

# **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 THREE-MONTH PERIOD  
ENDED MARCH 31, 2024**

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**TERAPLAST SA**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2024**  
*(all amounts are expressed in RON, unless otherwise specified)*

	<u>Note</u>	<u>Period ended March 31, 2024</u>	<u>Period ended March 31, 2023</u>
<b>Income from contracts with customers, of which:</b>	<b>4</b>	<b>176,840,861</b>	<b>147,190,427</b>
<i>Income from the sale of finished goods</i>		160,686,332	133,588,457
<i>Income from the sale of goods</i>		15,362,607	12,533,643
<i>Income from provision of services</i>		791,922	1,068,327
Other operating income	5	438,202	777,990
Income from investment subsidies		1,901,754	1,850,825
Works and services in progress		158,816	74,382
Changes in stocks of finished goods and work in progress		5,804,419	8,697,823
Raw materials, consumables and merchandise	6	(118,529,719)	(99,464,748)
Expenses with employees' benefits	9	(25,841,832)	(21,738,079)
Transport expenses		(8,117,854)	(6,751,217)
Utilities expenses		(8,573,959)	(9,121,578)
Amortisation/depreciation and impairment of non-current assets, net	8	(11,473,978)	(9,650,800)
Impairment of non-current assets, net	8	560,702	(1,497,929)
Gain on the write-off of tangible and intangible assets	7	41,854	49,754
Other expenses	10	(10,695,336)	(8,950,354)
Sponsorship		(113,388)	(191,317)
<b>Operating profit/loss</b>		<b>2,400,542</b>	<b>1,275,179</b>
FX differences, net	5	82,630	(232,305)
Interest expenses, net	5	(3,542,851)	(3,265,676)
Other financial income	5	7,690	-
<b>Financial result, net</b>		<b>(3,452,531)</b>	<b>(3,497,981)</b>
<b>Profit before tax</b>		<b>(1,051,989)</b>	<b>(2,222,802)</b>
Income tax expenses		(1,474,251)	(400,834)
<b>Profit for the year</b>		<b>(2,526,240)</b>	<b>(2,623,636)</b>

Signed and approved:

May 7, 2024  
Board of Administration

\_\_\_\_\_  
**ALEXANDRU STANEAN**  
CEO

\_\_\_\_\_  
**IOANA BIRTA**  
CFO

The accompanying notes are an integral part of these simplified consolidated financial statements.

**TERAPLAST SA**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2024**  
*(all amounts are expressed in RON, unless otherwise specified)*

	<b>Note</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets - goodwill	12	1,275,073	-
Property, plant and equipment	11	403,043,977	401,412,034
Investment property	17	5,760,781	5,737,239
Leased right-of-use assets	13	19,723,100	20,017,741
Intangible assets	12	3,845,818	3,961,459
Long-term receivables	16	3,667,368	1,567,558
Other long-term investments	17	82,186,130	15,500
<b>Total non-current assets</b>		<b>519,502,247</b>	<b>432,711,531</b>
<b>Current assets</b>			
Inventories	15	149,848,366	138,564,464
Work and services in progress		357,377	198,560
Trade receivables	16	179,501,510	154,410,883
Advances to suppliers of non-current assets		7,824,731	7,942,919
Prepaid expenses		2,632,547	1,136,301
Income tax recoverable		-	981,002
Cash	23	9,258,803	18,879,289
<b>Total current assets</b>		<b>349,423,334</b>	<b>322,113,418</b>
<b>Total assets</b>		<b>868,925,581</b>	<b>754,824,949</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	18	<b>217,900,036</b>	<b>217,900,036</b>
Revaluation reserves		17,404,244	17,404,244
Legal reserves		36,668,237	36,854,658
Retained earnings		35,654,753	37,856,389
FX differences upon consolidation		252,588	-
<b>Capital attributable to controlling interests</b>		<b>307,879,858</b>	<b>310,015,327</b>
Non-controlling interests		5,084,431	2,665,367
<b>Total equity</b>		<b>312,964,289</b>	<b>312,680,694</b>
<b>Long-term liabilities</b>			
Bank loans	21	140,864,160	84,186,427
Finance lease liabilities		1,690,360	1,826,726
Right-of-use lease liabilities		7,585,592	7,668,827
Long-term liabilities for non-current assets	20	6,579,554	6,907,640
Employees' benefits	19	1,956,847	1,956,847
Subsidies for investments – long-term portion	24	67,059,150	68,959,443

The accompanying notes are an integral part of these simplified consolidated financial statements.

**TERAPLAST SA**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2024**

*(all amounts are expressed in RON, unless otherwise specified)*

	<u>Note</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Deferred tax liabilities		279,620	279,620
<b>Total long-term liabilities</b>		<b>226,015,283</b>	<b>171,785,530</b>
<b>Current liabilities</b>			
Trade and other payables	20	133,294,837	103,328,789
Dividends payable		-	45,550
Bank loans	21	184,612,456	155,393,060
Finance lease liabilities		678,459	736,727
Right-of-use lease liabilities		2,960,521	2,728,302
Income tax payable		273,439	-
Subsidies for investments – current portion	24	7,601,172	7,601,172
Provisions for risks and charges	19	525,125	525,125
<b>Total current liabilities</b>		<b>329,946,009</b>	<b>270,358,725</b>
<b>Total liabilities</b>		<b>555,961,292</b>	<b>442,144,255</b>
<b>Total equity and liabilities</b>		<b>868,925,581</b>	<b>754,824,949</b>

Signed and approved:

May 7, 2024  
Board of Administration

\_\_\_\_\_  
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CEO

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**IOANA BIRTA**  
CFO

**TERAPLAST SA**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2024**  
*(all amounts are expressed in RON, unless otherwise specified)*

