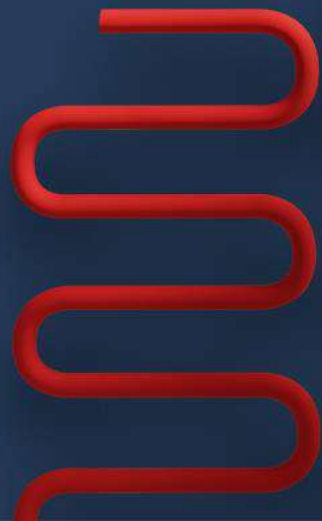


2023 results

Investors & analysts call
February 13, 2024





AGENDA

1. TeraPlast Group structure in 2024

2. About the acquired companies

3. 2023 results

4. 2024 Budget

5. Financial performance



TeraPlast Group structure in 2024



Installation Compounds

Complete systems for:

- ✓ Interior sewage
- ✓ Exterior sewage
- ✓ Water & gas transport & distribution
- ✓ Rainwater management
- ✓ Electrical & telecom cables protection
- ✓ Underfloor heating

Rigid & plastified PVC compounds
HFFR compounds

 **1.114**

Employees at Group level*



➔ Rigid PVC recycling

Micronized recycled PVC
Regranulated recycled PVC



➔ Flexible packaging

Biodegradable & compostable packaging
Polyethylene packaging



➔ Aluminum & PVC windows & doors

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



Following the two acquisitions, starting 2024, the Group structure will include



About the acquisitions: Palplast Moldova



6.700 sqm



>3.800 to/year



25

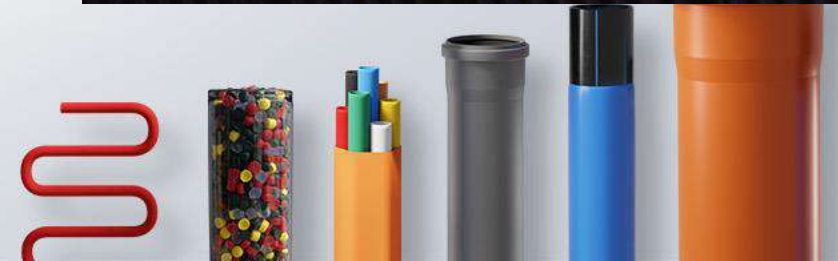
The factory is located in the city of Călărași, Republic of Moldova, situated on both banks of the Bîc river, 67 km northwest of Chișinău, 59 km from the border with Romania, and 130 km from the border with Ukraine.

It is an industrial base with the potential for further expansion on an area of 6,000 square meters.

The company specializes in the production of HDPE pipes with the following applications:

- Potable water supply networks
- Natural gas distribution networks
- Irrigation systems
- Sewerage, fluid transport systems
- Protective pipes for communications

TeraPlast Group will invest 1 million euros in 2024 to diversify the range of products manufactured in the Republic of Moldova, and will also utilize Palplast as a distribution platform for products manufactured in Romania.

