

TERAPLAST SA

SIMPLIFIED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

prepared in accordance with International Financial Reporting Standards as adopted by the
European Union

**AT AND FOR THE NINE-MONTH PERIOD
ENDED SEPTEMBER 30, 2023**

CONTENTS	PAGE
INDEPENDENT AUDITORS REPORT	1 – 2
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4 – 5
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6 – 7
CONSOLIDATED STATEMENT OF CASH FLOWS	8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	9 – 29

TERAPLAST SA
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

	Note	Financial year	
		September 30, 2023	September 30, 2022
Income from contracts with customers, of which:	4	517,383,793	563,677,076
Income from the sale of finished goods		469,149,521	519,214,592
Income from the sale of goods		45,563,770	40,897,761
Income from provision of services		2,670,502	3,564,723
Other operating income	5	990,596	360,158
Income from investment subsidies		6,051,233	2,925,301
Changes in stocks of finished goods and work in progress		(4,443,248)	24,561,650
Works and services in progress		133,249	-
Raw materials, consumables and merchandise	6	(325,077,545)	(414,805,892)
Expenses with employees' benefits	9	(69,456,746)	(62,108,283)
Transport costs		(22,990,425)	(22,658,375)
Utilities costs		(23,610,906)	(16,625,621)
Amortisation/depreciation and impairment of non-current assets, net	8	(30,960,460)	(22,605,370)
Impairment of non-current assets, net	8	(1,257,496)	(1,156,511)
Provisions, net	8	-	184,518
Gain on the write-off of tangible and intangible assets	7	93,754	50,093
Other operating expenses	10	(26,039,692)	(21,631,266)
Sponsorship		(620,692)	(1,082,599)
Operating profit/loss		20,195,415	29,084,879
Foreign exchange differences, net		(730,755)	(187,398)
Interest expenses, net		(9,529,813)	(6,371,043)
Other financial income		869,693	49,774
Financial result, net	5	(9,390,875)	(6,508,667)
Profit before tax		10,804,540	22,576,212
Income tax expenses		(4,007,654)	(6,190,469)
Profit of businesses that continue their activity within the Group		6,796,886	16,385,743
Profit for the year		6,796,886	16,385,743

Approved:

October 24, 2023
Board of Directors

Alexandru Stanean
CEO

Ioana Birta
CFO

TERAPLAST SA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

	Note	September 30, 2023	December 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	11	365,043,825	338,129,808
Investment property	17	4,914,956	4,914,955
Leased right-of-use assets	13	21,252,751	17,822,871
Intangible assets	12	4,044,587	3,771,984
Non-current assets	16	1,568,237	1,843,922
Deferred tax receivables		318,622	298,077
Other long-term investments in equity	14	15,500	15,500
Total non-current assets		397,158,478	366,797,117
Current assets			
Inventories	15	123,877,088	129,120,491
Works and services in progress		133,249	-
Trade receivables	16	177,468,063	146,301,682
Advances to suppliers of non-current assets		28,874,142	7,380,625
Prepaid expenses		1,376,261	825,641
Income tax recoverable		-	415,696
Cash	23	6,959,196	10,713,209
Total current assets		338,687,999	294,757,344
Total assets		735,846,477	661,554,461
Equity and liabilities			
Equity			
Registered capital	18	217,900,036	217,900,036
Own shares		-	(495,209)
Revaluation reserves		17,071,464	17,304,558
Legal reserves		35,211,724	35,211,724
Retained earnings		44,838,086	136,295,643
Capital attributable to controlling interests		315,021,310	306,216,752
Non-controlling interests		2,985,491	3,262,421
Total equity		318,006,801	309,479,173
Long-term liabilities			
Bank loans	21	34,858,472	38,845,711
Finance lease liabilities		1,993,855	1,354,523
Lease liabilities for right of use	22	8,391,995	5,893,504
Long-term liabilities for non-current assets	20	7,268,053	8,371,526
Employees' benefits	19	1,956,847	1,956,847
Subsidies for investments – long-term portion	25	70,859,737	55,127,841
Total long-term liabilities		125,328,959	111,549,952
Current liabilities			
Trade and other payables	20	120,457,281	79,523,181
Dividends payable		45,550	45,550
Bank loans	21	157,863,634	151,781,759

Notes attached form an integral part of these simplified consolidated financial statements

TERAPLAST SA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

	Note	September 30, 2023	December 31, 2022
Finance lease liabilities		770,777	639,914
Lease liabilities for right of use		2,806,127	2,143,844
Income tax payable		2,013,536	-
Subsidies for investments – current portion	24	7,601,172	5,438,448
Provisions for risks and charges	19	952,640	952,640
Total current liabilities		292,510,717	240,525,336
Total liabilities		417,839,676	352,075,288
Total equity and liabilities		735,846,477	661,554,461

Approved:

October 24, 2023
Board of Directors

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TERAPLAST SA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

	Total share capital	Legal reserves	Revaluation reserves	Treasury shares	Accumulated retained earnings	Attributable to parent's equity holders	Non-controlling interests	Total equity
Balance at January 1, 2022	217,900,036	33,296,210	15,877,973	(4,935,035)	325,740,259	587,879,443	3,651,481	591,530,924
Profit or loss for the year	-	-	-	-	15,762,928	15,762,928	(389,060)	15,373,868
Other comprehensive income	-	-	-	-	1,081,359	1,081,359	-	1,081,359
Total comprehensive income	-	-	-	-	16,844,287	16,844,287	(389,060)	16,455,227
Set-up of legal reserve	-	1,915,514	-	-	(1,915,514)	-	-	-
Reserves representing surplus from revaluation	-	-	1,426,585	-	-	1,426,585	-	1,426,585
Benefits granted to employees in the form of financial instruments	-	-	-	4,439,826	-	4,439,826	-	4,439,826
Losses on sale of own shares	-	-	-	-	(411,138)	(411,138)	-	(411,138)
Dividends paid and share capital increase (2021)	-	-	-	-	(270,195,925)	(270,195,925)	-	(270,195,925)
Dividends paid in 2022	-	-	-	-	(32,684,967)	(32,684,967)	-	(32,684,967)
Other equity items increases/(decreases)	-	-	-	-	(1,081,359)	(1,081,359)	-	(1,081,359)
Balance at December 30, 2022	217,900,036	35,211,724	17,304,558	(495,209)	36,295,643	306,216,752	3,262,421	309,479,173

