



since 1896




**TeraPlast®**

**Company presentation**

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- > Business model
- > Sustainable development
- > Recent evolution
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# TeraPlast Group's structure



We have diversified our business portfolio in the past years by using our extensive expertise in polymer processing for investment projects and our next objective is to expand abroad.

**929**

Employees at Group level as of June 30, 2023



Installation Compounds

Systems for interior sewage  
Systems for exterior sewage  
Systems for transport and distribution of water and natural gas  
Rainwater management systems  
Cable protection systems  
Underfloor heating

Plasticized and rigid PVC compounds  
HFFR compounds



Rigid PVC recycling



76



Micronized recycled PVC  
Recgranulated recycled PVC



Flexible packaging



124



Biodegradable and compostable packaging  
Polyethylene packaging



PVC & Aluminum windows & doors



174



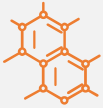
PVC windows and doors  
Aluminum windows & doors  
Garage doors  
Curtain walls





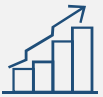
**125+**

Years of tradition



**45**

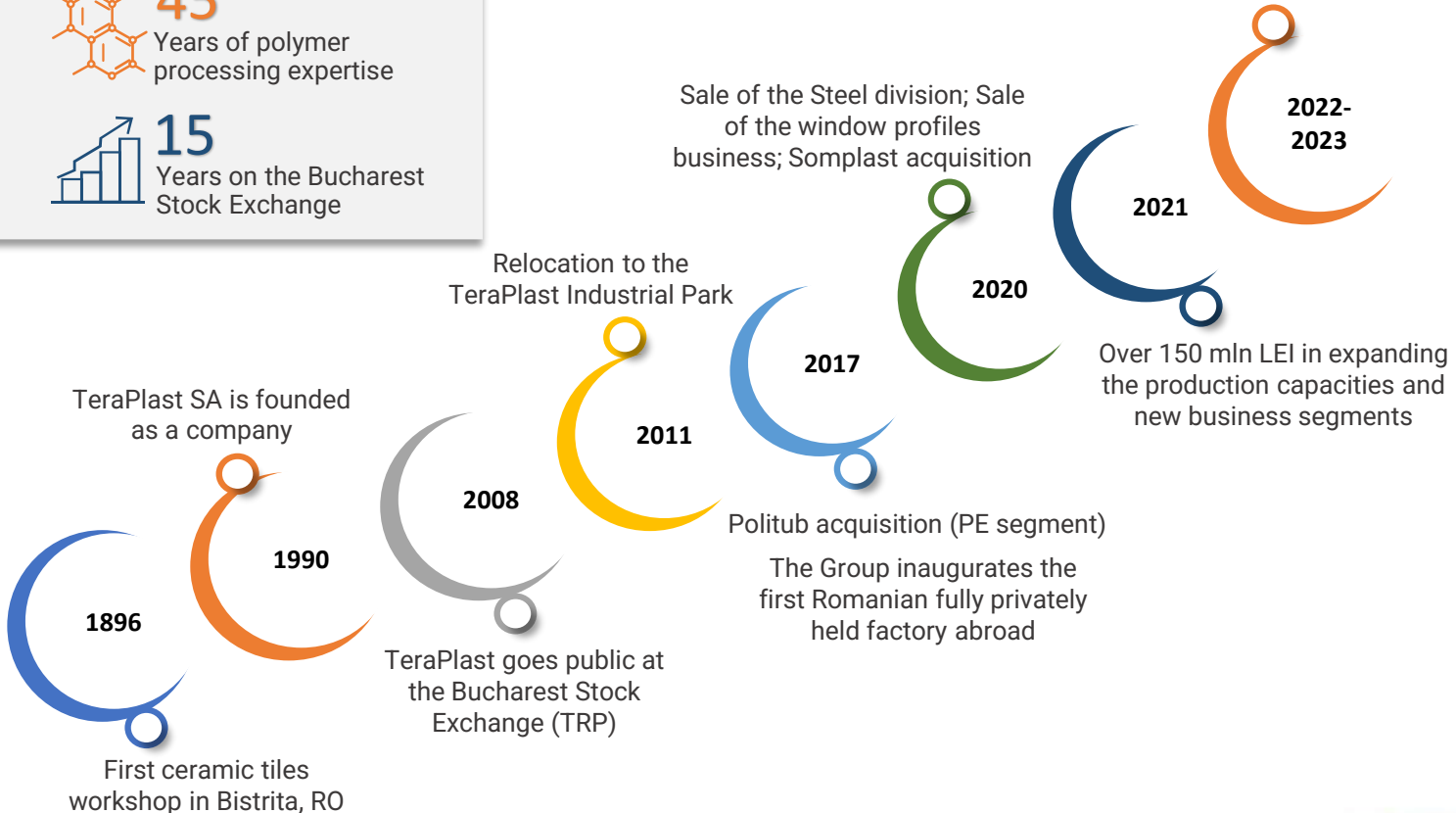
Years of polymer processing expertise



**15**

Years on the Bucharest Stock Exchange

Investment worth over 80 mln LEI in a new stretch film factory & over 20 mln LEI in a photovoltaic plant



TeraPlast Group is **one of the largest Romanian entrepreneurial groups with 125 years of tradition** and a proven track record of innovation and development in the polymer processing field.

Our mission is to develop **efficient solutions for people and the environment** through innovation and adaptability.

Our vision is to **be leaders on the markets we activate on** by offering high-quality, internationally-certified Romanian products and through developing long term, strong partnerships.

Our values are **Tradition, Responsibility and Performance.**



We have 125 years of tradition among which we innovated & reinvented ourselves, successfully adapting to the market context and overcoming any obstacle. We built a powerful brand and an efficient business model, we developed a united team and built strong partnerships.



We promote a sustainable business; we take medium- and long-term responsibility of our actions. Both inside and outside our organization we show a responsible behavior to the economic, and social areas and we permanently seek solutions to protect the environment.



Our ambition is to reach performance at every level. We study the market, anticipate, set high objectives and we are competitive. We use state of the art equipment and advanced technology and permanently invest in development and motivation programs.



## Clear, strong objectives

- › Double-digit annual growth both organically and through M&A
- › Continuous investments for the integration of innovations and sustainable solutions in our businesses
- › Orientation towards international development
- › Discipline in capital allocation and investments
- › Performance above the market average with the objective of being leaders in all the segments we operate



## Resilient business model

- › Strict monitoring of internal and external credit risk; reduced dependence through customer
- › Effective procurement policy and diversified supplier base
- › Cost-effective production processes
- › Diversified product portfolio
- › Niche strategies and cost leadership

In the coming years we will reap the fruits of recent investments.