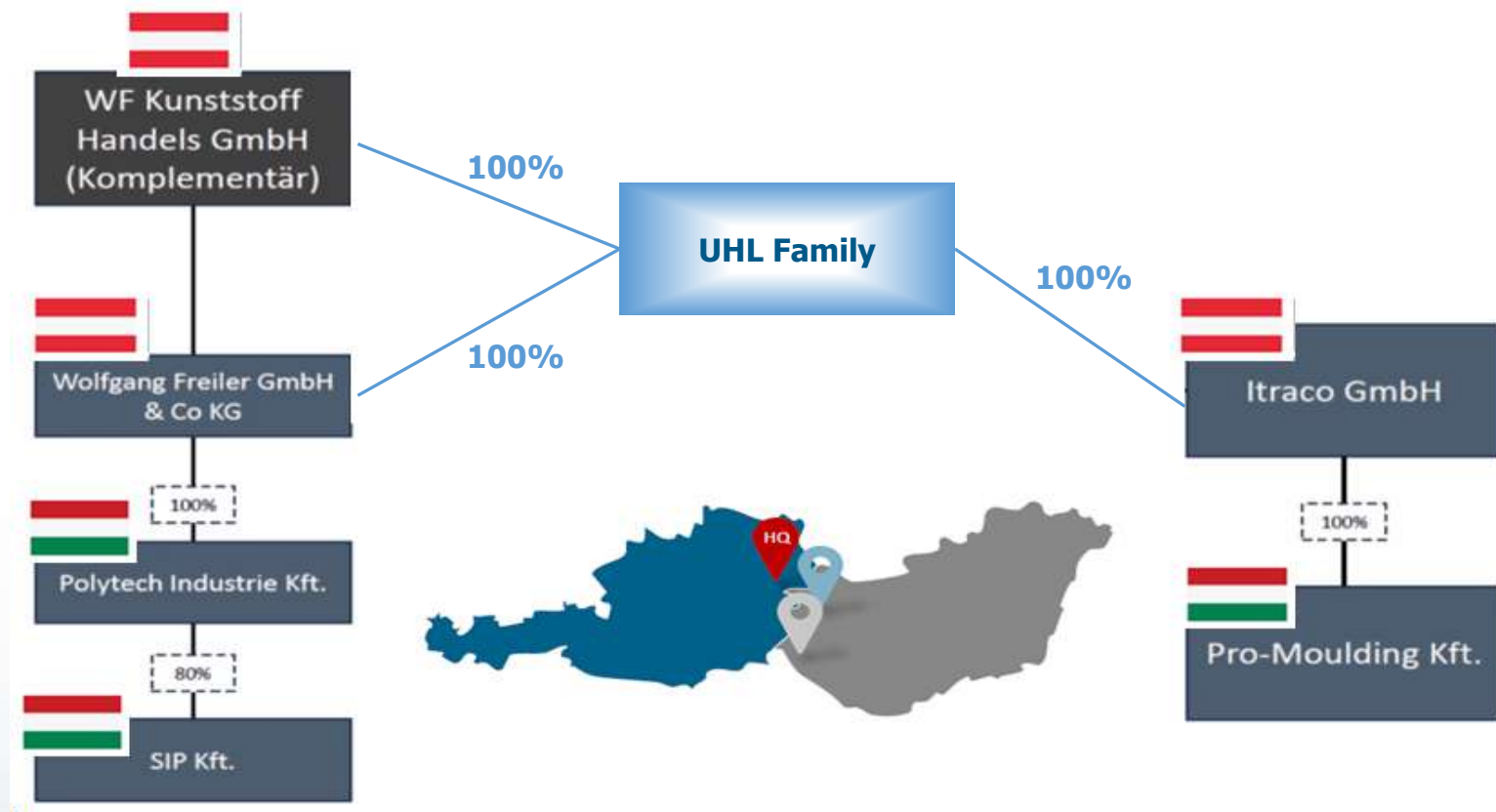




About the acquisitions: Wolfgang Freiler Group

1. Perimeter of the transaction

- The perimeter of the transaction is extended to 6 companies due to the existing structure. There are 3 essential components of the transaction:
 - Wolfgang Freiler - a trading company from Austria and the parent company of the acquired Group.
 - Polytech Industrie - a manufacturer of high-density polyethylene pipes.
 - ProMoulding - a manufacturer of injection-molded plastic parts.
- A fourth company, SIP, owns unused industrial assets. Following the completion of the transaction, restructuring of the Freiler Group's structure will be carried out.



About the acquisitions: Wolfgang Freiler Group

2. Key information – business overview

Compact business model with modern production facilities.

- ✓ Export-oriented history and entry into new markets, lean organizational structure, skilled and results-oriented team, consistent product quality, formation and retention of a diversified customer base.

Strategic location.

- ✓ Expansion of TeraPlast Group's geographic footprint towards Western Europe, utilization of production capacities put into operation in recent years.
- ✓ Access to hard-to-reach markets in terms of specificity (e.g., technical specifications), logistical efficiency.

Synergies

- ✓ Complementing the Freiler Group's portfolio to provide integrated solutions.
- ✓ Increased exposure to common suppliers.
- ✓ Logistical flexibility, cost optimization.
- ✓ Notable expertise in the production of pipes from recycled materials.

Solid financial profile

- ✓ Excellent results demonstrated over the past 5 years, low debt levels, efficient use of resources.



Over 80% of the turnover generated by Polytech consists of pipes made from recycled plastics, seamlessly integrating into TeraPlast Group's philosophy of being pioneers in European circular economy trends, which anticipate an incremental growth in the use of infrastructure products manufactured from recycled materials.



Laszlo Vajda, Development Director of the TeraPlast Group, will assume the role of supervision and development of the Freiler Group immediately after the completion of the transaction.



