



TeraPlast®

Company presentation

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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.

939

Employees at Group level as of September 30, 2023*



Installation Compounds

547

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



73



Flexible packaging



128



PVC & Aluminum windows & doors



173



Micronized recycled PVC
Regranulated recycled PVC



Biodegradable and compostable packaging
Polyethylene packaging



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

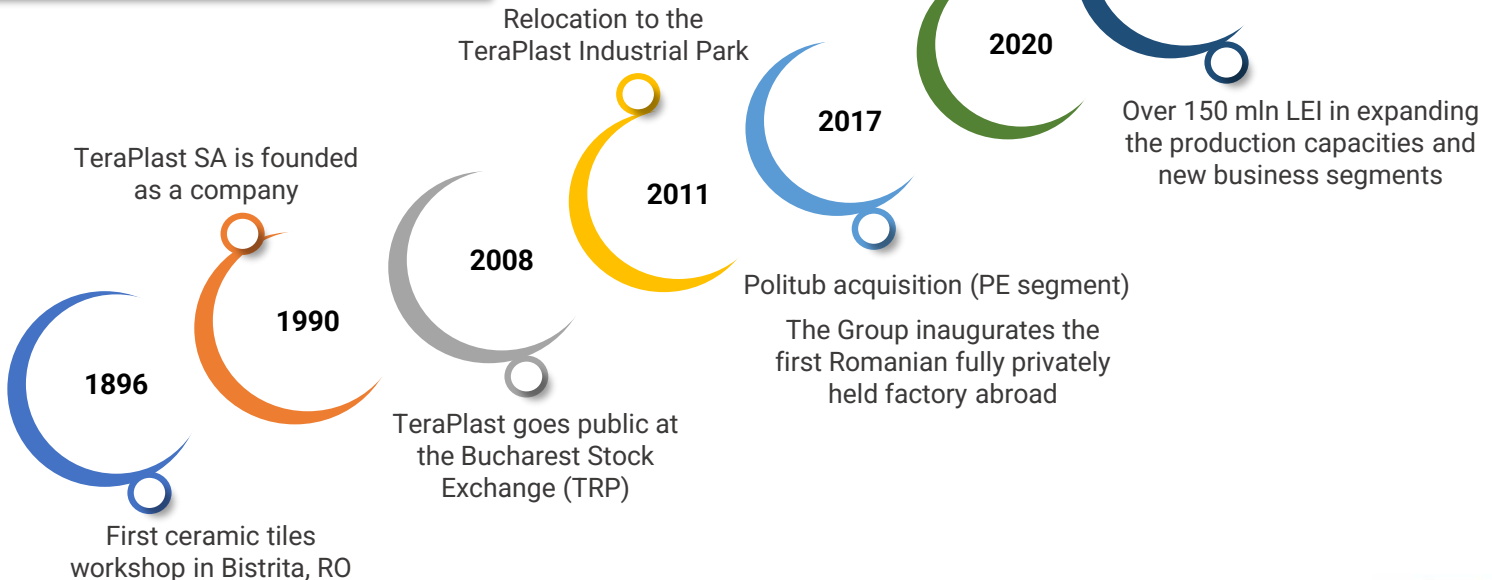


 **125+**
Years of tradition

 **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

674 mln LEI net sales (-5% vs 2022)

56 mln LEI EBITDA (+6% vs 2022)

8,3% 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:

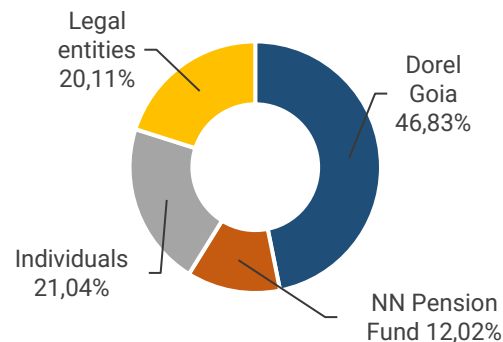
201 mln
Shares traded
in the last 12 months.

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

42 thousand
Transactions in the
last 12 months.