## Focus on the future

- › Huge potential for national and regional infrastructure (budgets of over 8 billion euros)
- › The production capacities can serve the demand of the coming years
- › We are expanding and diversifying through constant investment
- › The diversified portfolio and synergies at the level of raw materials reduce the impact of crises on the Group's performance over time



## Solid financial profile

### 2023 Group forecasted results

848 mln LEI net sales (+19% vs 2022)

75 mln LEI EBITDA (+22% vs 2022)

9% EBITDA margin

## EU regional player, national leader

One of the market leaders in CEE

Leader on the PVC exterior sewerage market

The **largest producer** of recycled micronized PVC in Europe.

**Top 5 in Europe** as a rigid PVC recycler

## Professional management

Seasoned result-oriented management team with track record in expanding the business

Remuneration policy aimed at motivating and rewarding the performance.

## Top performer on the Stock Exchange

Listed on Bucharest Stock Exchange since 2008

Market capitalisation around **1 bln LEI**

**Regional presence** - included in the following indices: BSE BET, FTSE Russell Small Cap & Global All Cap, CECE MidCap & ROTX at Vienna Stock Exchange, MSCI Frontier IMI (Investable Market Index)

## Platform to further expand regionally

Scalable platform allowing further market share increase and regional expansion:

- **Organically** - further organic growth potential leveraging on:
  - existing production capacities (e.g. 2021 investments expanded production capacities for interior sewerage, PEXa systems and water & gas systems)
  - storage capacity (e.g. fittings warehouse capacity includes aprox 7.000 pallets, serviced by 9 forklifts)
  - installed electrical power 110 kV (direct connection);
- **M&A / Greenfield**

**The largest polymer processor in South-Eastern Europe**

# TRP stock on the capital market

TeraPlast is listed on the Bucharest Stock Exchange since July 2008. Our share (TRP) is included in the reference index of BSE and benefits from international exposure by also being included in the CECE MID and ROTX EUR indices of Vienna Stock Exchange, Small Cap & All Cap of FTSE Russell and Frontier IMI (Investable Market Index) of MSCI.

Starting 2020, BRK Financial Group is TRP's market maker.



At the Bucharest Stock Exchange:

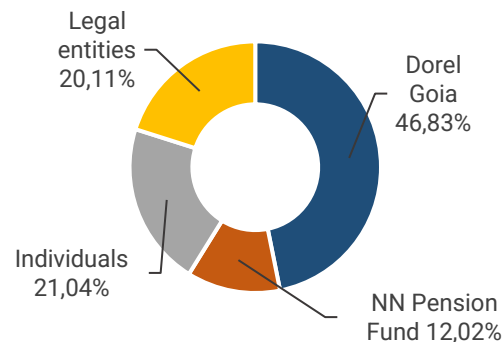
**192 mln**  
Shares traded  
in the last 12 months.

**103 mln**  
LEI,  
Total traded value in  
the last 12 months.

**41 thousand**  
Transactions in the  
last 12 months.

**14 thousand**  
Shareholders of TRP.

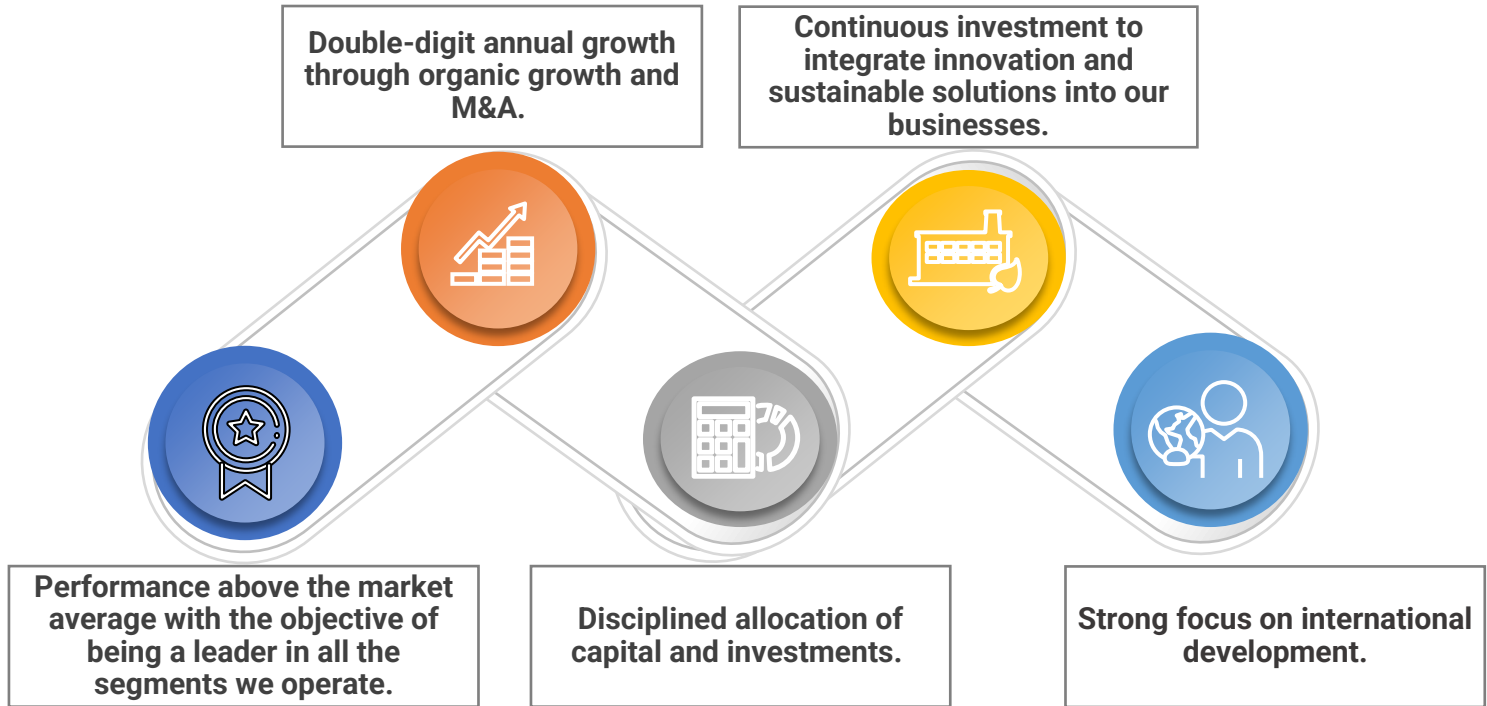
## Shareholding structure



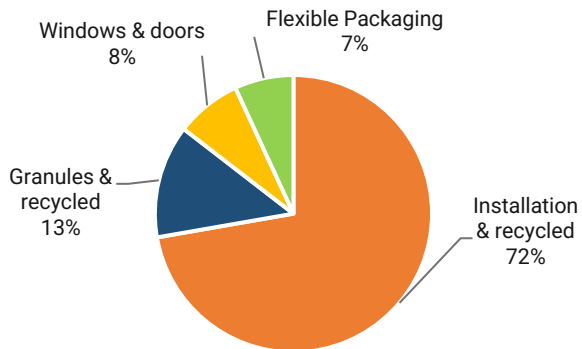
	2020	2021*
Dividends (mil. LEI)	>45	>32
Gross dividend/ share (LEI)	0,026	0,015