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TERAPLAST SA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

	Total share capital	Legal reserves	Revaluation reserves	Treasury shares	Accumulated retained earnings	Attributable to parent's equity holders	Non-controlling interests	Total equity
Balance at January 1, 2023	217,900,036	35,211,724	17,304,558	(495,209)	36,295,643	306,216,752	3,262,421	309,479,173
Profit or loss for the year	-	-	-	-	7,073,816	7,073,816	(276,930)	6,796,886
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	7,073,816	7,073,816	(276,930)	6,796,886
Set-up of legal reserve	-	-	-	-	1,459,326	1,459,326	-	1,459,326
Reserves representing surplus from revaluation	-	-	-	-	-	-	-	-
Benefits granted to employees in the form of financial instruments	-	-	-	1,546,354	-	1,546,354	-	1,546,354
Losses on sale of own shares	-	-	-	(1,051,145)	-	(1,051,145)	-	(1,051,145)
Dividends paid and share capital increase (2021)	-	-	-	-	9,301	9,301	-	9,301
Other equity items increases/(decreases)	-	-	(233,094)	-	-	(233,095)	-	(233,094)
Balance at September 30, 2023	217,900,036	35,211,724	17,071,464	-	44,838,086	315,021,310	2,985,491	318,006,801

Approved:

October 24, 2023
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TERAPLAST SA
CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

INDIRECT METHOD

	Period ended September 30, 2023	Period ended September 30, 2022
Cash flows from operating activities:		
Profit before tax	10,804,539	22,576,212
Profit on the sale of fixed assets	(93,754)	(50,093)
Amortisation/depreciation and impairment of non-current assets	30,960,460	22,605,370
Provisions for risks and charges, net		(184,518)
Impairment of doubtful customers	1,117,625	1,635,861
Impairment of inventories, net	139,872	(479,359)
Income from dividends	-	(27,191)
Interest expenses	9,529,813	6,371,043
Operating profit before changes in working capital	52,458,555	52,447,325
Increases of trade and other receivables	(11,341,109)	(19,300,368)
(Increases) /decrease of inventories	4,970,282	(12,614,942)
Increase / (Decrease) of trade and other liabilities	39,098,973	(8,619,180)
Income tax paid	(1,598,967)	1,900,715
Interest paid, net	(9,529,813)	(6,371,043)
Income from subsidies	(6,038,108)	(2,910,928)
Cash generated by / (used in) operating activities	68,019,813	4,531,579
Cash used in investing activities:		
Payments to purchase non-current assets	(97,741,644)	(67,294,079)
Proceeds from State aid subsidies	23,932,728	30,437,389
Proceeds from the sale of tangible assets	701,347	218,523
Net cash (used in) / generated by investing activities	(73,107,569)	(36,638,167)
Cash from financing activities:		
Payment of finance lease liabilities	(770,195)	(1,156,168)
Net draws/(repayments) of credit lines	2,094,637	65,829,072
Dividends received	-	27,191
Dividends paid	-	(32,684,967)
Shares redeemed, net of option exercise	9,301	(170,404)
Net cash (used in) / from financing activities	1,333,743	31,844,724
Increase / (Decrease) of cash	(3,754,013)	(261,864)
Cash and cash equivalents at the beginning of the period	10,713,209	7,712,109
Cash and cash equivalents at the end of the period	6,959,196	7,450,245

Approved:

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Board of Directors

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CEO

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1. GENERAL INFORMATION

These are the consolidated financial statements of the Teraplast SA Group (the "Group"). The head office of Teraplast SA is in Teraplast Industrial Park, Bistrița-Năsăud county, Romania.

With a tradition of 125 years, TeraPlast SA is the parent company of the TeraPlast group, one of the most important manufacturers on the building materials and PVC compounds market.

Structure of TeraPlast group

Teraplast SA (or the "Company") is a joint stock company established in 1992. The Company's head office is in the Teraplast Industrial Park, Bistrita- Nasaud County, Romania.

Starting 2 July 2008, the Company Teraplast is listed at the Bucharest Stock Exchange under the symbol TRP.

TeraPlast produces systems for sewage, water and natural gas transport and distribution, rainwater management systems and for cable protection and PVC plasticised and rigid compounds.

Group Teraplast includes Teraplast and its subsidiaries:

- Teraglass Bistrita SRL - manufacturer of PVC windows and doors;
- TeraPlast Recycling SA – PVC recycler;
- TeraBio Pack SRL – manufacturer of biodegradable polyethylene packaging;
- Teraplast Magyarország – distributor of TeraPlast's products in Hungary;
- Somplast SA – the Company holds production halls that it leases to TeraBioPack and TeraPlast Recycling. At 31 December 2021, the Company does not register any more production, since the production of installations is integrated in TeraPlast and the production of flexible polyethylene packaging is integrated in TeraBio Pack. TeraPlast exercises control of the company and consolidates the financial statements of Somplast as of 1 April 2021;
- TeraGreen Compound – inactive company
- Teraverde Carbon SRL – inactive company

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Group have been prepared in accordance with the provisions of Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards applicable to trading companies whose securities are admitted to trading on a regulated market, as subsequently amended and clarified ("**MoPFO 28422/2016**"). These provisions are compliant with the provisions of the International Financial Reporting Standards adopted by the European Union ("**EU IFRS**").

The accounting policies and measurement methods adopted in the preparation of the simplified consolidated interim financial statements are consistent with those used in the preparation of the annual consolidated financial statements of Teraplast SA at December 31, 2022.

3. ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The main assumptions regarding future sources and other key sources of uncertainty in the estimates at the reporting date, which present a significant risk of causing a significant adjustment to the carrying amounts of assets and liabilities in the next financial year, are described below. The Group based its assumptions and estimates on the parameters available in preparing the separate financial statements. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances beyond the Group's control. Such changes are reflected in the assumptions when they occur.