	<u>Share capital</u>	<u>Legal reserves</u>	<u>Revaluation reserve</u>	<u>Treasury shares</u>	<u>Cumulated retained earnings</u>	<u>Capital attributable to parent's equity holders</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
<b>Balance as at January 1, 2024</b>	<b>217,900,036</b>	<b>36,854,658</b>	<b>17,404,244</b>	<b>-</b>	<b>37,856,389</b>	<b>310,015,327</b>	<b>2,665,367</b>	<b>312,680,694</b>
Result for the year	-				(2,348,527)	(2,348,527)	(177,713)	(2,526,240)
Other comprehensive income								
<b>Total comprehensive income</b>	<b>-</b>				<b>(2,348,527)</b>	<b>(2,348,527)</b>	<b>(177,713)</b>	<b>(2,526,240)</b>
Legal reserve setting								
Reserves representing revaluation surplus								
Benefits granted to employees as financial instruments								
Losses on sale of treasury shares					(34,387)	(34,387)		(34,387)
Buy-back of own shares								
Purchase of 51% Palplast Moldova							2,596,776	2,596,776
Dividends payable in 2022						252,588		252,588
Other equity items increases / (reductions)		(186,421)			181,278	(5,142)		(5,142)
<b>Balance as at March 31, 2024</b>	<b>217,900,036</b>	<b>36,668,237</b>	<b>17,404,244</b>	<b>-</b>	<b>35,654,753</b>	<b>307,879,859</b>	<b>5,084,430</b>	<b>312,964,289</b>

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**TERAPLAST SA**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2024**  
*(all amounts are expressed in RON, unless otherwise specified)*

	<u>Share capital</u>	<u>Legal reserves</u>	<u>Revaluation reserve</u>	<u>Treasury shares</u>	<u>Cumulated retained earnings</u>	<u>Capital attributable to parent's equity holders</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
<b>Balance as at January 1, 2023</b>	<b>217,900,036</b>	<b>35,211,724</b>	<b>17,304,558</b>	<b>(495,209)</b>	<b>36,295,643</b>	<b>306,216,752</b>	<b>3,262,421</b>	<b>309,479,173</b>
Result for the year	-	-	-	-	1,735,058	1,735,058	(597,054)	1,138,004
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,735,058</b>	<b>1,735,058</b>	<b>(597,054)</b>	<b>1,138,004</b>
Legal reserve setting	-	1,642,934	-	-	(1,642,934)	-	-	-
Reserves representing revaluation surplus	-	-	99,686	-	1,459,326	1,559,012	-	1,559,012
Benefits granted to employees as financial instruments	-	-	-	1,546,354	-	1,546,354	-	1,546,354
Gains/(Losses) on sale of own shares	-	-	-	-	9,296	9,296	-	9,296
Buy-back of own shares	-	-	-	(1,051,145)	-	(1,051,145)	-	(1,051,145)
Dividends payable and share capital increase (2021)	-	-	-	-	-	-	-	-
Dividends payable in 2022	-	-	-	-	-	-	-	-
Other equity items increases / (reductions)	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>217,900,036</b>	<b>36,854,658</b>	<b>17,404,244</b>	<b>-</b>	<b>37,856,389</b>	<b>310,015,327</b>	<b>2,665,367</b>	<b>312,680,694</b>

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**TERAPLAST SA**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2024**  
*(all amounts are expressed in RON, unless otherwise specified)*

<b>INDIRECT METHOD</b>	<b>Period ended March 31, 2024</b>	<b>Period ended March 31, 2023</b>
<b><i>Cash flows from operating activities:</i></b>		
<b>Profit before tax</b>	<b>(1,051,989)</b>	<b>(2,222,802)</b>
Profit from sale of fixed assets	(41,854)	(49,754)
Impairment and amortization of non-current assets	11,473,978	9,650,800
Allowance for doubtful debts	(254,782)	369,288
Inventory impairment, net	(305,922)	1,128,641
Interest expense	3,542,851	3,265,676
<b>Operating profit before changes in working capital</b>	<b>13,362,282</b>	<b>12,141,849</b>
Increase in trade receivables	(25,469,277)	(1,200,044)
Increase in inventories	(11,136,797)	(18,465,694)
Increase in trade and other payables	32,857,720	26,617,584
Income tax paid	-	14,942
Interest paid, net	(3,542,851)	(3,265,676)
Income from subsidies	(1,900,293)	(1,846,451)
<b>Cash used in operating activities</b>	<b>4,170,784</b>	<b>13,996,510</b>
<b><i>Cash flows used for investment:</i></b>		
Payments for acquisition of non-current assets	(17,399,375)	(4,440,213)
Payments for acquisition of Freiler and Palplast Group	(82,170,630)	-
Proceeds from State aid subsidies	-	11,547,723
Receipts from the sale of tangible assets	41,854	91,800
<b>Cash flows generated by / (used in) investing activities</b>	<b>(99,528,151)</b>	<b>7,199,310</b>
<b><i>Cash flows generated by financing activities:</i></b>		
Payment of finance lease liabilities	(194,634)	(256,108)
Net (repayments)/ drawdowns from bank loans	85,897,129	(27,833,834)
Buy-back of own shares, net of option exercise	34,386	9,311
<b>Net cash generated by / (used in) financing activities</b>	<b>85,736,881</b>	<b>(28,080,631)</b>
Cash decrease	(9,620,486)	(6,884,811)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>18,879,289</b>	<b>10,713,209</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>9,258,803</b>	<b>3,828,398</b>

Signed and approved:

May 7, 2024  
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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”).

TeraPlast Group is the largest polymer processor in Central and South-Eastern Europe. The Group's product mix addresses the construction market through the installation and insulating joinery segments, the manufacturing industry through the compound segment, the PVC processors market through the recycling of rigid PVC and the flexible packaging market through its portfolio of polyethylene films and foils and biodegradable material.

The head office is in Sărățel, in the industrial park that gathers most of the Group's plants. They are completed by the own distribution centres in Romania and Hungary.

### Membership of TeraPlast Group

TeraPlast SA has been listed on the Bucharest Stock Exchange (BVB) since 2 July 2008, under the symbol TRP. TRP shares are currently included in the BVB's BET benchmark index, the FTSE Russell index and the MSCI index.

TeraPlast is the first choice in Romania for the water management market and in our position as market leader we will continue to be the supplier of the highest quality products for most infrastructure projects. TeraPlast manufactures systems for sewerage, water and gas transmission and distribution, rain water management systems and for cable protection and plastic and rigid PVC compound.

Group Teraplast includes Teraplast and its subsidiaries:

- Teraglass Bistrita SRL - manufacturer of PVC windows and doors
- TeraPlast Recycling SA – PVC recycler and manufacturer of stretch film
- TeraBio Pack SRL – manufacturer of biodegradable polyethylene packaging
- Palplast Moldova – manufacturer of water and gas pipes; part of the TeraPlast group since January 2024
- Teraplast Magyarország – distributor of TeraPlast's products in Hungary
- Somplast SA – the Company holds production halls that it leases to TeraBioPack and TeraPlast Recycling
- TeraGreen Compound and Teraverde Carbon – dormant companies

**Palplast** strengthens our presence in the region. The market potential in the Republic of Moldova is considerable, given its status of candidate state to the European Union and the chances of attracting public investment funds. TeraPlast owns 51% of the share capital of Palplast.

