20	3M'21	Var %
Net Sales	396,950	636,223	60%	84,542	107,898	28%
Other operating income	2,677	3,317	24%	349	751	115%
Total Operating Income	399,627	639,540	60%	84,891	108,648	28%
Raw materials, consumables & merchandise	(241,424)	(409,440)	70%	(50,991)	(66,857)	31%
Salaries and employee benefits	(49,937)	(66,511)	33%	(11,906)	(13,178)	11%
Amortization, impairments, provisions and FV adju:	(20,278)	(21,808)	8%	(4,456)	(3,889)	-13%
Other operating expenses	(47,739)	(71,147)	49%	(11,096)	(11,525)	4%
Total Operating Costs	(359,377)	(568,905)	58%	(78,449)	(95,449)	22%
EBIT	40,250	70,635	75%	6,442	13,199	105%
EBITDA	56,453	89,126	58%	10,860	17,531	61%
<i>EBITDA %</i>	<i>14.2%</i>	<i>14.0%</i>		<i>12.8%</i>	<i>16.2%</i>	
Financial result, net	(4,013)	(4,768)	19%	(412)	(1,430)	247%
Profit before tax	36,237	65,867	82%	6,030	11,769	95%
Income tax expense	(4,331)	(10,688)	147%	(724)	(112)	-85%
Net Profit	31,905	55,180	73%	5,306	11,657	120%
<i>Net Profit %</i>	<i>8.0%</i>	<i>8.7%</i>		<i>6.3%</i>	<i>10.8%</i>	

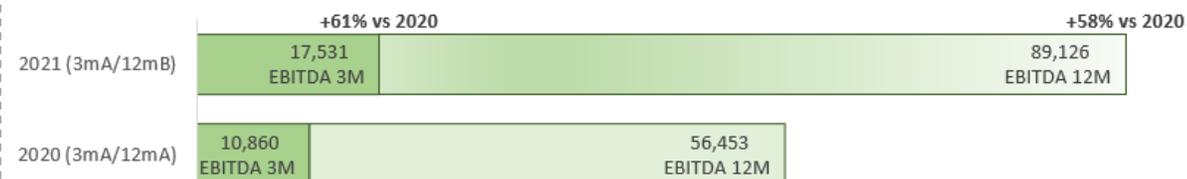
EBITDA Grup Plastic 3M'21 vs 3M'20 vs 3M'21Buget (in mil RON)



Net Sales 2021 vs 2021 (mii RON)



EBITDA 2021 vs 2021 (mii RON)

