

Answers to questions received from the investor community

After receiving a set of questions from one of the investor communities, TeraPlast Group's management comes back with the following answers:

1. **We want to know if the new contract with the energy supplier has been signed?**

The electricity supply contract expires on 31.12.2022. We are currently negotiating with several electricity suppliers to enter a new supply contract that will provide us with cost predictability. Unfortunately, the environment is not predictable.

This uncertainty adds an additional layer of complexity to the negotiations we have. In parallel, we are significantly expanding our own photovoltaic plant, which will reduce the external need for electricity.

2. **What are the company's intentions after terminating the real estate project. Will the owned land be sold?**

The decision to terminate this project was made at a fairly advanced point, after obtaining several permits. Therefore, not only the land is an asset of interest, but the entire development plan, the related zonal urban plan. The location, the land of the former TeraPlast factory, has great potential, it is attractive due to its positioning in the city of Bistrița. There are several real estate developers interested in this project and we are in active discussions with them for a possible takeover.

3. **The Minister of the Environment declared that over 88,000 households will be connected to the water and sewage systems through the First Connection program with an investment of 168 million euros, which is actually a program from the PNRR. Is Teraplast benefiting from these investments, and if so, to what extent do you think it will impact the company's numbers in the coming years?**

PNRR (National Recovery and Resilience Plan) represents a major development opportunity, and we are well positioned to meet the demand. TeraPlast has a complete product portfolio that enable the development of water and sewer infrastructure to connect households: water meter manholes with or without accessories, revision or inspection manholes and, of course, the related piping.

To get a better idea, the share of the materials in a branching work can rise to 15%-20%. Therefore, of the budget of 168 million euros, 34 million would represent the materials produced by TeraPlast and other players, and the distribution is variable, depending on the market shares and dynamism of each company.

4. **What do you intend to do in particular to make the most of any funds allocated for the reconstruction of Ukraine after the war?**

Our development strategy has a solid regional component, and we are looking for opportunities beyond Romania's borders. Before the war we had no exposure to Ukraine, therefore we did not feel a direct impact after the outbreak of the conflict.

Rebuilding a country after the destruction of war is a major challenge and we want to contribute to the rebuilding of this country, to be part of the solution. Beyond the quality of our products, their competitiveness, we also rely on a good geographical positioning, which can also bring us an additional advantage.

Our factory is only 150 km away from the Ukrainian border. The distance from the site in Sărăteț to Kyiv is relatively similar to that to Constanta. Ukraine is in our focus from the perspective of the Group's medium-term development, and we are looking at how we can get involved.