BVB:TRP Bloomberg: TRP RO	2021	2022	2023B
Turnover (mln. LEI)	615	711	848
EBITDA (mln. LEI)	74,6	52,7	75

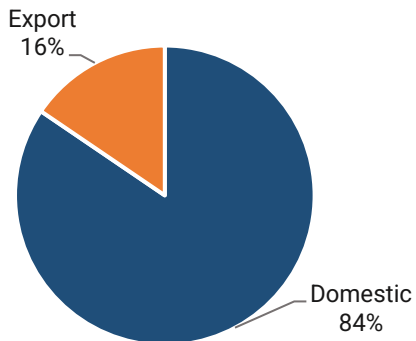




## Weight of business lines in the consolidated turnover – half-year 2023



## Exports – half-year 2023



## Export map – 20 countries



- Markets' size and potential amplifies the Group's perspectives over time.
- EU funds available to accelerate public investment
- EU legislation favors the use of responsible products and materials.

- The connection rates to utilities infrastructure in Romania show outstanding perspectives for the Installation business of TeraPlast.
- EBRD estimates **EUR 20 bln capex for compliance** with the EU Water Directive.

## The size of the markets we activate on

### FLEXIBLE PACKAGING

**250 mln EUR**

is worth the flexible packaging market in Romania

### INSTALLATION

**400 mln EUR**

above ground & below ground market in Romania

### GRANULES

**80 mln EUR**

Granules market in Romania

### WINDOWS & DOORS

**1,1 bln EUR**

window, doors and facades market in Romania

**59,2%**



Of the resident population in Romania is connected to the sewerage network in 2021\*

**35%**



Of the resident population in Romania is connected to the national natural gas network\*\*

**58,1%**



Of the resident population in Romania is connected to a sewerage network that has a treatment station in 2021\*

**74,1%**



Of the resident population in Romania is connected to the public water supply system in 2021\* (Bulgaria over 95%)

**PNRR funds  
1,88 bln EUR**

**Anghel Saligny  
funds  
6 bln EUR**

**POIM funds  
3 bln EUR**

\*Latest INS reports available

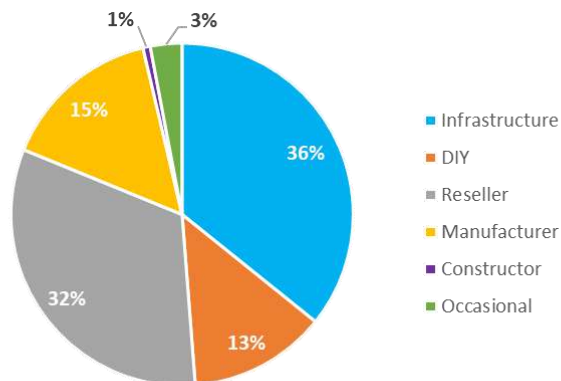
\*\*Public data communicated by the authorities in 2020

# Key points of our business model

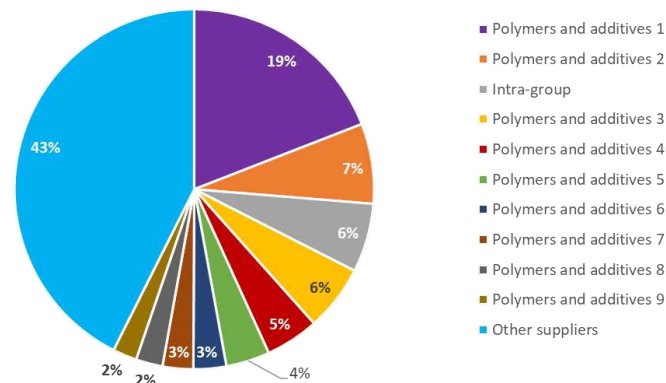
The Group has good reputation among its clients and suppliers being recognized as a trustworthy, strategic business partner.

- Tight credit risk monitoring internal & external (insurance)
  - Effective purchasing policy: broad supplier base
  - Low dependence through client
  - Cost-effective production processes
  - Good cash management
  - Experienced management team
  - Diversified portfolio of products & market segments
  - Good margins thanks to Group size and innovation
- Customized strategies for each company and market segment
  - Flexibility and strategic management, niche strategies and costs leadership
  - Not exposed to the public sector but linked to some extent
  - Annual maintenance CapEx around EUR 1 million

**Clients' structure – 2022**



**Suppliers' structure – 2022**





## 3 production locations with 12 factories, all located in Bistrița Năsăud county

- PVC pipes factory, Sărățel (TeraPlast)
- Polypropylene factory, Sărățel (TeraPlast)
- Polyethylene factory, Sărățel (TeraPlast)
- 2nd Polyethylene factory, Sărățel (TeraPlast)
- Rigid PVC recycling factory, Sărățel (TeraPlast Recycling)
- PVC windows and doors factory, Bistrita (TeraGlass)
- Polyethylene packaging factory, Năsăud (TeraBio Pack)
- Biodegradable packaging factory, Sărățel (TeraBio Pack)
- Stretch film factory, Sărățel (TeraPlast Recycling)
- PVC Granules factory, Sărățel (TeraPlast)
- Fittings factory, Sărățel (TeraPlast)
- Rotomoulded products factory, Sărățel (TeraPlast)
- Microtubes and PE-XA pipes factory, Sărățel (TeraPlast)



**Teraplast Industrial Park, Sărățel**



## Increased efficiency through 7 own distribution centers

Oradea, Deva, Piatra Neamț, Brașov, București, Galați, Berettyóújfalu (HU)

42.441 sqm total operational rented surface



## Ample space for production and storage capacity

**346.000 sqm total production surface of the Group**

- Construction: 103.600 sqm (production and storage halls)
- Outdoors storage: 114.600 sqm



- We commissioned the investments in expanding the production capacities and diversifying our business segments.
- **Regional development**
  - We have opened the subsidiary in Hungary which is operational since January 2023
  - Streamlined the organizational structures to better serve the market and adapt to the upcoming evolution of our businesses on foreign markets
- **Photovoltaic plant**
  - The current plant provides for approx. 5% of the necessary electricity
  - Project worth over 20 million LEI in total for a new plant
- **Stretch film factory**
  - Project worth over 80 million LEI in total
  - We estimate the start of production in H2/2023
- **M&A**
  - There is currently a drop in prices in the market, but negotiations take longer in this uncertain environment than they usually would

**400 mln. LEI**

**Total value of the investments made in the last 5 years.**





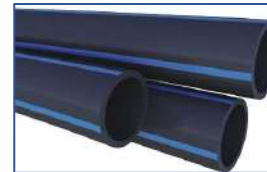
The 21<sup>st</sup> century is the century of water. The main challenges we see in this context are:

- Responsible exploitation of freshwater resources;
- Rational rainwater management in terms of its separate collection and treatment from the wastewater;
- Efficient wastewater transport to prevent soil pollution.