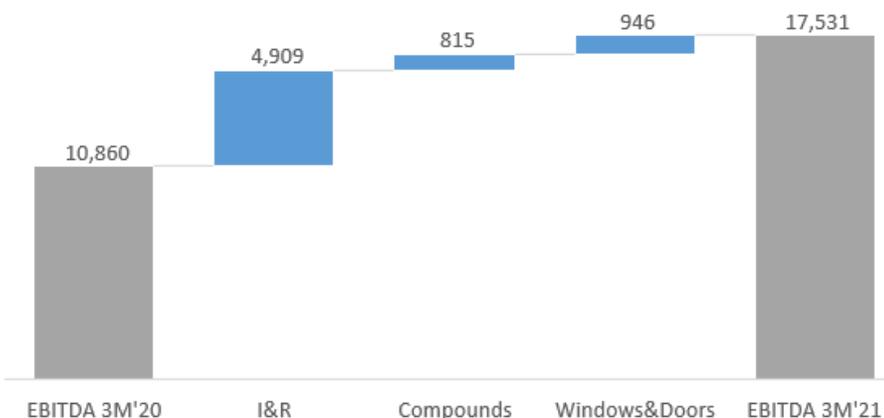


All amounts in thousand RON, unless otherwise stated

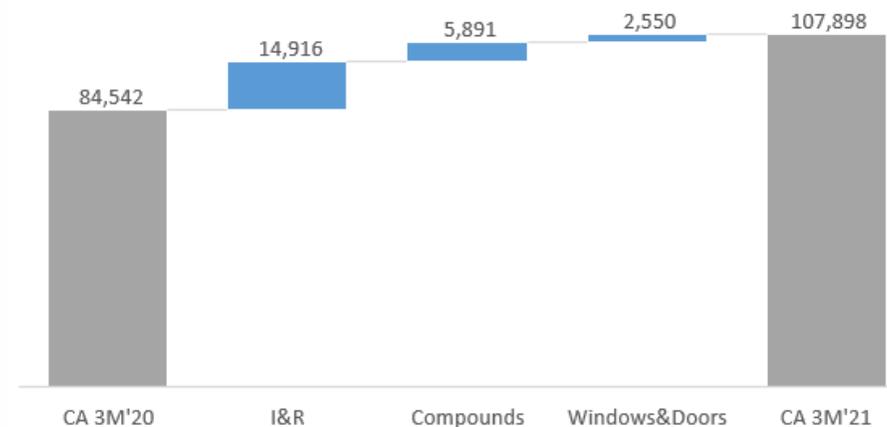
Q1/2021 | Summary P&L on Segments

RON '000	Total Plastic			Installations and recycling			Compounds			Windows&Doors		
	3M'20	3M'21	Var %	3M'20	3M'21	Var %	3M'20	3M'21	Var %	3M'20	3M'21	Var %
Net Sales	84,542	107,898	28%	61,534	76,450	24%	16,701	22,591	35%	6,307	8,856	40%
Other operating income	349	751	115%	116	544	369%	42	-	-100%	192	207	8%
Total Operating Income	84,891	108,648	28%	61,650	76,994	25%	16,742	22,591	35%	6,498	9,063	39%
Raw materials, consumables & merchandise	(50,991)	(66,857)	31%	(35,965)	(45,510)	27%	(11,532)	(16,361)	42%	(3,493)	(4,986)	43%
Salaries and employee benefits	(11,906)	(13,178)	11%	(8,696)	(9,624)	11%	(1,336)	(1,538)	15%	(1,874)	(2,016)	8%
Amortization, impairments, provisions and FV adjus	(4,456)	(3,889)	-13%	(3,682)	(3,040)	-17%	(441)	(475)	8%	(333)	(375)	13%
Other operating expenses	(11,096)	(11,525)	4%	(8,554)	(8,934)	4%	(1,234)	(1,237)	0%	(1,308)	(1,354)	4%
Total Operating Costs	(78,449)	(95,449)	22%	(56,898)	(67,108)	18%	(14,543)	(19,611)	35%	(7,008)	(8,731)	25%
EBIT	6,442	13,199	105%	4,752	9,886	108%	2,200	2,981	36%	(510)	332	165%
EBITDA	10,860	17,531	61%	8,455	13,364	58%	2,640	3,455	31%	(235)	711	403%
<i>EBITDA %</i>	<i>12.8%</i>	<i>16.2%</i>		<i>13.7%</i>	<i>17.5%</i>		<i>15.8%</i>	<i>15.3%</i>		<i>-3.7%</i>	<i>8.0%</i>	
Financial result, net	(412)	(1,430)	247%									
Profit before tax	6,030	11,769	95%	<i>n/av at segment level</i>	<i>n/av at segment level</i>		<i>n/av at segment level</i>	<i>n/av at segment level</i>		<i>n/av at segment level</i>	<i>n/av at segment level</i>	
Income tax expense	(724)	(112)	-85%									
Net Profit	5,306	11,657	120%	<i>n/av at segment level</i>	<i>n/av at segment level</i>		<i>n/av at segment level</i>	<i>n/av at segment level</i>		<i>n/av at segment level</i>	<i>n/av at segment level</i>	
<i>Net Profit %</i>	<i>6.3%</i>	<i>10.8%</i>										

EBITDA | Bridge 3M'20 - 3M'21 (in th RON)



Net Sales | Bridge 3M'20 - 3M'21 (in th RON)



Dividends and share capital increase

- The transaction for the sale of the shares held by TeraPlast SA in TeraSteel Romania and Serbia and Wetterbest to Kingspan Group was completed on February 26, 2021, when TeraPlast received the initial consideration of 373 million lei.
- The final consideration of the transaction was 375,483,190 lei. This price was established based on the financial statements of the subsidiaries sold as of February 28, 2021.
 - The gain of 189,626,383 lei, from the consolidated financial statements, represents the difference between the transaction price and net assets of the companies sold.
- In the individual financial statements, the profit from the sale of the Steel division is 274,148,926 lei, calculated as the difference between price and the cost of TeraPlast SA with the investments in these subsidiaries, of 101,334,264 lei.
- The Board of Directors has proposed, for the GMS to be convened for June 25, 2021:
 - the distribution of dividends worth 226,615,937 lei in total;
 - the share capital increase with the amount of 43,579,988 lei by distributing one free share for every 4 shares held.
- Dividends are granted from the profit of TeraPlast SA according to the standalone financial statements.

The standalone financial statements of TeraPlast SA as of March 30, 2021, together with the related audit report, will be published on the TeraPlast website before the GMS.



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