4. OPERATING INCOME AND SEGMENTS

An analysis of the Group's revenues is detailed below:

	<u>Period ended September 30, 2023</u>	<u>Period ended September 30, 2022</u>
Sales of finished goods	477,162,149	527,476,518
Sale of merchandise	45,563,770	40,897,761
Revenues from other activities	2,670,502	3,564,723
Trade discounts granted	<u>(8,012,628)</u>	<u>(8,261,926)</u>
TOTAL	<u>517,383,793</u>	<u>563,677,076</u>

The information reported by the management on the operating policy as regards the allocation of resources and analysis of segment performance are focused on the type of delivered products. The reporting segments of the Group were determined according to:

- the nature of the goods and services
- the nature of the production processes
- the type or category of clients for goods and services
- the methods used to distribute the goods or provide the services

The distribution channels of the products of TeraPlast group are:

- Distributors and resellers (domestic and exports)
- Specialised networks (DIY stores – domestic and exports)
- Contractors and builders (infrastructure projects auctions)
- Producers (domestic and exports)

Based on the geographic distribution, the turnover is broken down as follows:

	<u>Year ended September 30, 2023</u>	<u>Year ended September 30, 2022</u>
Romanian market	430,770,127	473,437,724
Foreign markets	<u>86,613,666</u>	<u>90,239,351</u>
Total	<u>517,383,793</u>	<u>563,677,075</u>

BUSINESS LINES

Installations

The complete systems for installations are made of PVC, PP (polypropylene) and PE (polyethylene) and are part of the portfolio of TeraPlast SA. They comprise systems for: indoor sewer system, outdoor sewer system, transport and distribution of water and natural gas, rainwater management, cable protection and floor heating.

The products in the Installations portfolio are mainly intended for the infrastructure market, but also for the residential and non-residential building market. TeraPlast is the leader of the PVC outdoor sewer market and is ranked top 3 on the other segments of the Romanian installations market.

The company has a long history of market innovations:

- We were the first producer of approved polyethylene pipes in Romania
- We were the first producer of multi-layered PVC pipes for outdoor sewer
- We are the only Romanian producer that holds a patent for the production of multi-layered PVC pipes (with recycled core) for outdoor sewer

4. OPERATING INCOME AND SEGMENTS (continued)

The development of the range of products also includes objectives related to their sustainability. Therefore, we have developed over the years solutions such as the multi-layered PVC pipes or the PE 100-RC pipe resistant to crack propagation and a useful life of almost 100 years according to PAS 1075.

The Recovery and Resilience Plan for Romania has a EUR 5 billion budget for investment projects, which directly influences the demand for TeraPlast products and offers growth opportunities for the Group's businesses.

Compounds

The PVC compounds business line is part of the portfolio of TeraPlast SA and comprises plasticized and rigid compounds. They are used in extrusion and injection processes in the processing industry. Further to an investment project co-funded under the State aid scheme, our company introduces an innovation on the Romanian compound market: fireproof halogen-free compounds (HFFR). They are waiting homologation with the clients.

TeraPlast is the leader of the Romanian PVC compound market, with a market share of over 34%.

Recycling

Through its recycling activity, TeraPlast Recycling is the largest rigid PVC recycler in Romania and one of the top 10 in Europe. The plant processes post-industrial and post-consumption rigid PVC waste. The finished product resulting from recycling, the regranulated PVC or micronized PVC, can be used by PVC processors in production without altering the technical or qualitative characteristics of the finished products.

The micronized PVC produced by TeraPlast Recycling is used by TeraPlast in the production of PVC pipes and by other European pipe manufacturers. Given the utilization of the product, the micronized PVC business is presented along with the Installations business.

The regranulated PVC replaces certain compounds made of virgin material. The compound business of TeraPlast Recycling is presented along with the compound business of TeraPlast.

Windows and doors

The windows and doors business line belongs to TeraGlass Bistrița SRL. The product range includes PVC and aluminium windows and doors, facades and terraces, garage doors. More than 70% of the annual production goes abroad in countries like Germany, Hungary, Slovakia or Austria. An important distribution channel for the TeraGlass products is represented by the home development outlets abroad.

Flexible packaging

In December 2021, TeraBio Pack began the production of biodegradable flexible films and packaging in the new plant located in TeraPlast Industrial Park.

As of September 2021, TeraBio Pack took over the polyethylene flexible packaging business from Somplast. The flexible packaging line includes polyethylene foils and films, polyethylene covers, sacks (thick, thin, household), and bags.

Polyethylene foils and films for agricultural use (solarium foil), in the construction industry (film, protection foil) and as semi-finished product in the packaging industry.

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

4. OPERATING INCOME AND SEGMENTS (continued)

Flexible packaging (continued)

Period ended September 30, 2023	Installations and recycling	Compounds, including recycled	Joinery profiles	Flexible packaging	Total
Turnover	387,488,737	59,776,609	37,114,130	33,004,317	517,383,793
Other operating income	970,208	-	11,972	8,416	990,596
Total operating income	388,458,945	59,776,609	37,126,102	33,012,733	518,374,389
Raw materials, consumables used and merchandise*	(240,732,359)	(44,244,751)	(21,209,902)	(23,200,532)	(329,387,544)
Employee benefits expenses	(46,688,683)	(4,845,216)	(8,488,225)	(9,434,622)	(69,456,746)
Transport	(17,193,565)	(1,484,442)	(3,357,504)	(954,914)	(22,990,425)
Utilities	(18,433,091)	(1,748,761)	(639,275)	(2,789,779)	(23,610,906)
Amortization net of subsidies and adjustments for the impairment of assets and provisions**	(18,924,846)	(2,277,620)	(904,132)	(2,708,875)	(24,815,473)
Adjustments for the impairment of current assets	(555,793)	-	(1,030,056)	328,353	(1,257,496)
Sponsorship	(606,080)	-	(14,612)	-	(620,692)
Other expenses	(19,709,480)	(1,940,010)	(2,235,594)	(2,154,608)	(26,039,692)
Expenses related to indirect sales and administrative expenses	(362,843,897)	(56,540,800)	(37,879,300)	(40,914,977)	(498,178,974)
EBITDA***	44,539,895	5,513,429	150,934	(5,193,370)	45,010,888
EBITDA %	11,5%	9,2%	0,4%	-15,7%	8,7%
Net result	14,592,885	2,913,369	(1,688,766)	(9,020,602)	6,796,886