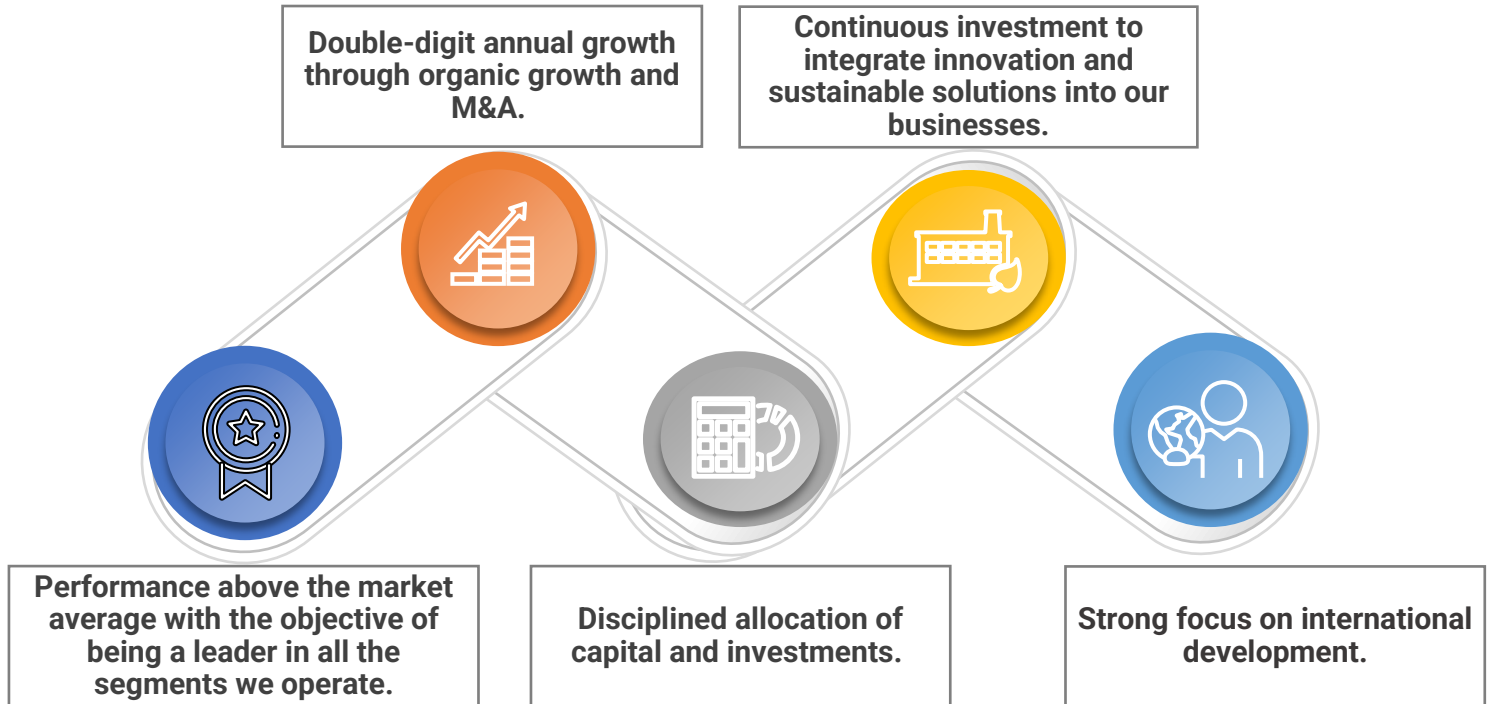
14 thousand
Shareholders of TRP.

Shareholding structure



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

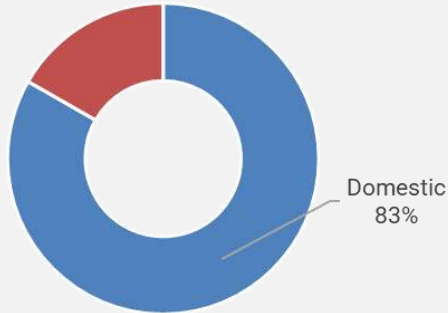
BVB:TRP Bloomberg: TRP RO	2021	2022	2023B
Turnover (mln. LEI)	615	711	674
EBITDA (mln. LEI)	74,6	52,7	56



TeraPlast Group's exports reached 17% of the total turnover, with a total value of RON 86 mln.

TeraPlast Group exports
9 months/2023

Export
17%



Export map – 20 countries

3X
2020-2022
exports increase



- 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 2022*

74,9%



Of the resident population in Romania is connected to the public water supply system in 2022* (Bulgaria over 95%)

58,1%



Of the resident population in Romania is connected to a sewerage network that has a treatment station in 2022*

35%



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

**PNRR funds
1,88 bln EUR**

**Anghel Saligny
funds
6 bln EUR**

**POIM funds
3 bln EUR**

*Latest INS reports available

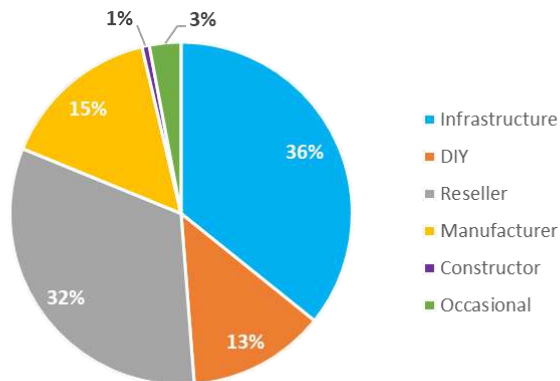
**Statement from the authorities in 2020

Key points of our business model

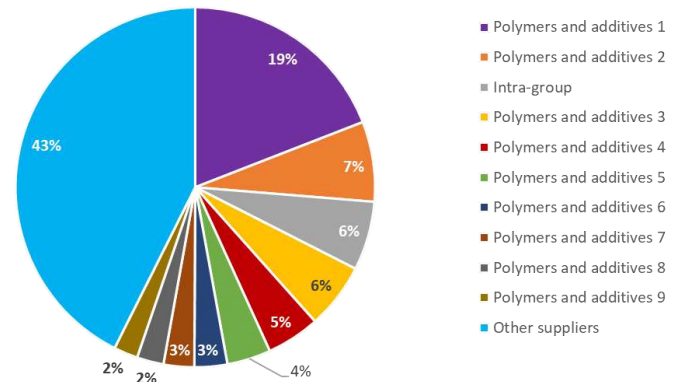
The Group has good reputation among its clients and suppliers being recognized as a trustworthy, strategic business partner.