About the acquisitions: Wolfgang Freiler Group

2. Key information – the two factories



The factory is located in Nagykanizsa, **southwestern Hungary**, near the border with Croatia and Slovenia, 215 km from Budapest and 140 km from Zagreb. The industrial park has infrastructure conducive to the development and expansion of production.

The company specializes in the production of injection-molded parts from large-volume plastic materials for various industries, including automotive, medical, toys, household appliances, etc.



The factory is located in **northwestern Hungary**, in the town of Fertőszentmiklós, Győr-Moson-Sopron county. The town has approximately 4,000 inhabitants and is situated on the border with Austria, approximately 107 km from Vienna and 200 km from Budapest.

The main activity is the production of pipes for water and gas systems, as well as HDPE cable protection.



2023 Market context

We have faced a macroeconomic environment full of challenges and a difficult market context.

Engineering works increased by 31.4% in the January-November 2023 period compared to the same period in 2022, with the growth being particularly noticeable towards the end of the period.

We have recorded increases in costs with salaries and utilities, which influenced the reflection of gross margin evolution in the year's results.

Throughout 2023, we implemented operational efficiency measures on multiple fronts in segments generating losses.

We focused on finalizing negotiations to materialize M&A operations that were in very advanced stages.

The overall evolution of the TeraPlast Group was relatively similar to that of 2022.

Although subject to specific seasonality, there was a notable increase in the Group's performance towards the end of the year compared to the previous year.

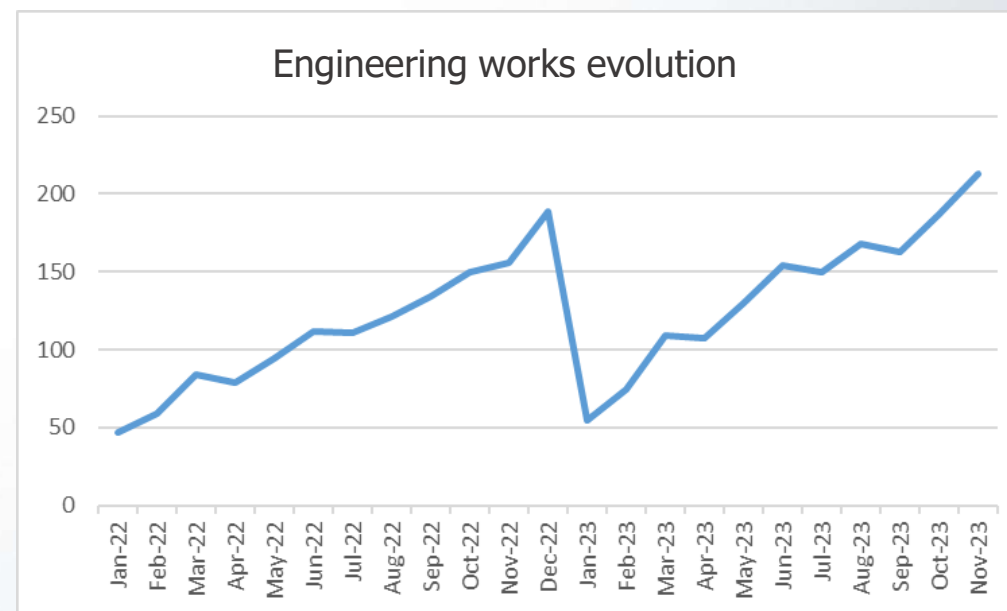
We operationalized the stretch film factory, whose products are marketed under the Opal brand.

The growth percentages were moderate compared to previous years due to the deflation generated by substantially reduced raw material prices.

Public-funded engineering works accelerated in the second half of the year.

Customers in the Compounds segment reduced their activity, leading to a market contraction.

Volumes in the retail segment targeted by the windows and doors segment decreased significantly (-40%).



Source: INS



Results relatively similar to 2022



TURNOVER

672,3 MLN. LEI

-5% compared to 2022 (711,1 mln LEI)

EBITDA

51,4 MLN. LEI

-3% compared to 2022 (52,7 mln. LEI)

EBITDA MARGIN

7,6%

+0,2pp compared to 2022 (7,4%)

NET PROFIT

1,1 MLN. LEI

-93% compared to 2022 (15,4 mln. LEI)

GROSS MARGIN

37%

+5pp compared to 2022 (32%)

QUANTITIES

75.346 TONS

-2% compared to 2022 (76.931 tons)