From April 2024 we will strengthen the **Wolfgang Freiler Group**, which has modern production facilities in Hungary and a dynamic distribution division in Austria. The two plants in Hungary are Polytech and Pro-Moulding. The first, Polytech, specialises in the production of pipes for the protection of electrical cables and fibre optics, while Pro-Moulding's business involves plastic injection moulding. The products are marketed in Hungary, the Czech Republic, Austria, Germany and France, where the two companies have strong market positions. The acquisition also involves a 5-hectare industrial base and warehouses in the south-west of Hungary.

### Stretch film plant

At the end of Q4 2023, the stretch film plant started production. The products are marketed under the Opal brand and follow the B2B model of the rest of the Group's businesses. Opal's customers are from a variety of industries, and the products are suitable for the secure packaging of palletised goods for transport for both manufacturers, distributors and logistics service providers. The plant is the result of a more than 84 million Lei investment, cofinanced under the State aid scheme. As of 2024, the activity of Opal is seen in the results of the Flexible Packaging business line.

**TERAPLAST SA**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2024**  
*(all amounts are expressed in RON, unless otherwise specified)*

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**2. MATERIAL 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 2844/2016**”). 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, 2023.

These financial statements are not audited.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The Group based its assumptions and estimates on the parameters available when preparing the financial statements. Nevertheless, the existing circumstances and assumptions on future evolutions may change due to changes on the market or in the circumstances beyond the Group’s control.

**4. REVENUES AND OPERATING SEGMENTS**

An analysis of the Group revenues is detailed below:

	<u>Period ended March 31, 2024</u>	<u>Period ended March 31, 2023</u>
Sales of finished goods	162,803,685	135,802,799
Sale of merchandise	15,362,607	12,533,643
Revenues from other activities	791,922	1,068,327
Trade discounts granted	<u>(2,117,353)</u>	<u>(2,214,342)</u>
<b>TOTAL</b>	<b><u>176,840,861</u></b>	<b><u>147,190,427</u></b>

The information on the operational policy as reported to the management from the perspective of resource allocation and segment performance analysis is classified according to the type of products delivered. The reporting segments of the Group have been determined according to:

- The nature of the products and services;
- The nature of the production processes;
- The type or category of clients for products and services;
- Methods used for distributing the products or providing 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)

**TERAPLAST SA**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2024**  
*(all amounts are expressed in RON, unless otherwise specified)*

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**4. REVENUES AND OPERATING SEGMENTS (continued)**

By geographical areas, the turnover is structured as follows:

	<b>Financial year ended March 31, 2024</b>	<b>Financial year ended March 31, 2023</b>
	<b>RON</b>	<b>RON</b>
Sales on the Romanian market	146,185,526	123,961,145
Sales on foreign markets	30,655,335	23,229,280
<b>Total</b>	<b>176,840,861</b>	<b>147,190,427</b>

**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, rain water 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 water-sewerage infrastructure in Romania, our customers' first option.

Since January 2024, the installations segment includes the results of Palplast Moldova.

TeraPlast 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

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.

TeraPlast is the main supplier of PVC compounds on the Romanian market.

**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.

**4. REVENUES AND OPERATING SEGMENTS (continued)**

The reggranulated 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**

Includes biodegradable flexible films and packaging and polyethylene flexible packaging from TeraBio Pack.

In 2024, the flexible packaging line includes stretch foils for industrial use produced by TeraPlast Recycling.

**TERAPLAST SA**  
**NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024**  
*(all amounts are expressed in RON, unless otherwise specified)*

**4. REVENUES AND OPERATING SEGMENTS (continued)**

<b>Period ended March 31, 2024</b>	<b>Installations and recycling</b>	<b>Compounds, including recycled</b>	<b>Joinery profiles</b>	<b>Flexible packaging</b>	<b>Total</b>
Turnover	121,929,864	20,500,869	10,396,290	24,013,838	176,840,861
Other operating income	351,095		80,925	6,182	438,202
<b>Operating income, total</b>	<b>122,280,959</b>	<b>20,500,869</b>	<b>10,477,215</b>	<b>24,020,020</b>	<b>177,279,063</b>
Raw materials, consumables used and merchandise*	(73,470,124)	(14,452,400)	(5,366,250)	(19,277,710)	(112,566,484)
Employee benefits expenses	(17,349,297)	(1,711,176)	(2,772,158)	(4,009,201)	(25,841,832)
Transport	(6,009,086)	(639,145)	(890,924)	(578,699)	(8,117,854)
Utilities	(6,167,867)	(559,718)	(191,695)	(1,654,680)	(8,573,959)
Amortization and adjustments for the impairment of assets and provisions**	(6,767,559)	(819,702)	(263,535)	(1,679,574)	(9,530,370)
Adjustments for the impairment of current assets	865,990	-	(68,798)	(236,490)	560,702
Sponsorships	(92,011)	-	(21,377)	-	(113,388)
Other expenses	(8,061,893)	(859,660)	(688,315)	(1,085,468)	(10,695,336)
<b>Expenses related to indirect sales and administrative expenses</b>	<b>(117,051,846)</b>	<b>(19,041,801)</b>	<b>(10,263,052)</b>	<b>(28,521,822)</b>	<b>(174,878,521)</b>
<b>EBITDA</b>	<b>11,996,671</b>	<b>2,278,771</b>	<b>477,698</b>	<b>-2,822,227</b>	<b>11,930,912</b>
<b>EBITDA%</b>	<b>9,8%</b>	<b>11,1%</b>	<b>4,6%</b>	<b>-11,8%</b>	<b>6,7%</b>
<b>Net result</b>	<b>2,062,543</b>	<b>1,089,716</b>	<b>(40,722)</b>	<b>(5,637,777)</b>	<b>(2,526,240)</b>

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

\*\*The line also includes the gains and 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 subsidiaries

The amounts presented above are net of the write-off of transactions between segments.

Unallocated non-current assets represent property leased to the buyer of the Joinery Profiles business for a period of one year and investment property.