- 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
 - Start of production Q4/2023
- **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.



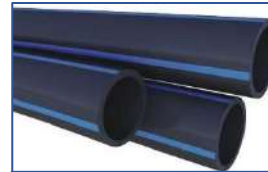
The 21st century is the century of water. The main challenges we see in this context are:

- 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 CO₂ 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 CO₂ 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 ₂ eq	3.708	2.887	-22,10%
Total CO2 emissions (Scope 2, market based)**	tCO ₂ eq	2.241	984	-56,10%
Total CO2 emissions (Scope 3, market based)	tCO ₂ 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.

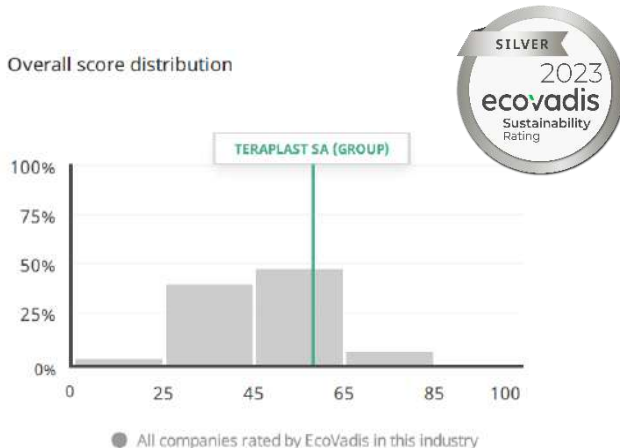
TeraPlast Group
carbon footprint
in 2022



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

- › We participate in ESG rating initiatives → TeraPlast rating by Sustainalytics available on BSE Research Hub, EcoVadis Silver recognition, CDP under evaluation.

Overall score distribution



SUSTAINALYTICS
ESG Scores

TeraPlast

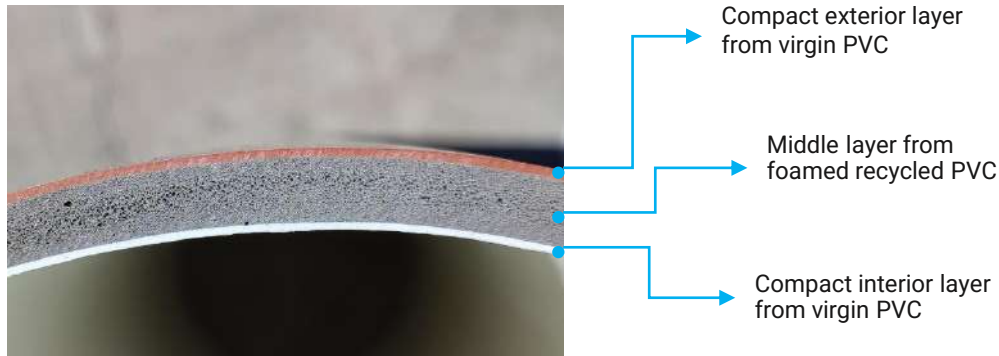


Report Date: 12/15/2022
Report Type: Core Framework

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:

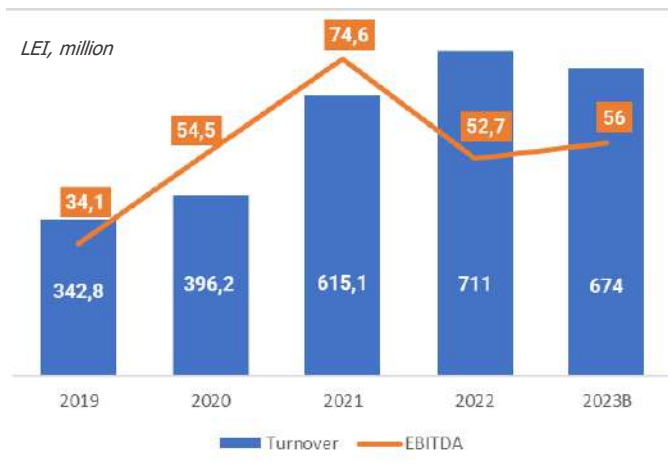
- https://patentscope.wipo.int/search/en/detail.jsf?docId=W02019035728&_cid=P11-KFYZYC-18068-1
- https://patentscope.wipo.int/search/en/detail.jsf?docId=EP297165389&_cid=P11-KFYZYC-18068-1

- > 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.