Key premises for 2024

- We will pursue cautious organic growth following the experience of recent years.
- For infrastructure works, fueled by public and European funds, a positive evolution is expected.
- The share of main expenses in turnover will be similar to that of 2023. The same goes for the share of business segments.
- We are reducing fixed costs for businesses that have experienced operational losses.
- **The main contribution to the improvement in results will come from recent acquisitions - Plaplast and the Freiler Group with +15% turnover and EBITDA, respectively.**
- Volumes will increase by 16% for current businesses and by 33% together with the contribution of M&A.
- TeraBio Pack has reached the critical volume threshold and will enter positive profitability territory in 2024. The contribution of stretch films to the turnover of the segment will result in an 80% growth. However, from an EBITDA perspective, the ramp-up of the Opal stretch film factory will have a negative contribution.

TURNOVER

864,5 MLN. LEI

+29% compared to 2023 (672,3 mln. LEI)

EBITDA

71,7 MLN. LEI

+39% compared to 2023 (51,4 mln. LEI)

EBITDA MARGIN

8,3%

+0,7pp compared to 2023 (7,6%)

NET PROFIT

10,6 MIL. LEI

+836% compared to 2023 (1,1 mln. LEI)

GROSS MARGIN

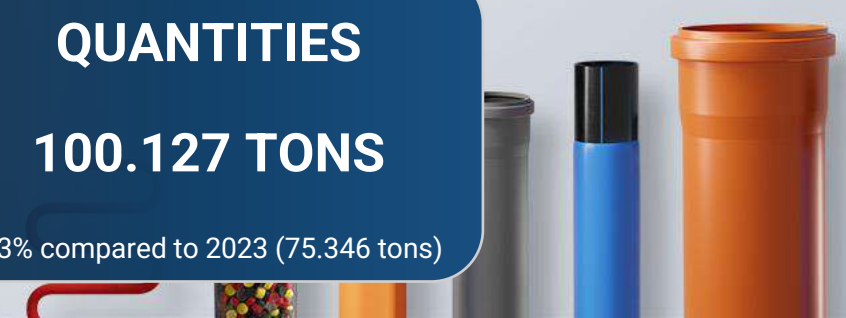
37%

2023 (37%)

QUANTITIES

100.127 TONS

+33% compared to 2023 (75.346 tons)





-5,5% decrease in turnover 2023 vs 2022

- Price deflation in 2023 compared to 2022 is due to the decrease in raw material prices and in the cost of production.
- The net volume increases on Installations. Segments with increases since Q3: PE pipes, fittings, Neoter, TeraDuct, rotomoulding. PVC pipes entered in the Q4 on an upward trend, but not sufficient to reach the volumes of the previous year. Increase also on flexible packaging segment. Decreases were maintained in recycled PVC, windows and doors.
- The share of raw material cost in turnover decreased to 63% in 2023 from 68% in 2022. Due to higher volumes and higher other operating expenses, especially utilities, the additional margin was sufficient to maintain EBITDA margin.