*The line includes the changes in stocks of finished goods and semi-finished goods „Changes in stocks of finished goods and work in progress”

**The line also includes gains or losses on the sale or revaluation of non-current assets, including investment property

***EBITDA = operating result + amortization and the adjustments for the impairment of non-current assets and provisions – Income from subsidies

September 30, 2023	Installations and recycling	Compounds	Joinery profiles	Flexible packaging	Unallocated amounts	Total
Assets						
Total assets, out of which	525,138,952	51,412,997	42,546,672	89,832,902	4,914,9552	735,846,477
Non-current assets	283,208,079	22,391,008	18,079,924	68,564,513	4,914,955	397,158,478
Current assets	241,930,873	29,021,990	24,466,748	21,268,389	-	338,687,999
Liabilities						
Total liabilities, out of which:	281,180,601	33,233,161	35,287,747	68,138,167	-	417,839,675
Non-current liabilities	73,796,330	6,878,771	5,471,978	39,181,880	-	125,328,959
Current liabilities	207,384,270	26,354,390	29,815,769	28,956,287	-	292,510,716

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NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

4. OPERATING INCOME AND SEGMENTS (continued)

Flexible packaging (continued)

The amounts disclosed are net of the inter-segment transactions elimination.

Unallocated current assets represent property leased to the buyer of the Joinery profiles business and investment property.

The major investments completed in 2021 – 2022, worth RON 221 million, complement the ones made over the last years for extending the field of activity, the Group's geographical footprint, increasing the energetic independence and replacing virgin raw materials with recycled materials.

Period ended September 30, 2022	Installations and recycling	Compounds, including recycled	Joinery profiles	Flexible packaging	Total
Turnover	384,422,296	107,496,122	43,607,113	28,151,545	563,677,076
Other operating income	326,909	-	14,104	19,145	360,158
Total operating income	384,749,205	107,496,122	43,621,217	28,170,690	564,037,234
Raw materials, consumables used and merchandise	(255,918,151)	(84,507,832)	(27,434,570)	(22,383,689)	(390,244,242)
Employee benefits expenses	(39,599,123)	(5,415,552)	(8,584,902)	(8,508,706)	(62,108,283)
Transport	(15,949,700)	(1,592,745)	(4,048,756)	(1,067,174)	(22,658,375)
Utilities	(12,699,149)	(1,249,023)	(720,269)	(1,957,180)	(16,625,621)
Amortization net of subsidies and adjustments for the impairment of assets and provisions	(13,728,351)	(1,985,066)	(1,154,169)	(2,577,872)	(19,445,458)
Adjustments for the impairment of current assets	(883,661)	-	(506,318)	233,468	(1,156,511)
Other expenses	(44,076,526)	(5,477,843)	(6,863,098)	(5,580,395)	(61,997,861)
Expenses related to indirect sales and administrative expenses	(354,205,811)	(97,386,293)	(44,543,057)	(38,817,194)	(534,952,355)
EBITDA	44,271,745	12,094,895	232,329	(8,068,632)	48,530,337
EBITDA %	11,5%	11,3%	0,5%	-28,7%	8,6%
Net result	22,406,404	7,753,184	(1,799,851)	(11,973,992)	16,385,745

September 30, 2022	Installations and recycling	Compounds	Joinery profiles	Flexible packaging	Unallocated amounts	Total
Assets						
Total assets, out of which	449,356,054	56,566,773	46,677,820	100,021,262	8,932,555	661,554,463
Non-current assets	236,983,118	24,018,018	19,961,013	76,902,416	8,932,555	366,797,119
Current assets	212,372,936	32,548,755	26,716,807	23,118,846	-	294,757,344
Liabilities						
Total liabilities, out of which:	207,211,030	31,804,062	37,735,646	75,324,550	-	352,075,288
Non-current liabilities	61,220,356	6,717,566	6,575,521	37,036,510	-	111,549,952
Current liabilities	145,990,675	25,086,496	31,160,125	38,288,040	-	240,525,336

5. SUNDRY INCOME AND EXPENSES

Financial income and expenses

	<u>Period ended September 30, 2023</u>	<u>Period ended September 30, 2022</u>
Interest expense	(9,531,370)	(6,391,529)
Interest income	1,557	20,486
Income from foreign exchange differences, net	2,813,671	3,674,373
Expenses with foreign exchange differences, net	(3,544,426)	(3,835,286)
Other financial income/(expenses)	869,693	(3,902)
Losses on dividends	-	27,191
Net financial loss	<u>(9,390,875)</u>	<u>(6,508,667)</u>

The Group did not capitalize any borrowing cost in 2023 and 2022 because the investments financed through bank debt were assets with long implementation period (construction, installation and commissioning).

Interest expense is for loans from banks which are measured at amortized cost.

Other operating income

	<u>Period ended September 30, 2023</u>	<u>Period ended September 30, 2022</u>
Compensations, fines and penalties	595,673	102,357
Income from subsidies	6,051,233	2,925,301
Other income	394,923	257,801
Total	<u>7,041,829</u>	<u>3,285,459</u>

6. RAW MATERIALS, CONSUMABLES USED AND MERCHANDISE

	<u>Period ended September 30, 2023</u>	<u>Period ended September 30, 2022</u>
Expenses with raw materials	275,562,698	363,579,256
Expenses with consumables	18,542,126	20,179,130
Expenses with merchandise	29,285,696	29,906,289
Packaging used	1,687,025	1,141,217
Total	<u>325,077,545</u>	<u>414,805,892</u>

7. GAINS AND LOSSES ON DISPOSAL OF FIXED ASSETS

	<u>Period ended September 30, 2023</u>	<u>Period ended September 30, 2022</u>
Income from the disposal of the tangible and intangible assets and investment property	701,347	218,523
Expenses with the disposal of tangible and intangible assets and investment property	(607,593)	(168,430)
Net loss from the disposal of tangible and intangible assets and investment property	93,754	50,093