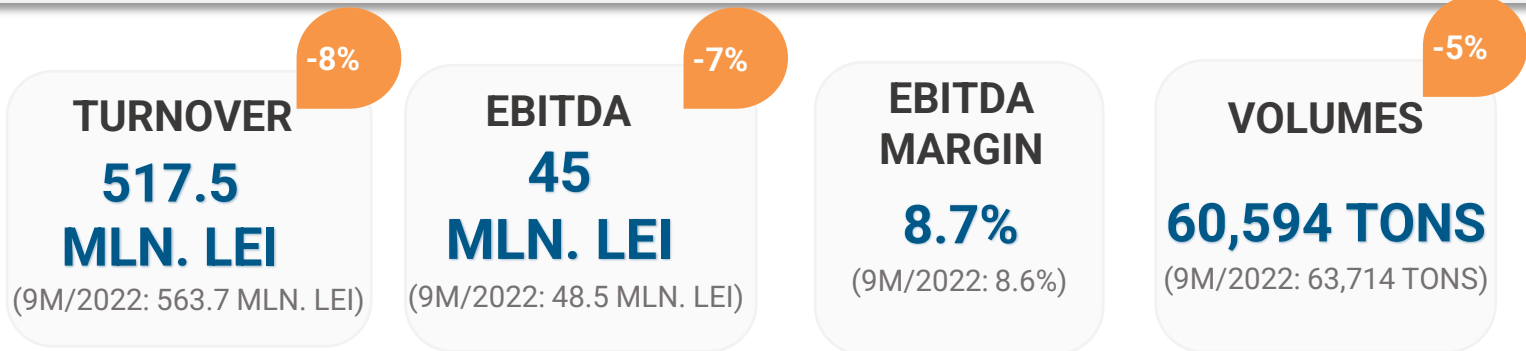


We have prepared for the future through massive investments in capacity expansion, new factories and new business lines by investing 400 million lei in the last 5 years.

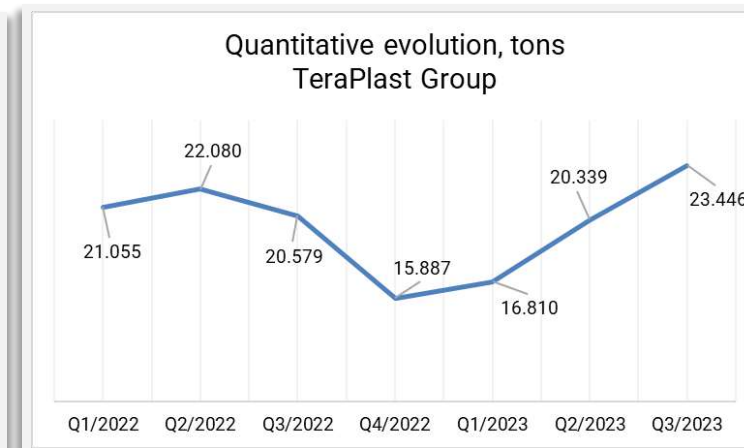
- According to INS (National Statistics Institute), "the construction works' volume increased as an adjusted series by 13,7%, increase driven by capital repairs works (+28,1%), new buildings (+12,9%) and maintenance and current repairs (+8,3%). By construction objects, engineering works and non-residential works increased by 33,6% and 1,5% respectively, while residential works decreased by 5,9%".
- Public Tenders evolved favourably, the value of water and sewerage or gas projects that have been auctioned (according to the SICAP platform) reached RON 26,5 million, more than double compared to the similar period of last year.
- Regarding the raw materials, there was a significant deflation (Q1 – Q2), followed by a stabilisation in prices (Q3) followed by a normal evolution (Q3 – Q4).
- Our customers point out a setback of both national and European demand on some of the market segments.
- We've signed in Q3/2023 the PNRR financing contract for a new photovoltaic plant. We are currently waiting for amendments for some of the investment parameters before launching the tender. The investment is to become operational by June 30, 2024.
- The stretch film factory is currently running trials so that production shall start in Q4. The film will be marketed under the brand "Opal".



TeraPlast Group's activity accelerated in Q3/2023 with additional traction from the increase in infrastructure works and exports, but hindered by the below-expected evolution of subsidiaries' businesses (windows and doors and flexible packaging segments). The key figures are below the first 9 months of 2022, but management's expectation is that this gap will be closed by the end of the year.



- The **consolidated net result** reached positive territory after three quarters, at almost RON 7 million.
- **The quarterly evolution** compared to the same period last year (Q3/2023 vs Q3/2022) indicates a turnover 4% higher compared to the one of the third quarter of last year and a 70% increase in EBITDA.
- Also, in the third quarter of the current year, the consolidated **EBITDA margin** reached 11%.