Values in RON, mln



Financial performance

RON '000	TeraPlast Group			Installations			Compounds			Windows			Packaging		
	12m'2022	12m'2023	Var %	12m'2022	12m'2023	Var %	12m'2022	12m'2023	Var %	12m'2022	12m'2023	Var %	12m'2022	12m'2023	Var %
Net Sales	711.126	672.331	-5%	488.214	501.000	3%	126.073	76.074	-40%	56.500	48.846	-14%	40.340	46.410	15%
Other operating income	655	1.835	180%	556	1.311	136%	61	-	-100%	16	14	-13%	21	510	2281%
Total Operating Income	711.781	674.165	-5%	488.770	502.311	3%	126.134	76.074	-40%	56.516	48.860	-14%	40.361	46.920	16%
Raw materials, consumables & merch	(486.499)	(424.942)	-13%	(320.704)	(308.839)	-4%	(98.286)	(56.668)	-42%	(34.679)	(27.378)	-21%	(32.830)	(32.056)	-2%
Salaries and employee benefits	(83.556)	(95.056)	14%	(52.885)	(63.516)	20%	(7.827)	(6.470)	-17%	(11.204)	(11.492)	3%	(11.641)	(13.577)	17%
Amortization, impairments, provisions	(26.285)	(33.002)	26%	(18.919)	(23.210)	23%	(2.680)	(2.982)	11%	(1.352)	(1.168)	-14%	(3.334)	(5.642)	69%
Other operating expenses	(89.008)	(102.796)	15%	(64.233)	(77.506)	21%	(7.340)	(6.921)	-6%	(10.288)	(9.571)	-7%	(7.148)	(8.797)	23%
Total Operating Costs	(685.349)	(655.796)	-4%	(456.741)	(473.072)	4%	(116.133)	(73.042)	-37%	(57.522)	(49.609)	-14%	(54.952)	(60.073)	9%
EBIT	26.433	18.369	-31%	32.029	29.239	-9%	10.001	3.033	-70%	(1.007)	(749)	-26%	(14.591)	(13.153)	-10%
EBITDA	52.718	51.372	-3%	50.948	52.449	3%	12.681	6.014	-53%	346	419	21%	(11.257)	(7.511)	-33%
<i>EBITDA %</i>	<i>7,4%</i>	<i>7,6%</i>		<i>10,4%</i>	<i>10,5%</i>		<i>10,1%</i>	<i>7,9%</i>		<i>0,6%</i>	<i>0,9%</i>		<i>-27,9%</i>	<i>-16,2%</i>	
Financial result, net	(9.877)	(13.167)	33%	(6.774)	(9.115)	35%	(708)	(824)	16%	(1.174)	(1.225)	4%	(1.221)	(2.004)	64%
Profit before tax	16.556	5.202	-69%	25.255	20.124	-20%	9.293	2.209	-76%	(2.180)	(1.974)	-9%	(15.812)	(15.157)	-4%
Income tax expense	(1.182)	(4.064)	244%	(1.647)	(2.819)	71%	(928)	(630)	-32%	(418)	-	-100%	1.812	(615)	-134%
Net Profit	15.374	1.138	-93%	23.608	17.305	-27%	8.365	1.579	-81%	(2.599)	(1.974)	-24%	(14.000)	(15.772)	13%
<i>Net Profit %</i>	<i>2,2%</i>	<i>0,2%</i>		<i>4,8%</i>	<i>3,5%</i>		<i>6,6%</i>	<i>2,1%</i>		<i>-4,6%</i>	<i>-4,0%</i>		<i>-34,7%</i>	<i>-34,0%</i>	

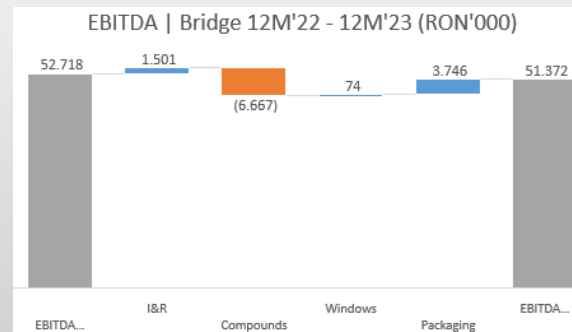
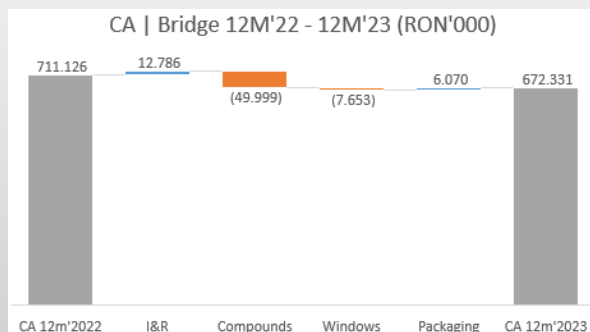
In 2023, TeraPlast Group navigated through a challenging macroeconomic environment, maintaining its EBITDA at 7.6% and addressing challenges through strategic adaptations, with increased attention to efficiency and expansion through investments and M&A operations.

The segment had positive performances, with an EBITDA margin over 10% and a net profit of 17.3m lei, covering the negative results of other business lines.

The segment experienced a 40% sharp contraction in turnover, with EBITDA at 6m lei, but maintained an above-average EBITDA margin, contributing positively with 1.6m lei to net profit.

The segment reduced reliance on retail, focusing on the local market and non-retail projects, which accounted for 28% of sales, with a material margin of 44%, despite rising costs and wages.