8. EXPENSES WITH PROVISIONS, IMPAIRMENT ADJUSTMENTS AND AMORTIZATION

	<u>Period ended September 30, 2023</u>	<u>Period ended September 30, 2022</u>
Expenses with non-current assets impairment (IAS 36)	(3,446,275)	(2,229,967)
Income from reversal of non-current assets impairment (IAS 36)	107,612	176,070
Amortization and depreciation expenses (Notes 11 and 12) (IAS 36, IFRS 16)	(27,621,797)	(20,551,473)
Net adjustments for non-current assets impairment	(30,960,460)	(22,605,370)
Inventory impairment expenses (IAS 36)	(749,393)	(225,004)
Income from inventory impairment reversal (IAS 36)	609,521	704,363
Net adjustments for inventory impairment (note 14)	(139,872)	479,359
Expenses with impairment of doubtful clients (IFRS 9)	(1,567,478)	(2,084,956)
Income from impairment reversal for doubtful clients (IFRS 9)	1,131,594	449,086
Receivables charged to expenses (IFRS 9)	(681,740)	-
Net adjustments for current receivables (note 15)	(1,117,624)	(1,635,870)
Expenses with provisions (IAS 36)	-	-
Income from reversal/write-off of provisions (IAS 36)	-	184,518
Net adjustment for provisions	-	184,518

Impairment of non-current assets

The Group sets up impairment allowances for equipment that will no longer be used because it is damaged or obsolete. When this equipment is scrapped, recycled or sold, the impairment allowance is reversed.

Inventory impairment

Allowances are set up for inventory that was not used or sold during the last 12 months, finished goods for which the demand is decreasing, that are damaged or have quality issues. The cost of finished goods on stock as at quarter end is also compared to the expected selling price and an allowance is set up, if necessary, to adjust the cost to the lower net realizable value.

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

9. EXPENSES WITH EMPLOYEES' BENEFITS AND REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

	Period ended September 30, 2023	Period ended September 30, 2022
Salaries	62,846,193	56,685,222
Contributions to the State social insurance fund	1,830,292	2,188,711
Meal tickets	4,780,261	3,234,350
Total, as per the "Expenses with employees' benefits" line	69,456,746	62,108,283

10. OTHER EXPENSES

	Period ended September 30, 2023	Period ended September 30, 2022
Transport	22,990,425	22,658,375
Utilities and green certificates	23,610,906	16,625,621
Third party services	11,314,344	9,799,973
Repairs	4,337,194	3,931,888
Other taxes and levies	1,908,896	1,481,184
Protocol, advertising and publicity	2,366,337	1,398,711
Insurance premiums	2,051,258	1,276,171
Other general expenses	1,415,281	537,047
Rentals	1,280,940	1,602,467
Travel	861,872	655,022
Postage fees and telecommunications	409,630	377,316
Damages, fines and penalties	93,940	571,487
Total	72,641,023	60,915,262

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment and vehicles	Installations and furniture	Property, plant and equipment	Total
COST						
Balance at January 1, 2022	9,670,598	61,303,823	277,836,329	2,558,344	63,383,946	414,753,040
Transfers to / from non-current assets in progress	1,847,567	570,533	6,165,212	58,387	81,470,714	90,112,414
Revaluation increase/(decrease)		35,487,664	88,107,389	1,544,653	(125,139,706)	-
Transfers of right-of-use assets	475,105	887,909	-	-	-	1,363,014
Disposals and other write-downs	-	-	(1,514,030)	-	-	(1,514,030)
Balance at December 31, 2022			(6,909,596)	(35,347)	(53,624)	(6,998,567)
Balance at January 1, 2023	11,993,270	98,249,929	363,685,304	4,126,038	19,661,330	497,715,871
Increases	566,755	2,997,411	2,545,693	20,067	51,929,067	58,058,993
of which:	-	-	-	-	-	-
Transfers to / from non-current assets in progress	-	8,799,315	10,834,126	98,128	(19,731,569)	-
Transfers of right-of-use assets	-	-	(1,160,297)	-	-	(1,160,297)
Disposals and other write-downs	(560,826)	(1,824,322)	(1,141,016)	-	-	(3,526,164)
Balance at September 30, 2022	11,999,199	108,222,333	374,763,810	4,244,233	51,858,828	551,088,403

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Buildings	Equipment and vehicles	Installations and furniture	Property, plant and equipment	Total
ACCUMULATED DEPRECIATION						
Balance at January 1, 2022	1,727	2,752,590	131,486,203	943,630	1,255,176	136,439,326
Depreciation during the year	346	4,602,074	23,728,015	295,326	-	28,625,761
Disposals and reductions	-	-	(4,545,783)	(30,022)	-	(4,575,805)
Impairment	-	(152,055)	107	4,569	-	(147,379)
Net transfers of right-of-use assets	-	-	(755,840)	-	-	(755,840)
Balance at December 31, 2022	2,073	7,202,609	149,912,702	1,213,503	1,255,176	159,586,063
Balance at January 1, 2023	2,073	7,202,609	149,912,702	1,213,503	1,255,176	159,586,063
Depreciation during the year	260	5,858,618	21,846,526	501,656	-	28,207,060
Disposals and reductions	-	(214,742)	(541,522)	-	-	(756,264)
Impairment	-	(2,696)	(74,672)	(955)	-	(78,323)
Transfers of right-of-use assets	-	-	(913,958)	-	-	(913,958)
Balance at September 30, 2023	2,333	12,843,789	170,229,076	1,714,204	1,255,176	186,044,578
NET BOOK VALUE						
Net book value at January 1, 2023	11,991,197	91,047,320	213,772,602	2,912,535	18,406,154	338,129,808
Net book value at September 30, 2023	11,996,866	95,378,544	204,534,734	2,530,029	50,603,652	365,043,825