<i>RON, thousand</i>	Group Total	Installation & Recycling	Compounds & Recycling	Windows & doors	Flexible Packaging
Turnover	517.384	387.489	59.777	37.114	33.004
% vs 9 months/2022	-8%	1%	-44%	-15%	17%
EBITDA	45.011	44.540	5.513	151	-5.193
% vs 9 months/2022	-7%	1%	-55%	-35%	n/a
EBITDA margin	8,7%	11,5%	9,2%	0,4%	-15,7%

INSTALLATIONS & MICRONIZED RECYCLED

- sales slightly above the same period of 2022
- the EBITDA margin reached 13,4% in the quarter, above yearly margin
- the upward trend in public works will continue to produce positive effects in the results until the end of 2023

WINDOWS & DOORS

- domestic sales continued to grow in Q3/2023, which led to positive developments in nominal EBITDA and EBITDA margin
- although it indicates a positive trend, the growth was not enough to reach levels similar to the first 9 months of 2022

COMPOUNDS, INCLUDING RECYCLED

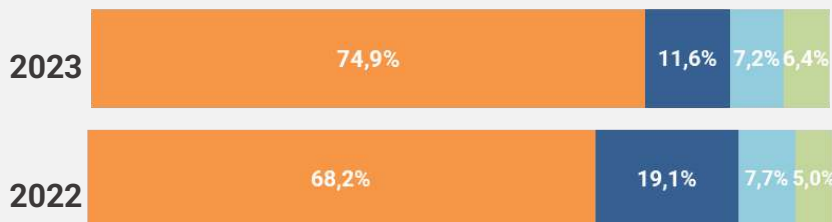
- pressure from non-EU raw materials eased in Q3/2023
- demand for this segment fell sharply amid a lack of orders further down the value chain
- EBITDA margin of 9,2% considered to be at a satisfactory level; attention turned to preserving market share

FLEXIBLE PACKAGING

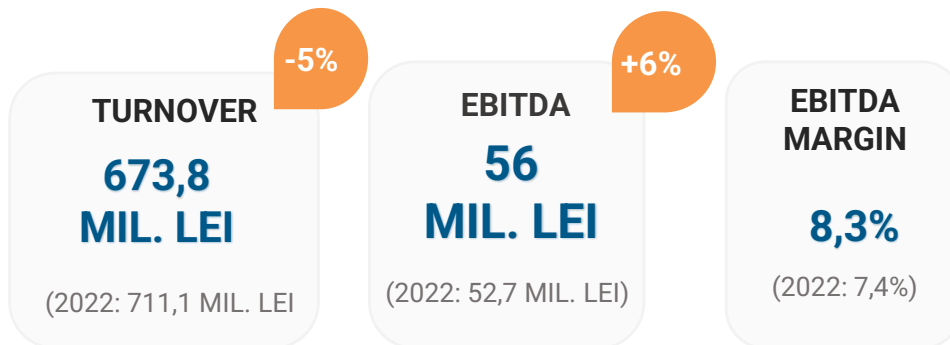
- turnover 17% higher compared to the first three quarters of 2022, against the background of increased volumes sold
- operating loss decreased by almost RON 3 million compared to 9 months/2022
- volumes sold still below break-even; we continue to actively participate in competitive procurement processes

Weight in consolidated turnover

■ Installation & Recycling
 ■ Compounds & Recycling
■ Windows & doors
 ■ Flexible Packaging



We expect consolidated levels for the whole year in line with 2022 for the main financial indicators, **with a 6% increase in EBITDA compared to 2022.**



<i>RON, thousand</i>	Group Total	Installation & Recycling	Compounds & Recycling	Windows & doors	Flexible Packaging
Turnover	673.838	500.866	75.066	49.071	48.835
% vs 2022	-5%	3%	-40%	-13%	21%
EBITDA	55.963	55.835	7.007	372	-7.251
% vs 2022	6%	10%	-45%	8%	n/a
EBITDA margin	8,3%	11,1%	9,3%	0,8%	-14,8%

- The Group's main driver remains the Installations & Recycling segment.
- Group EBITDA margin is estimated at 8,3%, compared to 7,4% at the end of 2022, on the back of slight improvement in margins and EBITDA for the Windows and Doors and Flexible Packaging segments.
- The effect of low demand is expected to continue until the end of the year for the Compounds and Recycling segment, but is expected to improve starting the beginning of next year.
- We expect the end of the year to show a stabilization of the trend and an acceleration of the growth rate.
- The results are influenced by the evolution of average prices that dilute the potential effect of the increase in volumes in 2023.

RON, thousand		Total Group	Installation & Recycling	Compounds & Recycling	Windows & Doors	Flexible Packaging
Turnover	Q3 Results	517.384	387.489	59.777	37.114	33.004
	Q4 Forecast	156.454	113.377	15.289	11.957	15.831
	Total 2023	673.838	500.866	75.066	49.071	48.835
	% vs 2022	▼ -5%	▲ 3%	▼ -40%	▼ -13%	▲ 21%
EBITDA	Q3 Results	45.011	44.540	5.513	151	-5.193
	Q4 Forecast	10.952	11.295	1.494	221	-2.058
	Total 2023	55.963	55.835	7.007	372	-7.251
	% vs 2022	▲ 6%	▲ 10%	▼ -45%	▲ 8%	n/a
EBITDA Margin	Q3 Results	8,7%	11,5%	9,2%	0,4%	-15,7%
	Q4 Forecast	7,0%	10,0%	9,8%	1,8%	-13,0%
	Total 2023	8,3%	11,1%	9,3%	0,8%	-14,8%
	% vs 2022	▼ -17%	▼ -14%	▼ -5%	▼ -78%	▼ -21%
Net profit	Q3 Results	6.797	14.593	2.913	-1.689	-9.021
	Q4 Forecast	-4.251	-467	694	-558	-3.919
	Total 2023	2.546	14.126	3.607	-2.247	-12.940
	% vs 2022	▼ -83%	▼ -40%	▼ -57%	n/a	n/a

- TeraPlast Group estimates a turnover of RON 673,8 million.
- EBITDA of 56 RON million, the Group's main driver still being the Installations & Recycling segment. , Group EBITDA margin is estimated at 8,3%, compared to 7,4% at the end of 2022, on the back of slight improvement in margins and EBITDA for the Windows and Doors and Flexible Packaging segments
- The effect of low demand is expected to continue until the end of the year for the Compounds and Recycling segment, which is also reflected in the forecasted results, but which is expected to improve starting the beginning of next year.