**At the core of our mission is the development of efficient solutions for people and the environment.**

This mission translates into specific products that meet the highest standards, dedicated to a healthy and sustainable development of freshwater and wastewater infrastructure.

Moreover, we have developed and patented products that integrate recycled material and maintain the same level of high-quality requested by international standards to further increase their sustainability features.



**Polyethylene  
freshwater pipes**



**PVC wastewater  
pipes**



**PVC drilling pipes**



**Wastewater pipes  
made of 100%  
recycled PVC**

We have specific projects that address the sustainable development:



## Photovoltaic plant:

We already have a photovoltaic plant made with E.ON (1.9 million LEI)

We are building a new photovoltaic plant designed for a power of 4.56 MWp

We will reduce emissions, in total, by approximately 4,500 tons of CO<sub>2</sub> eq./year



## Biodegradable packaging

The technology in TeraBio's factory has a carbon footprint over 95% lower than conventional technology.

The products are OK Compost certified by TUV Austria.



## Integration of recycled material

We have products that integrate recycled material as well as made of 100% recycled (Grin Pipe, polyethylene films).

We have an international patent to produce recycled PVC pipes.



## The largest recycler

Through TeraPlast Recycling we are the largest producer of micronized recycled PVC in Europe.

According to studies, for every 1 ton of recycled PVC, 2 tons of CO<sub>2</sub> are saved.



## Active involvement in education

Active dual-education program in collaboration with a local high-school: >30 students graduated in summer 2023.

Collaboration with local Universities.



## Digitization and governance

We are digitizing our processes to reduce our environmental impact and become more efficient.

The whistleblower is publicly available to anyone who wants to report irregularities.

- Our business model aims at the optimal integration of the entire value chain, compliance with business ethics, the development of a sustainable social and economic environment as well as reducing the potential negative impact we can have on what surrounds us.
- We are part of relevant international organizations to keep abreast of market trends, innovations and sustainable initiatives (e.g. TEPPFA, Recovinyl, UN Global Compact, European Bioplastics).
- We report our progress annually in accordance with GRI and SASB standards; starting 2022 we report on EU Taxonomy as well.

## Economic

	Unit	2021	2022	2021 vs 2022
Net revenue	mln. RON	615,1	711,1	15,60%
EBIT (profit before tax)	mln. RON	50,9	16,6	-67,40%
Net profit	mln. RON	42,3	15,4	-63,30%
Liabilities	mln. RON	288,2	352,1	22,20%
Equity	mln. RON	591,5	309,5	-47,70%
Market cap (average price at 30.12.2021, and 31.12.2022)	mln. RON	2.144,10	1.204,90	-43,80%

## Environment

	U.M.	2021	2022	2021 vs 2022
Total consumption of electricity	MWh	35.281	35.853	1,60%
The amount of electricity produced by the photovoltaic panels	MWh	1.732	1.870	8,00%
Total amount of recycled waste*	thousand tons	1,116	1,207	8,10%
Total CO2 emissions (Scope 1)**	tCO <sub>2</sub> eq	3.708	2.887	-22,10%
Total CO2 emissions (Scope 2, market based)**	tCO <sub>2</sub> eq	2.241	984	-56,10%
Total CO2 emissions (Scope 3, market based)	tCO <sub>2</sub> eq	n/a	n/a	TBA in 2023
Total energy consumption	GJ	181.389	175.264	-3,40%
Percentage of energy provided by the photovoltaic plant from the total consumption	%	4,90%	5,20%	+ 0,3pp

## Social

	U.M.	2021	2022	2021 vs 2022
Employees (average number)	people	905	1.009	11,50%
Total training hours	hours	4.517	31.563,50	598,80%
Total investment in the community	mln. RON	1,7	1,76	3,50%

Sustainability report published annually at Group level, in accordance with **GRI and SASB**.



Available on our website at <https://investors.teraplast.ro/report-and-information/annual-reports/>



**Signatory  
since 2021**

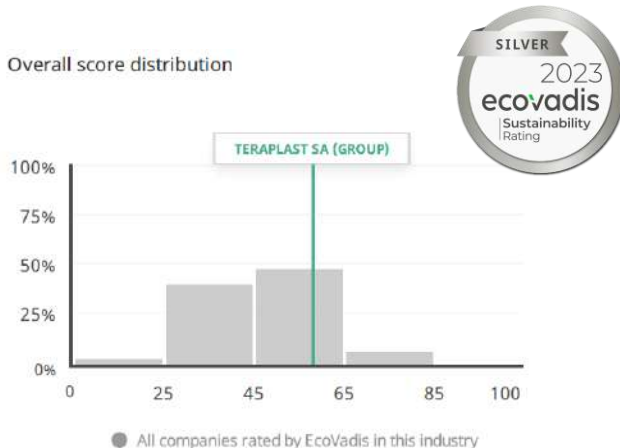
- › The total emissions of greenhouse gases (GHG) are obtained at Group level by calculating the emissions resulting from the consumption of electricity, natural gas and fuels, in accordance with GHG Protocol.
- › Emissions in 2022 down 35% compared to 2021, supported by the existing PV plant and obtaining guarantees of origin for 2021 and 2022 from the electricity supplier. We will build a new photovoltaic plant to increase the share of renewable energy used, as well as the degree of energy independence of our group.
- › We participate in ESG rating initiatives → TeraPlast rating by Sustainalytics available on BSE Research Hub, EcoVadis Silver recognition, CDP under evaluation.