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

12. INTANGIBLE ASSETS

	<u>Licence and other intangible assets</u>	<u>Intangible assets in progress</u>	<u>Total</u>
Cost			
Balance at January 1, 2022	8,012,358	1,450,739	9,463,097
Increases	214,721	1,933,667	2,148,388
Transfers to / from non-current assets in progress	2,533,327	(2,533,327)	-
Disposals and write-downs	-	-	-
Balance at December 31, 2022	10,760,406	851,079	11,611,485
Balance at January 1, 2023	10,760,406	851,079	11,611,485
Increases	349,133	545,834	894,967
Transfers to / from non-current assets in progress	861,526	(861,526)	-
Disposals and write-downs	-	-	-
Additions from acquisition of Somplast	-	-	-
Balance at September 30, 2023	11,971,065	535,387	12,506,452
Accumulated amortisation			
Balance at January 1, 2022	7,100,844	-	7,100,844
Amortisation	777,706	-	777,706
Impairment	(39,049)	-	(39,049)
Write-downs	-	-	-
Balance at December 31, 2022	7,839,501	-	7,839,501
Balance at January 1, 2023	7,839,501	-	7,839,501
Amortisation	651,652	-	651,652
Impairment	(29,289)	-	(29,289)
Write-downs	-	-	-
Additions from acquisition of Somplast	-	-	-
Balance at September 30, 2023	8,461,865	-	8,461,865
Net book value			
Net book value at January 1, 2023	2,920,905	851,079	3,771,984
Net book value at September 30, 2023	3,509,200	535,387	4,044,587

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

13. RIGHT-OF-USE ASSETS

The Group has a right of use over the assets located in rented buildings, storages and exhibition centers, and vehicles.

Cost	Buildings	Machinery and equipment from operating leases	Machinery and equipment from previous finance leases	Equipment	Total
Balance at January 1, 2023	9,942,227	2,448,430	12,035,786	12,035,787	24,426,443
Inflows	11,287,181	848,427	1,485,311	1,485,311	13,620,919
Outflows	(10,275,623)	-	(325,013)	(325,013)	(10,600,636)
Balance at September 30, 2023	10,953,785	3,296,857	13,196,084	13,196,084	27,446,726
Depreciation					
Balance at January 1, 2023	4,002,545	567,048	2,033,979	2,033,979	6,603,572
Depreciation expenses	1,694,851	446,034	1,280,609	1,280,606	3,421,494
Write-downs	(3,506,079)	-	(325,012)	(325,012)	(3,831,091)
Balance at September 30, 2023	2,191,317	1,013,082	2,989,575	2,989,575	6,193,974
Book value at January 1, 2023	5,939,682	1,881,382	10,001,807	10,001,807	17,822,871
Book value at September 30, 2023	8,762,468	2,283,775	10,206,508	10,206,508	21,252,751

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

14. SUBSIDIARIES AND OTHER FINANCIAL ASSETS

At September 30, 2023 and December 31, 2022, the Company holds investments as follows:

Subsidiary	Country	September 30,		December 31,	
		Ownership	2023	Ownership	2022
		%	LEI	%	LEI
TeraGlass Bistrița SRL	Romania	100	3,468,340	100	3,468,340
TeraPlast Recycling SA	Romania	99	11,766,350	99	11,766,350
Somplast SA	Romania	70,8	4,897,400	70,8	4,897,400
TeraBio Pack SRL	Romania	100	23,000,000	100	10,100,000
Teraplast Magyarorszag KFT	Ungaria	100	36,492	100	36,492
TeraGreen Compound SRL	Romania	100	98,832	100	98,832
Teraverde Carbon SRL	Romania	100	10,000	-	-
Total		-	43,277,414	-	30,367,414

Other long-term equity investments

Details on the equity investments of TeraPlast SA are as follows:

Name of investment	Country	September 30,		December 31,	
		Ownership	2023	Ownership	2022
		%	RON	%	RON
CERTIND SA	Romania	7.50	14,400	7.50	14,400
Parteneriat pentru dezvoltarea durabila	Romania	7.14	1,000	7.14	1,000
ECOREP GROUP SA	Romania	0.1	100	0.1	100
Total		-	15,500	-	15,500

CERTIND is an independent certification body accredited by the Greek Accreditation Body – ESYD for the following certification services: certification of quality management systems according to ISO 9001, certification of environment management systems according to ISO 14001, certification of food safety management systems according to ISO 22000.

Teraplast SA did not undertake any obligations and did not make any payment on behalf of the entities in which it holds securities in the form of investments.

15. INVENTORIES

	Balance at	Balance at
	September 30, 2023	December 31, 2022
Finished goods	56,546,401	63,079,752
Raw materials	45,569,572	51,325,425
Commodities	12,390,914	9,184,846
Consumables	7,514,093	6,201,126
Inventory items	401,677	339,349
Semi-finished goods	4,209,302	2,669,734
Residual products	1,914,337	1,283,995
Goods to be purchased	454,119	194,634
Packaging	1,052,429	877,513
Work in progress	133,248	-
Inventories – gross value	130,186,092	135,156,374

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

15. INVENTORIES (continued)

	Balance at September 30, 2023	Balance at December 31, 2022
Value adjustments for raw materials and consumables	(2,392,948)	(2,245,425)
Value adjustments for finished products	(2,764,841)	(2,940,662)
Value adjustments for merchandise	(1,017,966)	(849,796)
Total value adjustments	(6,175,755)	(6,035,883)
Total inventories – net value	124,010,337	129,120,491

The value adjustments are made for all categories of inventory (see above), using both general methods and specific methods according to their age and analyses on the chances to use them in the future. The categories of inventories with the age of one year or above which did not have any movements in the past year are depreciated in full.

The Group's inventories are pledged in favour of financing banks.

16. TRADE AND OTHER RECEIVABLES

	Balance at September 30, 2023	Balance at December 31, 2022
Short-term receivables		
Trade receivables	143,067,397	108,951,974
Trade notes not exigible	41,586,970	38,381,908
Advances paid to suppliers of non-current assets	28,874,142	7,380,625
Advances paid to suppliers of inventories and services	6,427,822	10,903,090
Advances paid to employees	2,142	3,506
Other receivables	4,902,915	6,144,493
Loss allowance	(18,519,183)	(18,083,289)
Balance at the end of the year	206,342,205	153,682,307

The changes in adjustment for impairment on doubtful receivables

	September 30, 2023	December 31, 2022
	RON	RON
Balance at the beginning of the year	(18,083,289)	(16,550,843)
Receivables written-off during the year	681,740	2,293,638
Impairment adjustment charged to statement of comprehensive income for trade receivables	(1,117,634)	(3,826,083)
Receivables with transferred clients	-	-
Balance at the end of year	(18,519,183)	(18,083,288)

When determining the recoverability of a receivable, the Group takes into consideration any change in the crediting quality of the concerned receivable starting with the credit granting date until the reporting date. The concentration of the credit risk is limited taking into consideration that the client base is large and they are not related to each other.