Looking at the big picture, we expect the end of the year to show a stabilization of the trend and an acceleration of the growth rate.

-8.2% decrease in turnover Q3 2023 vs Q3 2022

- Price deflation in Q3 2023 compared to Q3 2022 is due to the decrease in raw material prices and in the cost of production.
- The net volume increases on Installations (PE pipes, fittings, Neoter), and on flexible packaging were not sufficient to offset the decreases recorded in PVC pipes, PP pipes, recycled PVC, windows and doors.
- The share of raw material cost in turnover decreased to 64% in Q3 2023 from 69% in Q3 2022. Against the backdrop of lower volumes and higher other operating expenses, especially utilities, the additional margin was sufficient to maintain EBITDA margin.

amounts in mil RON



RON '000	FY'22	FY'23F	Var %	9m'2022	9m'2023	Var %
Net Sales	711.126	673.838	-5%	563.677	517.384	-8%
Other operating income	655	21.347	3160%	360	991	175%
Total Operating Income	711.781	695.185	-2%	564.037	518.374	-8%
Raw materials, consumables & merch	(486.499)	(429.994)	-12%	(390.244)	(329.388)	-16%
Salaries and employee benefits	(83.556)	(92.174)	10%	(62.108)	(69.457)	12%
Amortization, impairments, provisions &	(26.285)	(40.615)	55%	(19.445)	(24.815)	28%
Other operating expenses	(89.008)	(111.314)	25%	(63.154)	(74.519)	18%
Total Operating Costs	(685.349)	(674.097)	-2%	(534.952)	(498.179)	-7%
EBIT	26.433	21.088	-20%	29.085	20.195	-31%
EBITDA	52.718	55.963	6%	48.530	45.011	-7%
EBITDA %	7,4%	8,3%		8,6%	8,7%	
Financial result, net	(2.344)	(13.413)	472%	(6.509)	(9.391)	44%
Profit before tax	24.089	7.675	-68%	22.576	10.805	-52%
Income tax expense	(8.684)	(5.128)	-41%	(6.190)	(4.008)	-35%
Net Profit	15.405	2.546	-83%	16.386	6.797	-59%
Net Profit %	2,2%	0,4%		2,9%	1,3%	

Turnover

- Consolidated turnover in Q3 decreased by 8%.
- Quarter-on-quarter improvement of 4% in Q3/2023, reflected also in the volumes sold.
- TeraPlast Group's exports reached 17% of the turnover, standing at RON 87 million

EBITDA

- The Group recorded an EBITDA decrease YTD of 42%, but with an improvement with 70% in Q3'23 vs Q3'22;
- In Q3'23, consolidated EBITDA margin reached 11%;
- At 12M 2023, we estimate an improvement in the EBITDA margin to 8.3% compared to 7.4% in 2022;

Net sales evolution 2023 (9a/12F) vs 2022 (9a/12a) (RON'000)

	-8% vs Y'22		-5% vs FY'22	
2023 (9mA/12mB)	517.384	673.838	CA 9mA	CA 12M
2022 (9mA/12mA)	563.677	711.126	CA 9mA	CA 12M

EBITDA 2023 (9a/12F) vs 2022 (9a/12a) (RON'000)

	-7% vs 2022		+6% vs 2022	
2023 (9mA/12mB)	45.011	55.963	EBITDA 9M	EBITDA 12M
2022 (9mA/12mA)	48.530	52.718	EBITDA 9M	EBITDA 12M