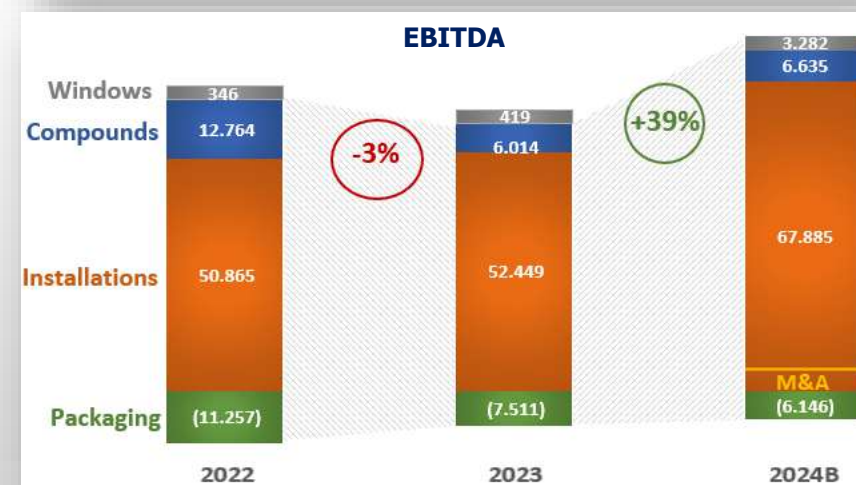
The only one with a negative EBITDA, the activity improved throughout the year, reached optimum volumes of orders in the last months, offering positive prospects for operational efficiencies in 2024.



2024 Budget - segments

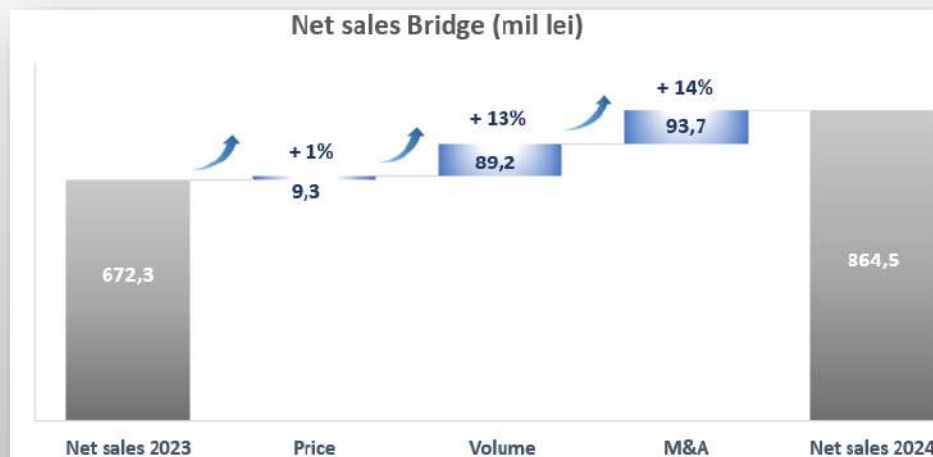
RON '000	2022	2023	2024 B
Net Sales	711.126	672.331	864.518
Other operating income	655	1.835	139
Total Operating Income	711.781	674.165	864.657
Raw materials, consumables & merchandise	(486.499)	(424.942)	(545.111)
Salaries and employee benefits	(83.556)	(95.056)	(116.432)
Utilities	(21.128)	(32.593)	(42.400)
Amortization, impairments, provisions	(26.285)	(33.002)	(36.491)
Other operating expenses	(67.880)	(70.203)	(89.057)
Total Operating Costs	(685.349)	(655.796)	(829.491)
EBIT	26.433	18.369	35.166
EBITDA	52.718	51.372	71.657
<i>EBITDA %</i>	7%	8%	8%
Financial result, net	(9.877)	(13.167)	(17.017)
Profit before tax	16.556	5.202	18.149
Income tax expense	(1.182)	(4.064)	(7.500)
Net Profit	15.374	1.138	10.649
Net Profit %	2%	0%	1%

For this year, TeraPlast Group presents a budget with moderated organic growth, based on the prior years experience and the current macroeconomic context. The expectations are that several market segments will face contractions on various levels, while public works, with governmental or European financing will be on the upswing.