An allowance for impairment was recorded by the Group for the full amount of trade receivables overdue for more than 90 days (at December 2021) and 60 days (at December 2022).

16. TRADE AND OTHER RECEIVABLES (continued)

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default is based on the risk rating of each client obtained from independent parties, adjusted, if the case with forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

The Group's receivables are pledged in full in favour of the financing banks.

17. INVESTMENT PROPERTY

At September 30, 2023 and December 31, 2022, TeraPlast holds 21 thousand sqm of land in Bistrița for value appreciation, classified as investment property. The production unit of TeraPlast used to be located on this land, before the Company moved to TeraPlast Industrial Park. The land has a fair value of RON 4,915 thousand (RON 4,356 thousand at December 31, 2021).

The Group carries its investment properties at fair value, with changes in fair value being recognized in the statement of profit or loss. Investment properties were revalued at 31 December 2022 by an external independent valuator. The valuation method used was the market comparison.

18. SHARE CAPITAL

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Common shares paid in full	217,900,036	217,900,036

As at 30 September 2023, the value of the share capital subscribed and paid up of the parent-company included 2,179,000,358 (31 December 2022: 2,179,000,358) authorized shares, issued and paid in full, at a value RON 0.1/share and having a total nominal value of RON 217,900,036 (31 December 2022: RON 217,900,036). Common shares bear a vote each and give the right to dividends.

Shareholding

	<u>Balance at September 30, 2023</u>		<u>Balance at December 31, 2022</u>	
	<u>Number of shares</u>	<u>% ownership</u>	<u>Number of shares</u>	<u>% ownership</u>
Goia Dorel	1,020,429,614	46.83	1,020,429,614	46.83
FONDUL DE PENSII ADMINISTRAT PRIVAT NN/NN PENSII S.A.F.P.A.P. S.A.	261,832,007	12.02	261,832,007	12.02
FD DE PENS ADMIN PRIV AZT VIITORUL TAU/ALLIANZ PP	135,167,485	6.2	135,167,485	6.2
LCS IMOBILIAR SA	78,628,275	3.6	78,628,275	3.6
Other natural and legal persons	682,942,977	31.34	682,942,977	31.34
Total	<u>2,179,000,358</u>	<u>100</u>	<u>2,179,000,358</u>	<u>100</u>

19. EMPLOYEE BENEFIT LIABILITIES AND PROVISIONS

The Group grants its employees a retirement benefit according to the seniority within the Group when they turn the retirement age of 65 for men and of 61 for women.

The provision represents the present value of the retirement benefit as calculated on an actuarial basis.

	Short-term		Long-term	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Employee benefits	-	-	1,956,848	1,956,848
Provisions for risks and charges	952,640	952,640	-	-
Total	952,640	952,640	1,956,848	1,956,848

Teraplast SA has set provisions for sundry expenses related to environmental protection and tax liabilities, being probable that certain obligations generated by prior events of the entity would determine an outflow of resources.

The Group has established a benefits plan through which employees are entitled to receive retirement benefits based on their seniority in the Group, upon reaching retirement age. There are no other post-retirement benefits for employees. The provision represents the current value of the retirement benefit liability calculated on an actuarial basis.

The latest actuarial valuations were performed on 31 December 2021 by Mr. Silviu Matei, a member of the Romanian Actuaries Institute. At 31 December 2022 and 30 September 2023, there was no need for a revision of the actuarial calculation because there were no changes in long-term benefits and the turnover of employees and the age structure thereof was insignificant.

The current value of the defined benefit liabilities and the current and past cost of the related services were measured using the projected credit unit method.

20. TRADE AND OTHER PAYABLES

	September 30, 2023	December 31, 2022
Trade payables	92,947,329	62,816,152
Trade notes payable	393,677	1,492,748
Liabilities from the purchase of non-current assets	12,179,096	11,221,341
Other current payables	20,728,792	11,646,492
Advance payments from clients	1,521,989	763,524
Total	127,770,883	87,940,257

Contractual liabilities reflect the Company's obligation of transferring goods or services to a client from which it has received the counter value of the good/service or from which the amount due is outstanding.

20. TRADE AND OTHER PAYABLES (continued)

OTHER CURRENT PAYABLES

	Balance at September 30, 2023	Balance at December 31, 2022
Salary-related payables to employees and social security payables	12,109,110	10,529,188
VAT payable	7,926,672	42,237
Unclaimed employee rights	-	587
Other creditors	17,293	79,859
Commercial guarantees received	71,655	71,655
Other taxes payable	558,512	877,416
Dividends payable	45,550	45,550
Total	20,728,792	11,646,492

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

21. LOANS FROM BANKS

Teraplast SA

Financing bank	Type of financing	Origination date	Balance at December 31, 2022	Balance at September 30, 2023	Short term at September 30, 2023	Long term at September 30, 2023	Period
Banca Transilvania	Working capital	07.06.2017	45,964,374	58,639,783	58,639,783		12 MONTHS
BCR	Working capital	28.08.2020	43,471,579	42,941,324	42,941,324		12 MONTHS
Banca Transilvania	Investments	20.04.2017	3,176,671	1,588,336	1,588,336		84 MONTHS
Banca Transilvania	Investments	07.03.2019	3,675,720	1,837,860	1,837,860		60 MONTHS
Banca Transilvania	Investments	30.03.2020	4,298,427	2,456,244	2,456,244		60 MONTHS
Banca Transilvania	Investments	23.12.2020	9,235,266	9,628,415	3,851,366	5,777,049	60 MONTHS
Banca Transilvania	Investments	15.03.2021	6,789,841	12,860,641	4,676,597	8,184,044	60 MONTHS
Banca Transilvania	Investments	15.03.2021	-	-	-	-	12 MONTHS
Banca Transilvania	Investments	28.04.2023	-	3,095,957	952,602	2,143,355	60 MONTHS
TOTAL			116,611,878	133,048,558	116,944,111	16,104,447	