all amounts in thousands of RON unless otherwise specified

Financial performance



RON '000	Teraplast Group			Installations and recycling			Compounds and recycling			Windows&Doors			Flexible Packaging		
	9m'2022	9m'2023	Var %	9m'2022	9m'2023	Var %	9m'2022	9m'2023	Var %	9m'2022	9m'2023	Var %	9m'2022	9m'2023	Var %
Net Sales	563.677	517.384	-8%	384.422	387.489	1%	107.496	59.777	-44%	43.607	37.114	-15%	28.152	33.004	17%
Other operating income	360	991	175%	327	970	197%	-	-	0%	14	12	-15%	19	8	-56%
Total Operating Income	564.037	518.374	-8%	384.749	388.459	1%	107.496	59.777	-44%	43.621	37.126	-15%	28.171	33.013	17%
Raw materials, consumables & me	(390.244)	(329.388)	-16%	(255.918)	(240.732)	-6%	(84.508)	(44.245)	-48%	(27.435)	(21.210)	-23%	(22.384)	(23.201)	4%
Salaries and employee benefits	(62.108)	(69.457)	12%	(39.599)	(46.689)	18%	(5.416)	(4.845)	-11%	(8.585)	(8.488)	-1%	(8.509)	(9.435)	11%
Amortization, impairments, provision	(19.445)	(24.815)	28%	(13.728)	(18.925)	38%	(1.985)	(2.278)	15%	(1.154)	(904)	-22%	(2.578)	(2.709)	5%
Other operating expenses	(63.154)	(74.519)	18%	(45.012)	(56.498)	26%	(5.426)	(5.173)	-5%	(7.369)	(7.277)	-1%	(5.347)	(5.571)	4%
Total Operating Costs	(534.952)	(498.179)	-7%	(354.258)	(362.844)	2%	(97.335)	(56.541)	-42%	(44.543)	(37.879)	-15%	(38.817)	(40.915)	5%
EBIT	29.085	20.195	-31%	30.492	25.615	-16%	10.162	3.236	-68%	(922)	(753)	-18%	(10.647)	(7.902)	-26%
EBITDA	48.530	45.011	-7%	44.220	44.540	1%	12.147	5.513	-55%	232	151	-35%	(8.069)	(5.193)	-36%
EBITDA %	8,6%	8,7%		11,5%	11,5%		11,3%	9,2%		0,5%	0,4%		-28,7%	-15,7%	

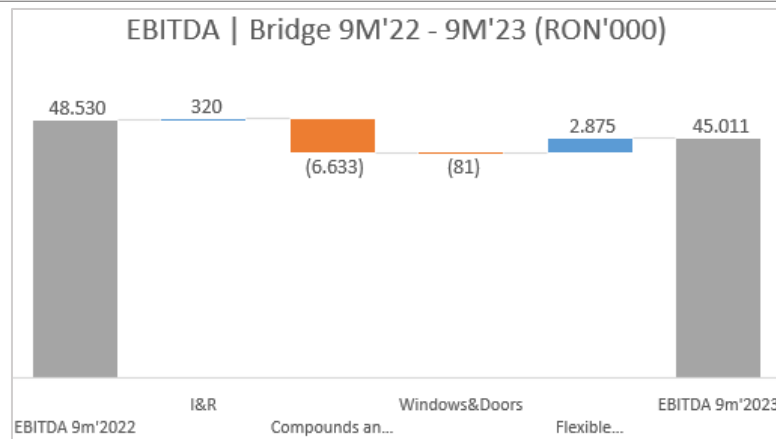
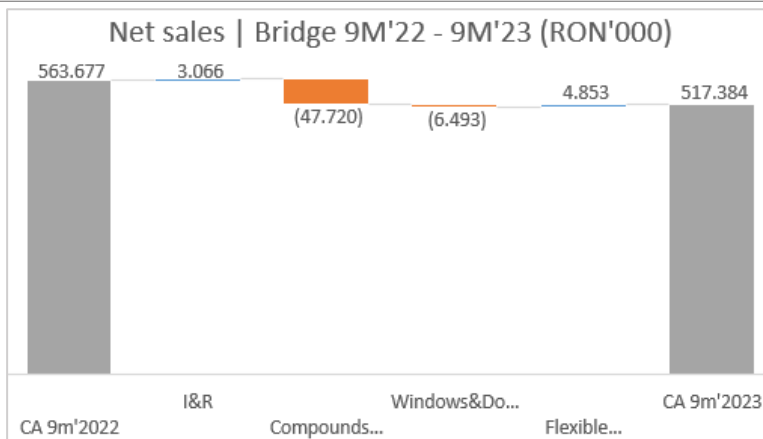
The key figures are below the first 9 months of 2022, but management's expectation is that this gap will be closed by the end of the year.

There was an evolution generated by the good dynamic on public works.

In this mixed climate, affected by falling demand, attention turned to preserving market share.

There is a positive evolution of EBITDA in nominal value with a 47% increase Q3'23 compared to Q3'22.

Volume growth is slower than expected, with volumes sold still below breakeven.

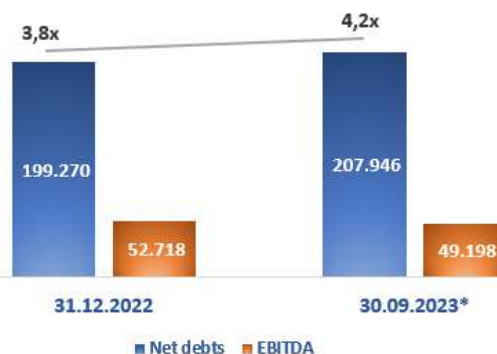


9M 2023 | Balance-sheet summary

RON '000	TRP Group	
	31.12.2022	30.09.2023
Intangibles assets	3.772	4.045
Tangible assets	355.953	386.297
Investment Property	4.915	4.915
Other non-current assets	2.158	1.902
Total fixed assets	366.797	397.158
Inventories	129.120	123.877
Trade receivables	146.302	177.468
Trade debts	(79.523)	(120.457)
Trade working capital	195.899	180.888
Other payables	(2.002)	(4.016)
Other receivables	8.622	30.384
Working capital - other	6.620	26.368
Net working capital	202.519	207.256
Cash and cash equivalents	10.713	6.959
Finance lease loans and debts	(200.659)	(206.685)
Other long-term debts	(8.372)	(7.268)
Provisions	(953)	(953)
Net (debt) / cash	(199.270)	(207.946)
Investments grants	(60.566)	(78.461)
Net assets	309.479	318.007
Share capital	217.405	217.900
Reserves	52.516	52.283
Retained earnings	36.296	44.838
Non-controlling interest	3.262	2.985
Equity	309.479	318.007