TeraPlast Group  
carbon footprint  
in 2022



**3,871**  
Tons CO2 eq.  
Scope 1 & 2  
Scope 3 underway.

Overall score distribution



SUSTAINALYTICS  
ESG Scores

TeraPlast

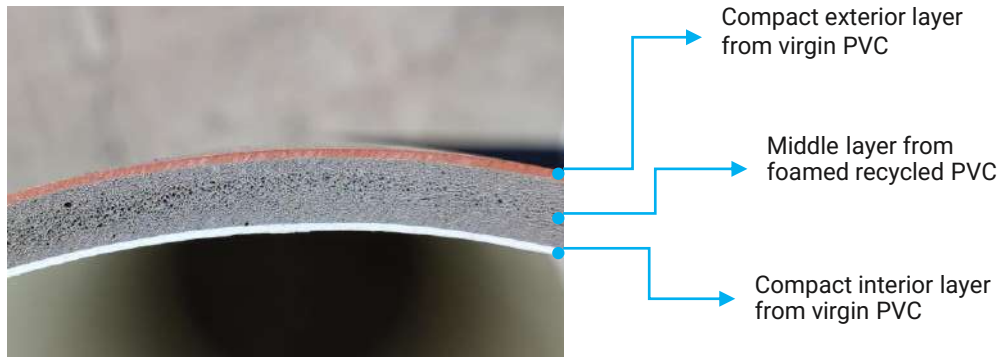


Report Date: 12/15/2022  
Report Type: Core Framework

Source: <https://bvbresearch.ro/ReportDashboard/ESGScores>

For this product, TeraPlast holds a number of intellectual property documents (patents, utility models) that protect the technical solutions used to produce the low-density (expanded) middle layer, using both 100% virgin materials (PVC K57 - 68) and and recycled materials.

The use of recycled material improves production costs and, implicitly, investment costs in sewage systems.



Additional information on TeraPlast's patents:

- [https://patentscope.wipo.int/search/en/detail.jsf?docId=W02019035728&\\_cid=P11-KFYZYC-18068-1](https://patentscope.wipo.int/search/en/detail.jsf?docId=W02019035728&_cid=P11-KFYZYC-18068-1)
- [https://patentscope.wipo.int/search/en/detail.jsf?docId=EP297165389&\\_cid=P11-KFYZYC-18068-1](https://patentscope.wipo.int/search/en/detail.jsf?docId=EP297165389&_cid=P11-KFYZYC-18068-1)


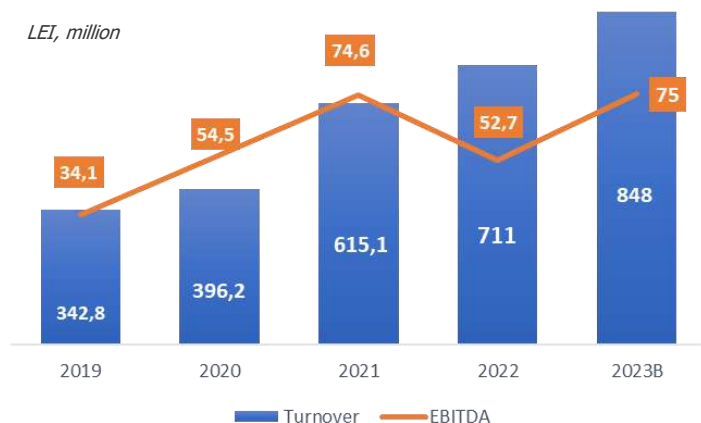
- > We have industry-specialized colleagues that carry out the **internalized R&D activity**.
- > We also have an **internal testing laboratory**, accredited by RENAR – the national Accreditation Body.
- > Through the R&D activity, TeraPlast marked a series of **premieres in terms of uniqueness and innovation**:
  - First producer of certified polyethylene piping in Romania and the first producer of multilayered PVC pipes for exterior sewerage
  - First Romanian producer of sandwich panels manufactured on a continuous line by a Romanian company (TeraSteel)
  - The only producer in Romania with a patent to produce multilayered PVC pipes for exterior sewerage (with recycled PVC core)
  - The only European producer of multilayered pipes made of 100% recycled material.





# Our evolution in the past 4 years

- Strong growth generated by investments co-financed through the state aid scheme for expanding the production capacities.
- Diversified product portfolio and raw material synergies reduce the impact of crises on Group-wide performance.
- Development oriented towards emerging sectors: products incorporating recycled material or made entirely from recycled material, biodegradable packaging, energy efficiency through the photovoltaic plant.
- Delivering added-value for our shareholders is the main pillar of our strategy; we sell mature businesses (eg the steel products division) and lay the foundations for growth in new markets.
- We have overcome capacity limitations starting 2020-2021, which puts us in an ideal position to capitalize on future market growth once the current climate improves.
- We have expertise and track record in creating, growing and consolidating businesses, in most segments occupying one of the first positions in the market.



We have prepared for the future through massive investments of 211 million lei in capacity expansions, new factories and new business lines and we continue by investing 102 million lei in 2023.

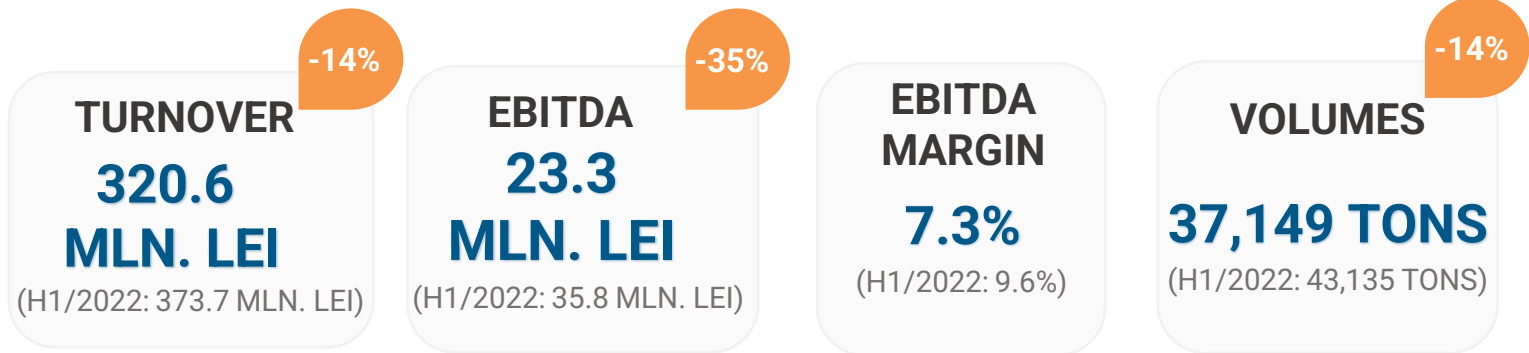
- The evolution of the engineering works of the constructions sector (+30,8% Jan-May 2023 vs Jan-May 2022 according to INS) is still mostly determined by road infrastructure works and less by the entry into execution phase of public works that accelerated based on seasonality but insufficiently.
- The Large Infrastructure Operational Program (POIM) will reach its end this year, and an acceleration of absorption is required. The dynamics of tenders in the public procurement platform indicates a faster pace of assigning contracts for the execution of water and sewer works.
- The residential segment underperformed in the first 5 months of 2023 (-1.9% Jan-May 2023 vs Jan-May 2022 according to INS).
- The compounds and recycling segment faced intense competition from extra-EU raw material imports, which put major pressure on operating margins since the end of last year.
- The Group's customers claim a decrease in demand both domestically and at European level.