In 2023, we opened the production plant for industrial polyethylene foils, which represents a capacity of over 14,000 tons annually. It is state-of-the-art equipment, with a high level of automation of the production flow. The major investments in the last two years aim at diversifying the Group’s field of activity, geographical footprint, growing its energy independence and replacing virgin raw materials with recycled material.

<b>Period ended March 31, 2023</b>	<b>Installations and recycling</b>	<b>Compounds, including recycled</b>	<b>Joinery profiles</b>	<b>Flexible packaging</b>	<b>Total</b>
Turnover	102,533,634	20,452,316	12,332,725	11,871,752	147,190,427
Other operating income	777,990	-	-	-	777,990
<b>Operating income, total</b>	<b>103,311,624</b>	<b>20,452,316</b>	<b>12,332,725</b>	<b>11,871,752</b>	<b>147,968,417</b>
Raw materials, consumables used and merchandise*	(59,853,584)	(15,306,245)	(6,871,623)	(8,661,092)	(90,692,543)
Employee benefits expenses	(14,174,540)	(1,445,416)	(2,965,384)	(3,152,739)	(21,738,079)
Transport	(4,801,502)	(465,385)	(1,105,216)	(379,114)	(6,751,217)
Utilities	(7,070,357)	(569,207)	(326,165)	(1,155,849)	(9,121,578)

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Amortization and adjustments for the impairment of assets and provisions**	(5,849,952)	(648,254)	(365,202)	(886,813)	(7,750,221)
Adjustments for the impairment of current assets	(1,077,187)		(420,742)		(1,497,929)
Sponsorships	(186,317)		(5,000)		(191,317)
Other expenses	<u>(6,940,999)</u>	<u>(665,987)</u>	<u>(755,559)</u>	(587,809)	<u>(8,950,354)</u>
<b>Expenses related to indirect sales and administrative expenses</b>	<b><u>(99,954,437)</u></b>	<b><u>(19,100,494)</u></b>	<b><u>(12,814,891)</u></b>	<b>(14,823,416)</b>	<b><u>(146,693,238)</u></b>
<b>EBITDA</b>	<b><u>9,207,138</u></b>	<b><u>2,000,076</u></b>	<b><u>(116,964)</u></b>	<b>(2,064,850)</b>	<b><u>9,025,400</u></b>
<b>EBITDA%</b>	<b>9,0%</b>	<b>9,8%</b>	<b>-0,9%</b>	<b>-17,4%</b>	<b>6,1%</b>
<b>Net result</b>	<b><u>464,339</u></b>	<b><u>1,089,949</u></b>	<b><u>(843,455)</u></b>	<b><u>(3,334,470)</u></b>	<b><u>(2,623,636)</u></b>

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**5. SUNDRY INCOME AND EXPENSES**

**Financial income and expenses**

	<b>Period ended March 31, 2024</b>	<b>Period ended March 31, 2023</b>
Interest expense	(3,546,954)	(3,266,978)
Interest income	4,103	1,302
Loss on foreign exchange differences, net	82,630	(232,305)
Other financial income	7,690	-
<b>Net financial loss</b>	<b>(3,452,531)</b>	<b>(3,497,981)</b>

The Group did not capitalize any borrowing cost in 2024 and 2023 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**

	<b>Financial year ended March 31, 2024</b>	<b>Financial year ended March 31, 2023</b>
Compensations, fines and penalties	77,773	500,834
Other income	360,429	277,156
<b>Total</b>	<b>438,202</b>	<b>777,990</b>

**6. RAW MATERIALS, CONSUMABLES USED AND MERCHANDISE**

	<b>Financial year ended March 31, 2024</b>	<b>Financial year ended March 31, 2023</b>
Raw materials expenses	102,346,818	84,312,833
Consumables expenses	7,379,463	5,851,209
Merchandise expenses	8,559,789	8,650,328
Packaging expenses	243,649	650,378
<b>Total</b>	<b>118,529,719</b>	<b>99,464,748</b>

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**7. GAINS AND LOSSES ON DISPOSAL OF FIXED ASSETS**

	<b>Financial year ended March 31, 2024</b>	<b>Financial year ended March 31, 2023</b>
Income from the disposal of the tangible and intangible assets and investment property	41,854	91,800
Expenses with the disposal of tangible and intangible assets and investment property	-	(42,046)
<b>Net profit from the disposal of tangible and intangible assets</b>	<b>41,854</b>	<b>49,754</b>

**8. EXPENSES WITH PROVISIONS, IMPAIRMENT ADJUSTMENTS AND AMORTIZATION**

	<b>Financial year ended March 31, 2024</b>	<b>Financial year ended March 31, 2023</b>
Expenses with non-current assets impairment (IAS 36)	(1,192,472)	(1,104,642)
Income from reversal of non-current assets impairment (IAS 36)	58,457	65,670
Amortization and depreciation expenses (IAS 36, IFRS 16)	(10,339,963)	(8,611,828)
<b>Net adjustments for non-current assets impairment</b>	<b>(11,473,978)</b>	<b>(9,650,800)</b>
Inventory impairment expenses (IAS 36)	305,922	(1,128,643)
Income from inventory impairment reversal (IAS 36)	-	-
<b>Net adjustments for inventory impairment</b>	<b>305,922</b>	<b>(1,128,643)</b>
Expenses with allowance for doubtful debts (IFRS 9)	(89,399)	(374,693)
Income from impairment reversal (IFRS 9)	344,181	687,147
Receivables charged to expenses (IFRS 9)	-	(681,740)
<b>Net adjustments for doubtful debts</b>	<b>254,782</b>	<b>(369,286)</b>
<b>Total net adjustments for amortisation, impairment and provisions</b>	<b>(10,913,274)</b>	<b>(11,148,729)</b>

**8. EXPENSES WITH PROVISIONS, IMPAIRMENT ADJUSTMENTS AND AMORTIZATION (continued)**

**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**

Allowance 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.

**9. EMPLOYEE BENEFIT EXPENSES AND REMUNERATION OF THE BOARD OF ADMINISTRATION**

	<b>Financial year ended March 31, 2024</b>	<b>Financial year ended March 31, 2023</b>
Wages	23,366,137	19,718,727
Contributions to the public social security fund	713,185	529,851
Meal tickets	1,762,510	1,489,501
<b>Total, as presented on line "Employee benefit expenses"</b>	<b>25,841,832</b>	<b>21,738,079</b>

**Remuneration of the Board of Administration**

The members of the Board of Administration of TeraPlast were reelected at the OGMS of 14 September 2023, with a mandate of 4 years (14 September 2023 - 14 September 2027). The Chairman of the Board of Administration elected by the members of the Board is Mr. Dorel Goia, with a mandate of 4 years, the same as the other administrators. Currently, 3 out of 5 administrators are independent.