Key aspects

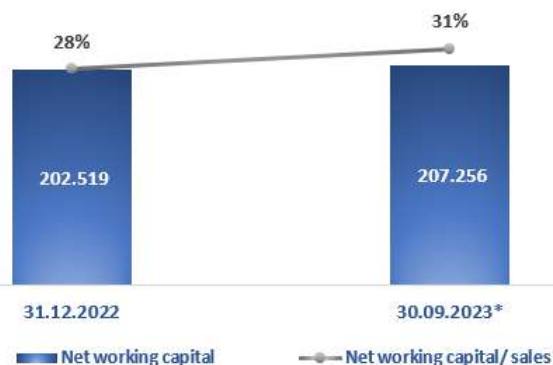
Net debts / EBITDA ('000 RON, x)



➤ The investment of 84 million lei in the stretch film factory is on schedule, during this period the preparations for the trials have started, so that by the end of 2023 the production activity will begin.

➤ In Q3/2023, TeraPlast signed the PNRR financing contract for a new photovoltaic plant.

Net working capital and % in sales



➤ In Q3 2023 we collected the last installment of state aid of 12.4 million lei, total 2023 subsidies in amount to 23.9 million lei.

➤ Net working capital increased from the previous period due to an increase in receivables and advances to suppliers of fixed assets (stretch project).

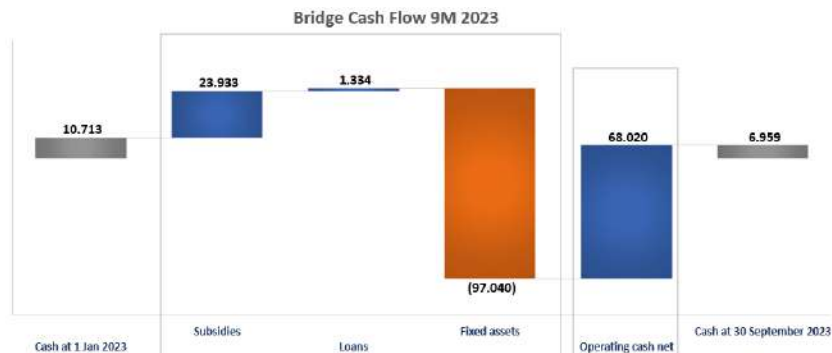
*Turnover and EBITDA from the last 12 months

9M 2023 | Cash Flow summary

RON '000

Cash flow summary	9 M 2022	9 M 2023
Net profit before tax	22.576	10.805
Net profit adjustments	29.871	41.654
(+) Operating profit before changes in working capital	52.447	52.459
Net impact working capital	(40.534)	32.728
Income tax paid	1.901	(1.599)
Interest paid	(6.371)	(9.530)
Income from subsidiaries	(2.911)	(6.038)
(-) Subtotal changes in working capital and other	(47.916)	15.561
=> Cash from operating activities	4.532	68.020
Payments for fixed assets acquisitions	(69.606)	(97.742)
Receipts from sales of fixed assets	219	701
Receipts from subsidiaries	30.437	23.933
(+) Net cash used for investments	(38.951)	(73.108)
Net repayments of loans and leasing	66.985	1.324
Dividends received	27	-
Dividends paid	(32.685)	-
Share repurchased	(170)	9
(-) Net cash from finance activities	34.157	1.334
Net variance	(262)	(3.754)
Cash & Equiv la Jan 1, 2022/ 2023	7.712	10.713
Cash & Equiv la September 30, 2022/ 2023	7.450	6.959

Bridge September 30 2023



- The improvement in operating cash in Q3 2023 vs Q3 2022 is due to better performance in working capital management.
- The main outflows were for the financing of ongoing investments (stretch film project).

- Additional traction from the increase in infrastructure works and exports, but hindered by the below-expected evolution of subsidiaries' businesses.
- Infrastructure works are finally on the trajectory we had hoped for ever since last year.
- The consolidated net result reached positive territory after three quarters, at almost RON 7 million.
- Group exports reached 17% of the turnover, standing at RON 87 million.
- The upward trend in public works will continue to produce positive effects in the results of the Installations and Recycling division until the end of 2023.
- We keep our focus in the current context on the efficiency of the activity and the profitability of these business lines which also suffer due to the unfavorable context.
- We expect the end of the year to show a stabilization of the trend and an acceleration of the growth rate compared to last year's results.
- We believe that we will continue to see positive developments of the key financial figures and an improvement in the profitability of the subsidiaries.



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