Teraplast Recycling SA

Financing bank	Type of financing	Origination date	Balance at December 31, 2022	Balance at September 30, 2023	Short term at September 30, 2023	Long term at September 30, 2023	Period
Banca Transilvania	Investments	11.10.2021	2,801,623	2,274,527	710,239	1,564,288	60 MONTHS
Banca Transilvania	Working capital	08.07.2021	-	2,912,399	2,912,399	-	12 MONTHS
TOTAL			2,801,623	5,186,925	3,622,638	1,564,288	

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2023
(all amounts are expressed in RON, unless otherwise specified)

21. LOANS FROM BANKS (continued)

Teraglass Bistrita SRL

<u>Financing bank</u>	<u>Type of financing</u>	<u>Origination date</u>	<u>Balance at December 31, 2022</u>	<u>Balance at September 30, 2023</u>	<u>Short term at September 30, 2023</u>	<u>Long term at September 30, 2023</u>	<u>Period</u>
Exim Bank	Investments	08.03.2019	2,728,145	2,209,755	773,568	1,436,188	24 MONTHS
Transilvania Bank	Working capital	08.07.2020	10,637,669	11,428,294	11,428,294		12 MONTHS
BCR Bank	Working capital	23.12.2020	5,313,155	4,145,304	4,145,304		12 MONTHS
TOTAL			18,678,969	17,783,354	16,347,166	1,436,188	

TeraBio Pack SRL

<u>Financing bank</u>	<u>Type of financing</u>	<u>Origination date</u>	<u>Balance at December 31, 2022</u>	<u>Balance at September 30, 2023</u>	<u>Short term at September 30, 2023</u>	<u>Long term at September 30, 2023</u>	<u>Period</u>
BCR Bank	Investments	29.04.2021	24,242,260	20,719,209	4,965,660	15,753,549	78 MONTHS
BCR Bank	Investments	29.04.2021	8,912,556	670,208	670,208	-	18 MONTHS
BCR Bank	Working capital	29.11.2021	4,829,878	4,514,915	4,514,915	-	12 MONTHS
BCR Bank	Working capital	29.11.2021	10,000,000	9,698,428	9,698,428	-	12 MONTHS
TOTAL			47,984,694	35,602,759	19,849,210	15,753,549	

Somplast SA

<u>Financing bank</u>	<u>Type of financing</u>	<u>Origination date</u>	<u>Balance at December 31, 2022</u>	<u>Balance at September 30, 2023</u>	<u>Short term at September 30, 2023</u>	<u>Long term at September 30, 2023</u>	<u>Period</u>
Transilvania Bank	Working capital	08.07.2021	4,550,305	1,100,509	1,100,509	-	12 MONTHS
TOTAL			4,550,305	1,100,509	1,100,509	-	

22. RELATED PARTY TRANSACTIONS

The related and affiliated entities of the Company are as follows:

September 30, 2023

Subsidiaries

- Teraglass Bistrita SRL
- TeraPlast Recycling SA
- TeraBio Pack Srl
- Somplast SA
- Teraplast Magyarország KFT
- TeraGreen Compound SRL
- Teraverde Carbon SRL

Related parties (common shareholding/decision-makers)

- ACI Cluj SA
- Hermes SA
- Info Sport SRL
- Ischia Activholding SRL
- Ischia Invest SRL
- La Casa Ristorante Pizzeria Pane Dolce SRL
- New Croco Pizzeria SRL
- Parc SA
- Primcom SA
- Sens Unic Imobiliare SRL
- Alpha Quest Tech SRL
- Banca Romaneasca SA – membra a Grupului Eximbank SA
- Grupul Bittnet Systems SA
- Global Resolution Experts SA – membra a Grupului Bittnet Systems S.A.
- Compa SA
- Magazin Universal Maramures SA
- LCS Imobiliar SA

The transactions between the parent and its subsidiaries, Group affiliates were eliminated from the consolidation.

In 2022 and the period January-September 2023, the Group did not enter into significant transactions with related parties.

23. CASH AND CASH EQUIVALENTS

Cash

For cash flow statement purposes, the cash includes cash on hand and in current bank accounts. The carrying amount of these assets is approximately equal to their fair value.

Cash and cash equivalents at financial year end, as disclosed on the cash flow statement, may be reconciled with the items related to the accounting balance sheet, as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
	<i>RON</i>	<i>RON</i>
Cash at banks	6,611,623	10,470,326
Commercial papers receivable	6,306	-
Petty cash	173,249	31,325
Cash at banks, restricted	168,018	211,558
Total	<u>6,959,196</u>	<u>10,713,209</u>

The Group's cash is fully pledged in favour of financing banks.

24. SUBSIDIES FOR INVESTMENTS

Subsidies for investments refer to non-reimbursable funds for investments made by TeraPlast SA, TeraGlass SRL and TeraBio Pack SRL. There are no unfulfilled conditions or other contingencies associated with such subsidies.

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
At 1 January	60,566,288	34,383,655
Inflows of subsidies	23,932,728	30,437,388
Transferred to statement of comprehensive income	(6,038,108)	(4,254,755)
Total	78,460,908	60,566,288
Current	7,601,172	5,438,448
Non-current	70,859,736	55,127,841

The value of outstanding subsidies is recognised as deferred income in the balance sheet and transferred to the statement of comprehensive income on a systematic basis, throughout the lifetime of the related assets.

25. SUBSEQUENT EVENTS

There were no significant events.

Declaration of Management

We confirm to the best of our knowledge that the unaudited financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group as required by the applicable accounting standards and that the consolidated financial statements of TeraPlast Group give a true and fair view of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that the Group faces.

Approved:

October 24, 2023
The Board of Directors

Alexandru Stanean
 CEO

Ioana Birta
 CFO