- The budget was built on the premise of smaller quantities in the first semester, but for the Installations division **a more visible revitalization is expected from the 3<sup>rd</sup> quarter**, as progress will be made in the running of tenders from public funds, especially through POIM.
- The market conditions were unsatisfactory since the end of last year but were in line with the expectations. For this reason, we have implemented **an aggressive operational efficiency policy** which enabled us to reconstruct the bottom line, with good perspectives for the following quarters.
- Margins improved compared to the first quarter, with the Group margin going from 6.1% in Q1/23 to 7.3% in H1/23, and **EBITDA increasing by 58% quarter-on-quarter**.
- Turnover is down from H1/2022, but improving quarter/quarter (+18% Q2/Q1), influenced by seasonality. The decline was accentuated by a year-on-year **price deflation in the first part of the year due to lower raw material prices**.
- The dilution of the base effect is obvious in the quantitative sales as well. The sold quantities (tons) increased in the second quarter of last year by only 5% over the first quarter of 2022, however, this year the quantity rose by 21%, from 16.800 tons in the first quarter to 20.300 tons in the second quarter, leading to total quantities of 37.000 tons for the first half of the year. This evolution points to a **trend that is favourable to reaching the forecast for the whole year**.
- The stretch film factory is under construction and production tests will begin in the 4<sup>th</sup> quarter of this year.



- TeraPlast managed to return to a positive bottom line, which stood at RON 1,6 million for the second quarter and which partially compensates the negative results of the first quarter. For the whole semester, the negative result was reduced to below RON 1 mn (RON 998 th).



We had an improvement in financial performance at the end of the 1<sup>st</sup> half compared to the 1<sup>st</sup> quarter, under the influence of seasonal factors in the construction sector, predictable influence.

A strong effect came from the cost control measures we introduced in the Group, particularly in divisions where performance was suboptimal, including due to market conditions and influences independent of us.

The Group's expectations are for a substantial increase in demand in the second half of this year, leading to a strong return in comparison with the previous year.

<i>Lei, thousands</i>	Group Total	Installations & micronized recycled	Compounds, including recycled	Windows & Doors	Flexible Packaging
Turnover	320,580	231,647	42,324	24,565	22,044
% vs H1 2022	-14%	-7%	-45%	-12%	14%
EBITDA	23,280	23,672	4,022	(967)	(3,448)
% vs H1 2022	-35%	-28%	-54%	n/a	n/a
EBITDA margin	7.3%	10.2%	9.5%	-3.9%	-15.6%

*Over the last five years we have successfully transformed into a group with a diversified portfolio, much more balanced and much more cost effective. The ongoing investments allowed us to expand our customer base, reduce our dependence on some markets and lay the foundations for solid long-term developments. There are many unknowns that make it difficult for us to anticipate what will come next, but the visibility we have for the immediate next period gives us confidence in achieving profitability for the entire year 2023.*

## INSTALLATIONS & MICRONIZED RECYCLED

- 72% contribution to the turnover of the Group
- Turnover decreased by 7%, but increasing from Q1 results
- The highest margin of the Group: 10.2%

## WINDOWS & DOORS

- Turnover decreased by 12% due to the decrease in external demand
- Significant contraction in demand from the retail area, DIY segment
- Sales volumes in the domestic market partially offset the negative effect in the foreign market

## COMPOUNDS, INCLUDING RECYCLED

- Intense competition generated by extra-EU imports of raw materials
- Significant impact felt on recycled materials, which lost competitiveness
- EBITDA margin still above the Group average: 9.5%

## FLEXIBLE PACKAGING

- Turnover increased by 14% thanks to increased volumes and reduced losses
- The reduction of the fixed cost base resulted in the achievement of a positive EBITDA level in June
- New management structure – new CEO and new CCO

- Decreases in volume due to the decrease in public works of water, sewerage and gas installation. Decreases recorded in recycled PVC, windows and doors.
- Price deflation in the first half of the year compared to the same period of the previous year is due to the decrease in raw material prices and in the cost of production.
- The share of raw material cost in turnover decreased to 63% in H1 2023 from 68% in H1 2022. Against the backdrop of lower volumes and higher other operating expenses, especially utilities, the additional margin was not sufficient to preserve EBITDA.

amounts in mil RON





RON '000	FY'2022	FY'23B	Var %	6m'2022	6m'2023	Var %
<b>Net Sales</b>	<b>711.126</b>	<b>847.759</b>	<b>19%</b>	<b>373.691</b>	<b>320.580</b>	<b>-14%</b>
Other operating income	655	704	8%	243	898	270%
<b>Total Operating Income</b>	<b>711.781</b>	<b>848.463</b>	<b>19%</b>	<b>373.934</b>	<b>321.477</b>	<b>-14%</b>
Raw materials, consumables & merch	(486.499)	(560.627)	15%	(255.723)	(203.533)	-20%
Salaries and employee benefits	(83.556)	(97.196)	16%	(41.328)	(45.151)	9%
Amortization, impairments, provisions :	(26.285)	(30.880)	17%	(12.769)	(16.250)	27%
Other operating expenses	(89.008)	(115.634)	30%	(41.121)	(49.514)	20%
<b>Total Operating Costs</b>	<b>(685.349)</b>	<b>(804.337)</b>	<b>17%</b>	<b>(350.941)</b>	<b>(314.448)</b>	<b>-10%</b>
<b>EBIT</b>	<b>26.433</b>	<b>44.126</b>	<b>67%</b>	<b>22.993</b>	<b>7.030</b>	<b>-69%</b>
<b>EBITDA</b>	<b>52.718</b>	<b>75.006</b>	<b>42%</b>	<b>35.762</b>	<b>23.280</b>	<b>-35%</b>
<b>EBITDA %</b>	<b>7,4%</b>	<b>8,8%</b>		<b>9,6%</b>	<b>7,3%</b>	
Financial result, net	(2.344)	(20.196)	762%	(3.036)	(6.476)	113%
<b>Profit before tax</b>	<b>24.089</b>	<b>23.930</b>	<b>-1%</b>	<b>19.957</b>	<b>554</b>	<b>-97%</b>
Income tax expense	(8.684)	(4.544)	-48%	(3.555)	(1.551)	-56%
<b>Net Profit</b>	<b>15.405</b>	<b>19.385</b>	<b>26%</b>	<b>16.402</b>	<b>(998)</b>	<b>-106%</b>
<b>Net Profit %</b>	<b>2,2%</b>	<b>2,3%</b>		<b>4,4%</b>	<b>-0,3%</b>	

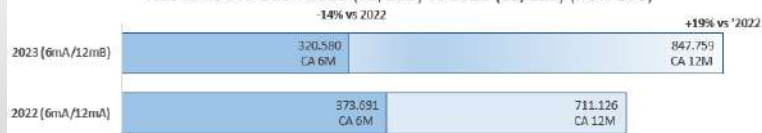
## Turnover

- Consolidated turnover in H1 decreased by 14%.
- Quarter-on-quarter improvement of 18% in Q2/2023.
- The decline was accentuated by a price deflation in the first part of the year.