The executive management of the TeraPlast Group is ensured by Mr. Alexandru Stănean, with a mandate of 4 years, started on 2 July 2020, Chief Executive Officer, and Ms. Ioana Birta, Chief Financial Officer, whose mandate is valid until September 2027.

The remuneration of non-executive and executive officers is presented in the Remuneration Report.

**10. OTHER EXPENSES**

	<b>Financial year ended March 31, 2024</b>	<b>Financial year ended March 31, 2023</b>
Expenses with third party services	4,640,027	4,822,758
Expenses with compensations, fines and penalties	27,449	1,475
Entertainment, promotion and advertising expenses	1,099,543	839,558
Other general expenses	805,787	149,091
Expenses with other taxes and duties	662,657	556,732
Repair expenses	1,707,644	1,327,986
Travelling expenses	502,114	272,766
Rent expenses	468,189	395,323
Mail and telecommunication expenses	139,801	128,949
Insurance premium expenses	642,125	455,716
<b>Total</b>	<b>10,695,336</b>	<b>8,950,354</b>

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11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment and vehicles	Installations and furniture	Tangible assets in progress	Total
<b>COST/FAIR VALUE</b>						
<b>Balance at January 1, 2024</b>	<b>12,814,483</b>	<b>108,222,333</b>	<b>409,516,684</b>	<b>4,269,335</b>	<b>61,593,464</b>	<b>596,416,300</b>
Increases:						
Increases:	745,854	93,672	629,738		9,730,937	11,200,201
Transfers in / from non-current assets in progress		24,509,866	32,049,523	237,222	(56,796,610)	-
Transfers of right of use						
Additions from acquisition of Palplast Moldova	33,695	1,249,322	3,465,276			4,748,293
Disposals and other decreases			(203,904)			(203,904)
<b>Balance at March 31, 2024</b>	<b>13,594,032</b>	<b>134,075,193</b>	<b>445,457,317</b>	<b>4,506,557</b>	<b>14,527,791</b>	<b>612,160,890</b>
<b>Balance at January 1, 2023</b>	<b>11,993,270</b>	<b>98,249,929</b>	<b>363,685,304</b>	<b>4,126,037</b>	<b>19,661,330</b>	<b>497,715,871</b>
Increases:						
Increases:	1,382,040	2,997,411	4,039,276	40,970	96,239,156	104,698,852
Transfers in / from non-current assets in progress	-	8,799,315	44,748,284	102,328	(54,033,191)	-
Transfers of right of use	-	-	(961,872)	-	-	(961,872)
Disposals and other decreases	(560,826)	(1,824,322)	(1,994,308)	-	(273,831)	(4,653,288)
<b>Balance at December 31, 2023</b>	<b>12,814,483</b>	<b>108,222,333</b>	<b>409,516,684</b>	<b>4,269,335</b>	<b>61,593,464</b>	<b>596,416,300</b>

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11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Buildings	Plant and equipment and vehicles	Installations and furniture	Tangible assets in progress	Total
<b>ACCUMULATED DEPRECIATION</b>						
<b>Balance at January 1, 2024</b>	<b>2,419</b>	<b>15,079,163</b>	<b>177,017,110</b>	<b>1,890,139</b>	<b>1,015,435</b>	<b>195,004,266</b>
Depreciation recorded during the year	27,270	2,241,057	8,059,017	176,366		10,503,710
Disposals and decreases			(203,904)			(203,904)
Impairment		(899)	16,930	(318)	(64,406)	(48,694)
Net transfers of right-of-use assets			(426,408)			
Additions from acquisition of Palplast Moldova		1,086,731	3,201,212			4,287,943
<b>Balance at March 31, 2024</b>	<b>29,689</b>	<b>18,406,052</b>	<b>187,663,956</b>	<b>2,066,187</b>	<b>951,029</b>	<b>209,116,913</b>
<b>Balance at January 1, 2023</b>	<b>2,073</b>	<b>7,202,609</b>	<b>149,912,702</b>	<b>1,213,503</b>	<b>1,255,176</b>	<b>159,586,063</b>
Depreciation recorded during the year	346	8,094,890	29,209,861	677,909	-	37,983,007
Disposals and decreases	-	(214,742)	(1,242,247)	-	-	(1,456,988)
Impairment	-	(3,595)	333,354	(1,273)	(239,741)	88,746
Net transfers of right-of-use assets in leases	-					
<b>Balance at December 31, 2023</b>	<b>-</b>	<b>-</b>	<b>(1,196,562)</b>	<b>-</b>	<b>-</b>	<b>(1,196,562)</b>
	<b>2,419</b>	<b>15,079,163</b>	<b>177,017,110</b>	<b>1,890,139</b>	<b>1,015,435</b>	<b>195,004,266</b>
<b>NET CARRYING AMOUNT</b>						
<b>Net carrying amount as at January 1, 2024</b>	<b>12,812,064</b>	<b>93,143,171</b>	<b>232,499,574</b>	<b>2,379,196</b>	<b>60,578,029</b>	<b>401,412,034</b>
<b>Net carrying amount as at March 31, 2024</b>	<b>13,564,343</b>	<b>115,669,141</b>	<b>257,793,361</b>	<b>2,440,370</b>	<b>13,576,762</b>	<b>403,043,977</b>