2024 Budget - quarters

RON '000	2024 Budget	Q1	Q2	Q3	Q4
Net Sales	864.518	148.736	228.750	269.517	217.515
Other operating income	139	-	46	46	46
Total Operating Income	864.657	148.736	228.797	269.564	217.561
Raw materials, consumables & merchandise	(545.111)	(95.124)	(144.289)	(168.805)	(136.892)
Salaries and employee benefits	(116.432)	(24.291)	(29.398)	(30.260)	(32.483)
Utilities	(42.400)	(7.362)	(11.639)	(12.233)	(11.165)
Amortization, impairments, provisions	(36.491)	(8.158)	(9.431)	(9.486)	(9.416)
Other operating expenses	(89.057)	(19.257)	(23.734)	(23.309)	(22.757)
Total Operating Costs	(829.491)	(154.192)	(218.492)	(244.094)	(212.713)
EBIT	35.166	(5.456)	10.305	25.470	4.848
EBITDA	71.657	2.701	19.736	34.956	14.264
EBITDA %	8%	2%	9%	13%	7%
Financial result, net	(17.017)	(3.806)	(4.529)	(4.316)	(4.366)
Income tax expense	(7.500)	(24)	(1.326)	(3.921)	(2.230)
Net Profit	10.649	(9.286)	4.449	17.233	(1.748)
Net Profit %	1%	-6%	2%	6%	-1%



- The turnover as well as the EBITDA budgeted will increase consistently, which will be mainly the effects of the M&A operations and the new stretch film business.
- For the Installation segment, domestic infrastructure projects are expected to grow in 2024 as well.
- TeraGlass will continue the strategy of 2023 to switch to non-DIY customers. This switch will be boosted by the newly recruited, experienced sales team, focused on the renovations and new buildings market.
- The Packaging turnover will grow by 80% due to the commissioning of Opal (stretch film). TeraBio Pack will reach break-even this year.

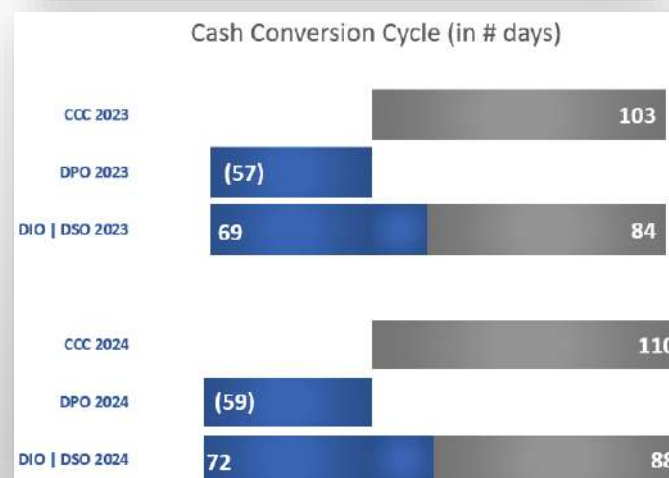
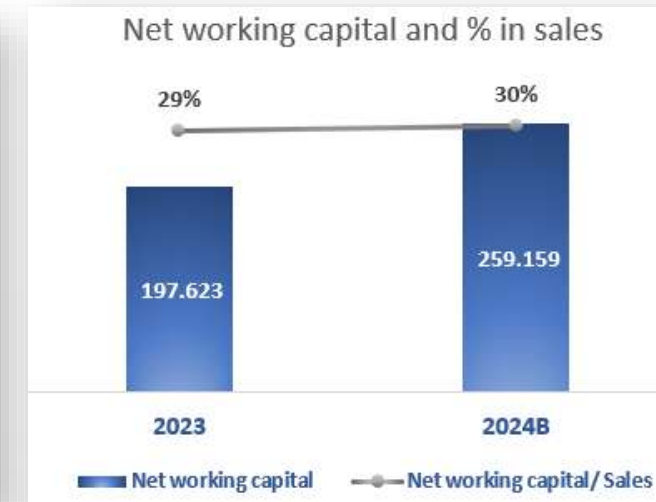
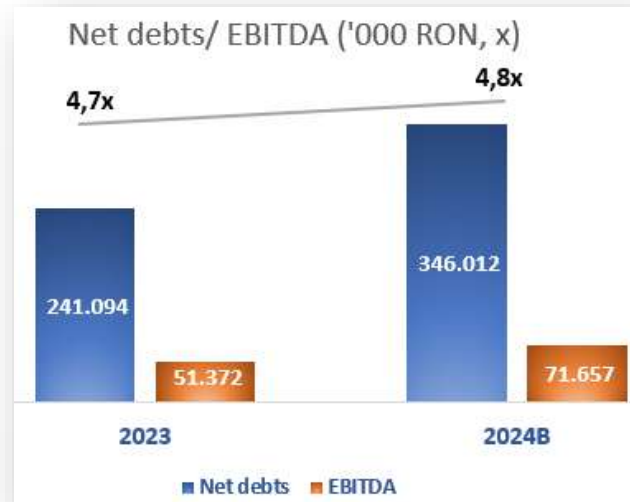