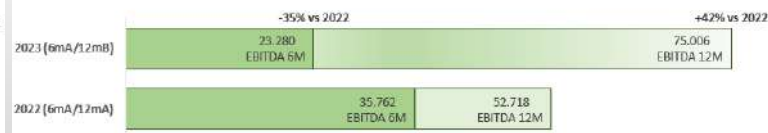
## EBITDA

- The Group recorded an EBITDA decrease of 35%, but with an improvement in the second quarter.
- EBITDA margin of the Installation & Recycling business line reached a double-digit percentage of 10.2% in H1 2023;
- Compounds & Recycling had EBITDA margin at a level of 9.5%;

Net sales evolution 2023 (6a/12B) vs 2022 (6a/12a) (RON'000)



EBITDA 2023 (6a/12B) vs 2022 (6a/12a) (RON'000)



all amounts in thousands of RON unless otherwise specified

RON '000	Teraplast Group			Installations and recycling			Compounds and recycling			Windows&Doors			Flexible Packaging		
	6m'2022	6m'2023	Var %	6m'2022	6m'2023	Var %	6m'2022	6m'2023	Var %	6m'2022	6m'2023	Var %	6m'2022	6m'2023	Var %
<b>Net Sales</b>	373.691	320.580	-14%	249.703	231.647	-7%	76.749	42.324	-45%	27.889	24.565	-12%	19.349	22.044	14%
Other operating income	243	898	270%	157	884	465%	53	-	-100%	14	10	-30%	20	4	-80%
<b>Total Operating Income</b>	<b>373.934</b>	<b>321.477</b>	<b>-14%</b>	<b>249.860</b>	<b>232.531</b>	<b>-7%</b>	<b>76.802</b>	<b>42.324</b>	<b>-45%</b>	<b>27.903</b>	<b>24.574</b>	<b>-12%</b>	<b>19.369</b>	<b>22.048</b>	<b>14%</b>
Raw materials, consumables & me	(255.723)	(203.533)	-20%	(164.988)	(141.200)	-14%	(57.366)	(32.160)	-44%	(18.023)	(14.674)	-19%	(15.346)	(15.499)	1%
Salaries and employee benefits	(41.328)	(45.151)	9%	(25.376)	(30.178)	19%	(4.350)	(2.872)	-34%	(5.754)	(5.876)	2%	(5.848)	(6.224)	6%
Amortization, impairments, provision	(12.769)	(16.250)	27%	(8.329)	(12.473)	50%	(1.512)	(1.340)	-11%	(763)	(631)	-17%	(2.164)	(1.805)	-17%
Other operating expenses	(41.121)	(49.514)	20%	(26.550)	(37.481)	41%	(6.301)	(3.269)	-48%	(4.656)	(4.992)	7%	(3.614)	(3.772)	4%
<b>Total Operating Costs</b>	<b>(350.941)</b>	<b>(314.448)</b>	<b>-10%</b>	<b>(225.244)</b>	<b>(221.333)</b>	<b>-2%</b>	<b>(69.529)</b>	<b>(39.642)</b>	<b>-43%</b>	<b>(29.196)</b>	<b>(26.173)</b>	<b>-10%</b>	<b>(26.971)</b>	<b>(27.301)</b>	<b>1%</b>
<b>EBIT</b>	<b>22.993</b>	<b>7.030</b>	<b>-69%</b>	<b>24.616</b>	<b>11.199</b>	<b>-55%</b>	<b>7.273</b>	<b>2.682</b>	<b>-63%</b>	<b>(1.293)</b>	<b>(1.598)</b>	<b>24%</b>	<b>(7.603)</b>	<b>(5.253)</b>	<b>-31%</b>
<b>EBITDA</b>	<b>35.762</b>	<b>23.280</b>	<b>-35%</b>	<b>32.945</b>	<b>23.672</b>	<b>-28%</b>	<b>8.785</b>	<b>4.022</b>	<b>-54%</b>	<b>(530)</b>	<b>(967)</b>	<b>83%</b>	<b>(5.438)</b>	<b>(3.448)</b>	<b>-37%</b>
<b>EBITDA %</b>	<b>9,6%</b>	<b>7,3%</b>		<b>13,2%</b>	<b>10,2%</b>		<b>11,4%</b>	<b>9,5%</b>		<b>-1,9%</b>	<b>-3,9%</b>		<b>-28,1%</b>	<b>-15,6%</b>	

The first half of 2023 was a transition period in view of a new growth cycle.

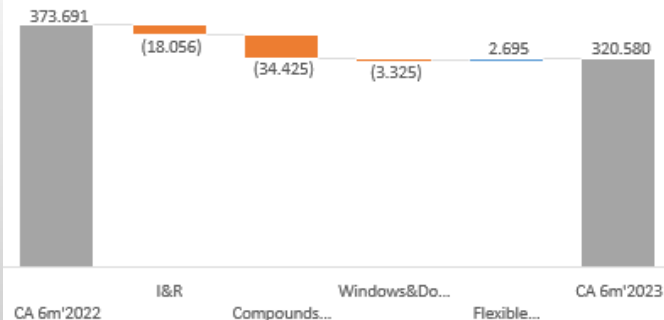
A positive effect as a result of the implementation of the PNRR projects and the "Anghel Saligny" Programme is expected from the 3rd quarter of 2023.

Intense competition from extra-EU imports of raw materials, which has put major pressure on prices.

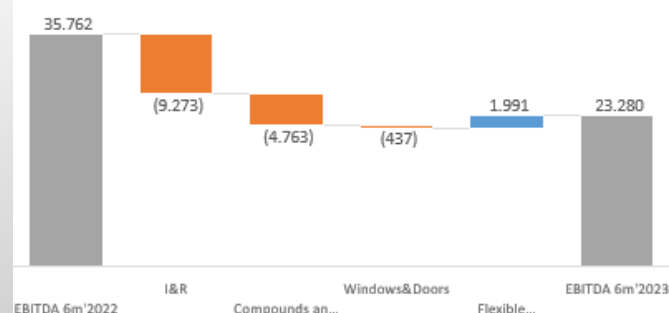
Negative impact of the decline in external demand, retail, DIY segment and contraction in demand from abroad.