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12. INTANGIBLE ASSETS

	<u>Goodwill</u>	<u>Licenses and other intangible assets</u>	<u>Intangible assets in progress</u>	<u>Total</u>
<b>Cost</b>				
<b>Balance at January 1, 2024</b>	-	<b>12,110,411</b>	<b>568,878</b>	<b>12,679,290</b>
Increases		63,273	122,010	185,282
Transfers into / from tangible assets in progress		6,785	(6,785)	-
Disposals and other decreases		(158,968)	(48,524)	(207,492)
Increases from acquisition of Palplast Moldova	1,275,073	47,654		1,322,727
<b>Balance at March 31, 2024</b>	<b>1,275,073</b>	<b>12,069,155</b>	<b>635,579</b>	<b>13,979,807</b>
<b>Balance at January 1, 2023</b>	-	<b>10,760,406</b>	<b>851,079</b>	<b>11,611,485</b>
Increases		451,758	616,046	1,067,804
Transfers into / from tangible assets in progress		898,247	(898,247)	-
Disposals and other decreases		-	-	-
<b>Balance at December 31, 2023</b>	-	<b>12,110,411</b>	<b>568,878</b>	<b>12,679,290</b>
<b>Accumulated amortisation</b>				
<b>Balance at January 1, 2024</b>	-	<b>8,717,831</b>	-	<b>8,717,831</b>
Amortization expense		262,588		262,588
Impairment		(158,968)		(158,968)
Decreases		(9,763)		(9,763)
Increases from acquisition of Palplast Moldova		47,229		47,229
<b>Balance at March 31, 2024</b>	-	<b>8,858,917</b>	-	<b>8,858,917</b>
<b>Balance at January 1, 2023</b>	-	<b>7,839,501</b>	-	<b>7,839,501</b>
Amortization expense		917,381		917,381
Impairment		(39,501)		(39,501)
Decreases		-		-
<b>Balance at December 31, 2023</b>	-	<b>8,717,831</b>	-	<b>8,717,831</b>
<b>Net carrying amount</b>				
<b>At January 1, 2024</b>	-	<b>3,392,581</b>	<b>568,878</b>	<b>3,961,459</b>
<b>At March 31, 2024</b>	<b>1,275,073</b>	<b>3,210,238</b>	<b>635,579</b>	<b>5,120,890</b>

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**13. RIGHT OF USE OF LEASED ASSETS**

The Group has right of use assets from rented buildings, warehouses and showrooms.

<b>Cost</b>	<b>Buildings</b>	<b>Vehicles and equipment from operating leases</b>	<b>Vehicles and equipment from previous operating leases</b>	<b>Equipment</b>	<b>Total</b>
<b>Balance at January 1, 2024</b>	<b>10,953,785</b>	<b>2,589,454</b>	<b>12,997,659</b>	<b>26,540,898</b>	<b>13,173,517</b>
Additions	1,406,279	177,374		1,583,653	469,933
Disposals	(2,207,399)			(2,207,399)	(117,047)
<b>Balance at March 31, 2024</b>	<b>10,152,665</b>	<b>2,766,828</b>	<b>12,997,659</b>	<b>25,917,152</b>	<b>13,526,403</b>
<b>Amortisation</b>					
<b>Balance at January 1, 2024</b>	<b>2,774,868</b>	<b>517,744</b>	<b>3,230,545</b>	<b>6,523,157</b>	<b>3,555,368</b>
Amortisation expenses	586,825	179,241	426,409	1,192,475	685,233
Reductions	(1,521,580)			(1,521,580)	(18,481)
<b>Balance at March 31, 2024</b>	<b>1,840,113</b>	<b>696,985</b>	<b>3,656,954</b>	<b>6,194,052</b>	<b>4,222,120</b>
<b>Carrying amount at January 1, 2024</b>	<b>8,178,917</b>	<b>2,071,710</b>	<b>9,767,113</b>	<b>20,017,741</b>	<b>9,618,149</b>
<b>Carrying amount at March 31, 2024</b>	<b>8,312,552</b>	<b>2,069,843</b>	<b>9,340,705</b>	<b>19,723,100</b>	<b>9,304,282</b>

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**14. SUBSIDIARIES AND FINANCIAL INVESTMENTS**

At March 31, 2024 and December 31, 2023, the Company has the following direct and indirect investments:

<b>Subsidiary</b>	<b>Country</b>	<b>Shareholding</b>	<b>March 31,</b>	<b>Shareholding</b>	<b>December 31,</b>
			<b>2024</b>		<b>2023</b>
		<b>%</b>	<b>RON</b>	<b>%</b>	<b>RON</b>
Teraglass Bistrița SRL	Romania	100	8,468,340	100	8,468,340
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	23,000,000
Palplast	Moldova	51	8,950,140	-	-
Teraplast Magyarország 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	100	10,000
		-	<b>48,277,414</b>	-	<b>48,277,414</b>

From the RON 8,950,140 investment in Palplast, the RON 4,972,300 will be cash contribution by the end of the year.

On 28 March 2024, the acquisition of the Freiler Group was completed, which will be consolidated starting 1 April 2024. At 30 March 2024, the RON 82,170,630 in the Freiler Group is included in Other long-term investments. The amount was fully paid.

*Other long-term equity investments*

Details concerning other equity investments of Teraplast SA are the following:

<b>Investment name</b>	<b>Country</b>	<b>Investment</b>	<b>March 31,</b>	<b>Investment</b>	<b>December 31,</b>
		<b>share</b>	<b>2024</b>	<b>share</b>	<b>2023</b>
		<b>%</b>	<b>RON</b>	<b>%</b>	<b>RON</b>
CERTIND SA	Romania	7.50	14,400	7.50	14,400
Partnership for sustainable development	Romania	7.14	1,000	7.14	1,000
ECOREP GROUP SA	Romania	0,1	100	0,1	100
		-	<b>15,500</b>	-	<b>15,500</b>

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.

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**15. INVENTORIES**

	<u>Balance at March 31, 2024</u>	<u>Balance at December 31, 2023</u>
Finished goods	69,032,404	63,089,270
Raw materials	59,701,724	56,014,991
Commodities	11,622,132	11,845,653
Consumables	7,370,799	6,656,750
Inventory items	347,409	363,808
Semi-finished goods	3,392,925	3,511,262
Residual products	3,299,174	2,655,246
Goods to be purchased	289,187	12,424
Work in progress	357,375	198,560
Packaging	1,046,653	975,021
<b>Inventories – gross value</b>	<b><u>156,459,782</u></b>	<b><u>145,322,985</u></b>
Value adjustments for raw materials and consumables	(1,428,689)	(1,637,798)
Value adjustments for finished products	(3,754,864)	(3,883,413)
Value adjustments for merchandise	(1,070,486)	(1,038,751)
<b>Total value adjustments</b>	<b><u>(6,254,039)</u></b>	<b><u>(6,559,961)</u></b>
<b>Total inventories – net value</b>	<b><u>150,205,743</u></b>	<b><u>138,763,024</u></b>

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.