Financial performance

2023 | Balance-sheet summary

RON '000	TRP Group	
	2023	2024B
Intangibles	3.961	6.156
Tangible assets	421.430	498.793
Investment Property	5.737	6.608
Other non-current assets	1.583	1.568
Non-current assets	432.712	513.124
Inventories	138.564	183.973
Trade receivables	154.411	209.038
Trade payables	(103.329)	(134.455)
Trade working capital	189.647	258.555
Other payables	(2.282)	(2.319)
Other receivables	10.259	2.923
Other working capital	7.977	604
Net working capital	197.623	259.159
Cash and cash equivalents	18.879	1.757
Bank loans and leases	(252.540)	(341.800)
Other non current liabilities	(6.908)	(5.444)
Provisions	(525)	(525)
Net (debt) / cash	(241.094)	(346.012)
Subsidies	(76.561)	(102.465)
Net assets	312.681	323.806
Share capital & premiums	217.900	217.900
Reserves	54.259	54.259
Retained earnings	37.856	48.505
Non-controlling interest	2.665	3.142
Equity	312.681	323.806

Key aspects



Investment payments were 104 million lei in 2023. For 2024, we plan to invest 53 million lei. This year we received 24 million lei in state aid. Next year we will collect 34 million lei. Net working capital will increase slightly in 2024 to support regional expansion.

Financial performance

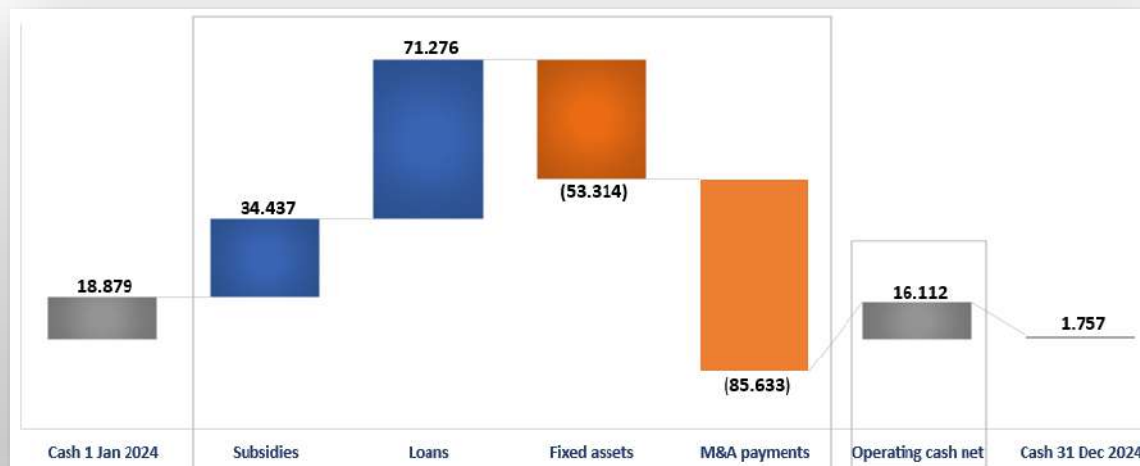
2023 | CF summary

Cash flow summary, RON `000	2023	2024B
Net profit before tax	5.202	18.149
Net profit adjustments	54.606	49.752
(+) Operating profit before changes in working capital	59.808	67.901
Net impact working capital	4.230	(22.496)
Income tax paid	(4.052)	(7.500)
Interest paid	(13.129)	(13.261)
Income from subsidies	(7.938)	(8.532)
(-) Subtotal changes in working capital and other	(20.888)	(51.789)
=> Cash from operating activities	38.919	16.112
Payments for fixed assets acquisitions	(104.019)	(53.314)
Receipts from sales of fixed assets	872	-
Freiler purchase payments, net of purchased cash	-	(82.309)
Palplast purchase payments, net of purchased cash	-	(3.324)
Receipts from subsidies	23.933	34.437
(+) Net cash used for investments	(79.215)	(104.510)
Net repayments of loans and leasing	48.383	71.276
Dividends received	69	-
Share repurchased	9	-
(-) Net cash from finance activities	48.462	71.276
Net variance	8.166	(17.122)
Cash & Equiv at Jan 1, 2023/ 2024	10.713	18.879
Cash & Equiv at Dec 31, 2023/ 2024	18.879	1.757

Bridge 31 Dec 2023



Bridge 31 Dec 2023





Thank you!