Segment performance improved compared to H1 2022.

Net sales | Bridge 6M'22 - 6M'23 (RON'000)



EBITDA | Bridge 6M'22 - 6M'23 (RON'000)

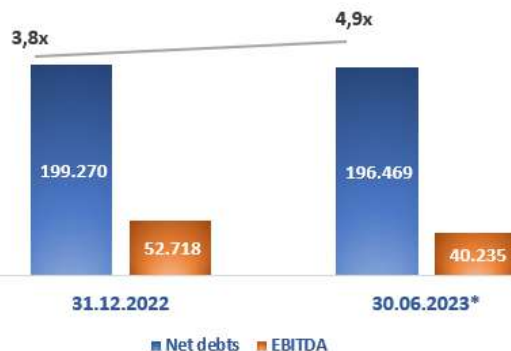


## H1 2023 | Balance-sheet summary

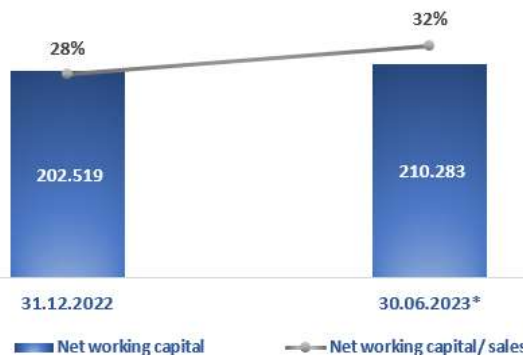
RON '000	TRP Grup	
	31.12.2022	30.06.2023
Intangibles assets	3.772	4.156
Tangible assets	355.953	354.068
Investment Property	4.915	4.915
Other non-current assets	2.158	1.902
<b>Total fixed assets</b>	<b>366.797</b>	<b>365.041</b>
Inventories	129.120	132.474
Trade receivables	146.302	179.585
Trade debts	(79.523)	(111.225)
<b>Trade working capital</b>	<b>195.899</b>	<b>200.834</b>
Other payables	(2.002)	(2.002)
Other receivables	8.622	11.452
<b>Working capital - other</b>	<b>6.620</b>	<b>9.449</b>
<b>Net working capital</b>	<b>202.519</b>	<b>210.283</b>
Cash and cash equivalents	10.713	31.859
Finance lease loans and debts	(200.659)	(219.747)
Other long-term debts	(8.372)	(7.628)
Provisions	(953)	(953)
<b>Net (debt) / cash</b>	<b>(199.270)</b>	<b>(196.469)</b>
Investments grants	(60.566)	(68.644)
<b>Net assets</b>	<b>309.479</b>	<b>310.212</b>
Share capital	217.405	217.900
Reserves	52.516	52.283
Retained earnings	36.296	36.807
Non-controlling interest	3.262	3.221
<b>Equity</b>	<b>309.479</b>	<b>310.212</b>

## Key aspects

Net debts / EBITDA ('000 RON, x)



Net working capital and % in sales



- TeraPlast Group plans to invest 120 million lei this year. The stretch film plant is under construction and production tests will start in the 4th quarter of this year. The total investment amounts to 84 million lei.
- In H1 2023 we collected subsidies in the amount of 11.5 million lei, and the last installment of state aid of 12.4 million lei will be collected in Q3.
- Net working capital increased from the previous period due to an increase in receivables and advances to suppliers of fixed assets.

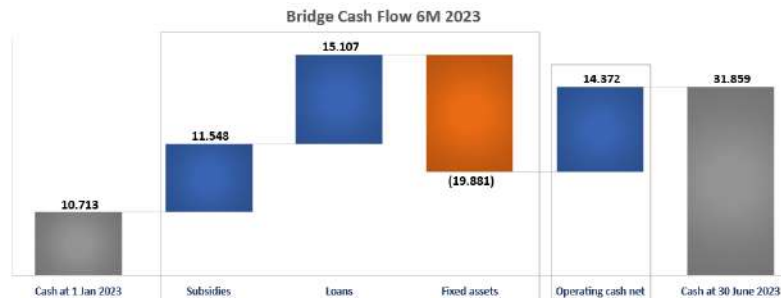
\*Turnover and EBITDA from the last 12 months

## H1 2023 | Cash Flow summary

RON '000

Cash flow summary	6 M 2022	6 M 2023
<b>Net profit before tax</b>	<b>19.957</b>	<b>554</b>
Net profit adjustments	18.157	27.020
<b>(+) Operating profit before changes in working capital</b>	<b>38.114</b>	<b>27.574</b>
Net impact working capital	(46.411)	(3.356)
Income tax paid	(735)	(336)
Interest paid	(2.844)	(6.040)
Income from subsidies	(1.591)	(3.471)
<b>(-) Subtotal changes in working capital and other</b>	<b>(51.580)</b>	<b>(13.202)</b>
<b>=&gt; Cash from operating activities</b>	<b>(13.466)</b>	<b>14.372</b>
Payments for fixed assets acquisitions	(44.314)	(20.582)
Receipts from sales of fixed assets	145	701
Receipts from subsidies	-	11.548
<b>(+) Net cash used for investments</b>	<b>(44.170)</b>	<b>(8.333)</b>
Net repayments of loans and leasing	52.847	15.098
Share repurchased	-	9
<b>(-) Net cash from finance activities</b>	<b>52.847</b>	<b>15.107</b>
Net variance	(4.789)	21.146
<b>Cash &amp; Equiv at Jan 1, 2022/ 2023</b>	<b>7.712</b>	<b>10.713</b>
<b>Cash &amp; Equiv at June 31, 2022/ 2023</b>	<b>2.923</b>	<b>31.859</b>

## Bridge 30 June 2023



- The improvement in operating cash in H1 2023 vs H1 2022 is due to better performance in working capital management.
- The main outflows were for the financing of ongoing investments (stretch film project).

- **TeraPlast Group – the largest polymer processor in Southern & Eastern Europe.**
- We always aim high, and we take on ambitious growth objectives.
- We have been one of the innovators in our field for more than 125 years in product design and sustainable development.
- Resilience in the face of multiple challenges in the last years.
- New businesses ramp-up longer than expected but without change in fundamentals.
- We keep on diversifying and increasing our geographical footprint. We always keep in mind the care for the environment, investing responsibly.
- Great platform for growth in the future due to existing state of the art industrial base and 45+ years in polymer processing.
- 14000+ shareholders that give stability & liquidity.
- Huge market potential in the home market creates premises for financing international expansion.
- XXI Century is the Century of Water – we are part of the ecosystem providing solutions to this challenge.





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