**TERAPLAST SA**  
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*(all amounts are expressed in RON, unless otherwise specified)*

**16. TRADE AND OTHER RECEIVABLES**

	<b>Balance at March 31, 2024</b>	<b>Balance at December 31, 2023</b>
Short-term and long-term receivables		
Trade receivables	152,572,593	118,746,369
Trade notes not exigible	31,672,600	42,875,755
Advances paid to suppliers of non-current assets	7,824,731	7,942,919
Advances paid to suppliers of inventories and services	7,929,303	5,350,769
Advances paid to employees	-	-
Other receivables	4,305,016	4,314,935
Loss allowance	(16,978,002)	(16,876,945)
<b>Impairment of receivables</b>	<b>187,326,241</b>	<b>162,353,802</b>

The total receivables at 31 March 2024 of RON 187,326,241 (2023: RON 162,353,802) includes the amount of RON 7,824,731, representing long-term receivables – advances to suppliers of non-current assets (2023: RON 7,942,919).

**The changes in adjustment for impairment on doubtful receivables**

	<b>Financial year ended March 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
	<b>RON</b>	<b>RON</b>
<b>Balance at the beginning of the year</b>	<b>(16,876,945)</b>	<b>(18,083,288)</b>
Receivables written-off during the year		1,643,984
Impairment adjustment charged to statement of comprehensive income for trade receivables	254,782	(437,640)
(Increase)/Decrease from interrupted activities/M&A acquisitions	(355,839)	
<b>Balance at the end of year</b>	<b>(16,978,002)</b>	<b>(16,876,945)</b>

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 is recorded for the full amount of trade receivables overdue for more than 60 days.

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.

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**17. INVESTMENT PROPERTY**

At March 31, 2024 and December 31, 2023, 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 5,760,781 thousand.

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 as at 31 December 2023 by an external independent valuator. The valuation method used was the market comparison.

	<b>Balance at March 31, 2024</b>	<b>Balance at December 31, 2023</b>
<b>Opening balance</b>	<b>5,737,239</b>	<b>4,914,955</b>
Increases	23,542	383,264
Net gain on the valuation of investment property at fair value		439,021
<b>Closing balance</b>	<b>5,760,781</b>	<b>5,737,239</b>

**18. SHARE CAPITAL**

	<b>March 31, 2022</b>	<b>December 31, 2022</b>
	<b>RON</b>	<b>RON</b>
Common shares paid in full	217,900,036	217,900,036

As at 31 March 2024, the value of the share capital subscribed and paid up of the parent-company included 1,743,200,478 (2023: 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 (2023: RON 217,900,036). Common shares bear a vote each and give the right to dividends.

**Shareholding**

	<b>March 31, 2024</b>		<b>December 31, 2023</b>	
	<b>Number of shares</b>	<b>% ownership</b>	<b>Number of shares</b>	<b>% ownership</b>
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
Fondul 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
<b>Total</b>	<b>2,179,000,358</b>	<b>100</b>	<b>2,179,000,358</b>	<b>100</b>

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**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	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Provisions for risks and charges	525,125	525,125	1,956,847	1,956,847
<b>Total</b>	<b>525,125</b>	<b>525,125</b>	<b>1,956,847</b>	<b>1,956,847</b>

	Financial year ended March 31, 2024
<b>Long-term employee benefits</b>	
Opening balance	1,956,847
Movements	-
<b>Closing balance</b>	<b>1,956,847</b>

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 2023 by Mr. Silviu Matei, a member of the Romanian Actuaries Institute. The Group's management considers that the values as per the 31 December 2023 report are not significantly different from those at 31 December 2022 and decided not to change the already registered provision.

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**

	March 31, 2024	December 31, 2023
Trade payables	106,067,794	82,624,841
Trade notes payable	1,143,195	1,772,216
Liabilities from the purchase of non-current assets	10,457,103	11,531,096
Other current payables	20,328,402	13,660,211
Advance payments from clients	1,877,897	693,614
<b>Total</b>	<b>139,874,391</b>	<b>110,281,978</b>

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.

Long-term liabilities for non-current assets in amount of RON 6,579,554 at March 31, 2024 (December 31, 2023: RON 6,907,640)

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represent the debt to E.On for the solar cells, the debt of RON 177,837 to Autosoft Engenering SRL related to the acquisition of equipment and RON 32,322 debt to UCMS GROUP ROMANIA SRL representing development of TRUE HR.

**20.1 OTHER CURRENT LIABILITIES**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Salary-related payables to employees and social security payables	10,672,970	12,436,237
VAT payable	8,375,333	143,402
Unclaimed employee rights		-
Other creditors	739,444	265,929
Commercial guarantees received		71,655
Other taxes payable	540,655	697,438
Dividends payable		45,550
<b>Total</b>	<b>20,328,402</b>	<b>13,660,211</b>

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**21. LOANS FROM BANKS**

The bank loans at 31 March 2024 and 31 December 2023 are as follows:

**Teraplast SA**

<b>Financing bank</b>	<b>Type of financing</b>	<b>Origination date</b>	<b>Balance at December 31, 2023</b>	<b>Balance at March 31, 2024</b>	<b>Short term at March 31, 2024</b>	<b>Long term at March 31, 2024</b>	<b>Period</b>
Banca Transilvania	Working capital	07.06.2022	45,450,373	53,010,379	53,010,379		12 MONTHS
BCR	Working capital	30.09.2023	35,578,578	48,440,710	48,440,710		12 MONTHS
Banca Transilvania	Investments	20.04.2017	1,058,890	529,445	529,445		84 MONTHS
Banca Transilvania	Investments	07.03.2019	1,225,240				60 MONTHS
Banca Transilvania	Investments	30.03.2020	1,842,183	1,228,122	1,228,122		60 MONTHS
Banca Transilvania	Investments	23.12.2020	8,665,573	7,702,732	3,851,366	3,851,366	72 MONTHS
Banca Transilvania	Investments	15.03.2021	11,691,492	10,522,342	4,676,597	5,845,746	60 MONTHS
Banca Transilvania	Investments	28.04.2023	2,857,806	2,619,656	952,602	1,667,054	60 MONTHS
Banca Transilvania	Investments	09.10.2023	5,159,204	4,901,243	1,031,841	3,869,402	60 MONTHS
Banca Transilvania	Investments	26.03.2024	-	65,716,667	4,948,719	60,767,948	
<b>TOTAL</b>			<b>113,529,339</b>	<b>194,671,295</b>	<b>118,669,780</b>	<b>76,001,515</b>	

**Teraplast Recycling SA**

<b>Financing bank</b>	<b>Type of financing</b>	<b>Origination date</b>	<b>Balance at December 31, 2023</b>	<b>Balance at March 31, 2024</b>	<b>Short term at March 31, 2024</b>	<b>Long term at March 31, 2024</b>	<b>Period</b>
Banca Transilvania	Investments	11.10.2021	2,098,717	1,923,666	678,316	1,245,350	60 MONTHS
Banca Transilvania	Investments	09.10.2023	49,179,502	49,150,819	-	49,150,819	60 MONTHS
Banca Transilvania	Investments, bridge loan	09.10.2023	23,825,220	23,779,058	23,779,058	-	12 MONTHS
Banca Transilvania	Working capital	08.07.2021	-	7,853,819	7,853,819	-	
<b>TOTAL</b>			<b>75,103,439</b>	<b>82,707,362</b>	<b>32,311,193</b>	<b>50,396,169</b>	

TERAPLAST SA  
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21. LOANS FROM BANKS (continued)

Teraglass Bistrita SRL

Financing bank	Type of financing	Origination date	Balance at December 31, 2023	Balance at March 31, 2024	Short term at March 31, 2024	Long term at March 31, 2024	Period
Exim Bank	Investments	23.09.2019	1,981,160	1,903,008	769,776	1,133,232	60 MONTHS
Banca Transilvania	Working capital	08.07.2021	11,926,809	11,359,349	11,359,349	-	12 MONTHS
BCR	Working capital	23.12.2020	3,918,040	1,713,657	1,713,657	-	12 MONTHS
<b>TOTAL</b>			<b>17,826,009</b>	<b>14,976,015</b>	<b>13,842,783</b>	<b>1,133,232</b>	

TeraBio Pack SRL

Financing bank	Type of financing	Origination date	Balance at December 31, 2023	Balance at March 31, 2024	Short term at March 31, 2024	Long term at March 31, 2024	Period
BCR	Investments	29.04.2021	19,500,432	18,262,913	4,929,669	13,333,244	60 MONTHS
BCR	Investments	29.04.2021	-	-	-	-	12 MONTHS
BCR	Working capital	29.11.2021	2,245,986	3,937,960	3,937,960	-	12 MONTHS
BCR	Working capital	29.11.2021	9,933,139	9,431,562	9,431,562	-	12 MONTHS
<b>TOTAL</b>			<b>31,679,558</b>	<b>31,632,434</b>	<b>18,299,191</b>	<b>13,333,244</b>	

Somplast SA

Financing bank	Type of financing	Origination date	Balance at December 31, 2023	Balance at March 31, 2024	Short term at March 31, 2024	Long term at March 31, 2024	Period
Banca Transilvania	Working capital	08.07.2021	1,441,143	1,489,509	1,489,509	-	12 MONTHS
			<b>239,579,487</b>	<b>325,476,616</b>	<b>184,612,456</b>	<b>140,864,160</b>	

## **22. RELATED PARTY TRANSACTIONS**

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

### **March 31, 2024**

#### **Subsidiaries**

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

#### **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 Pizzerie SRL
- Parc SA
- Primcom SA
- Sens Unic Imobiliare SRL
- Alpha Quest Tech SRL
- Fort SA – membra a grupului Bittnet Systems SA
- Grupul Bittnet Systems SA
- Compa SA
- Magazin Universal Maramures SA
- LCS Imobiliar SA
- Libra Internet Bank

The transactions between the parent and its subsidiaries, Group affiliates were eliminated from the consolidation. In 2023 and 2022, the Group did not enter into significant transactions with related parties

**23. CASH AND CASH EQUIVALENTS**

**Cash**

For cash flow statement purposes, the cash include 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:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
	<b>RON</b>	<b>RON</b>
Cash in bank accounts	9,050,836	18,631,285
Cash on hand	136,580	62,479
Cash equivalents	71,387	185,525
<b>Total</b>	<b>9,258,803</b>	<b>18,879,289</b>

The Group's available cash is pledged in full 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, Bistrita SRL and TeraBio Pack SRL.

There are no conditions not fulfilled associated with such subsidies.

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>At 1 January</b>	<b>76,560,615</b>	<b>60,566,288</b>
Inflows of subsidies		23,932,728
Transferred to statement of comprehensive income	(1,900,293)	(7,938,401)
<b>31 March/31 December</b>	<b>74,660,322</b>	<b>76,560,615</b>
Current	7,601,172	7,601,172
Non-current	67,059,150	68,959,443

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 preliminary 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 the 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:**

**May 07, 2024**  
**Board of Administration**

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**ALEXANDRU STANEAN**  
CEO

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**IOANA BIRTA**  
CFO

**SI 2022 report of TERAPLAST SA**  
**as per FSA Regulation no. 5/2018 Annex no. 13A**

**Date of report:** 26 April 2022

**Name of company:** TERAPLAST SA

**Registered office:** Sieu-Magherus, Saratel village, National Road 15A, KM 45+500, Bistrita-Nasaud

**Telephone/Fax:** 0263 238202; Fax: 0263 231221

**Tax reference code:** 3094980

**Registration number at the Trade Register:** J06/735/1992

**Regulated market where the issued securities are traded:** Bucharest Stock Exchange

**Share capital subscribed and paid-up:** 217,900,036.00 lei

**Main attributes of the securities issued by the company:**

- 2,179,000,358 nominal shares with a face value of RON 0.1/share.

**B. Economic and financial ratios**

	31.03.2021	31.03.2022
<b>a) Current (general) liquidity</b> = <i>Current assets / Current liabilities (recommended value is approximately 2)</i>	4.10	2.50

Current – general liquidity registered at 31.03.2022 is 2.50 and represents the coverage of current liabilities with the current assets held by the company.

	31.03.2021	31.03.2022
<b>a) Gearing ratio</b> = <i>Capital borrowed / Capital employed</i>	0.04	0.14

Capital borrowed – more than 1 year old loans,  
Capital employed = Capital borrowed + Equity

	31.03.2021	31.03.2022
<b>d) Turnover of receivables - clients</b> = <i>average balance of receivables / turnover x 90 days</i>	99.69	77.58
<b>a) Turnover of non-current assets</b> = <i>turnover / non-current assets</i>	0.61	0.55

**Alexandru Stanean**

**CEO**

**Ioana Birta**

**CFO**