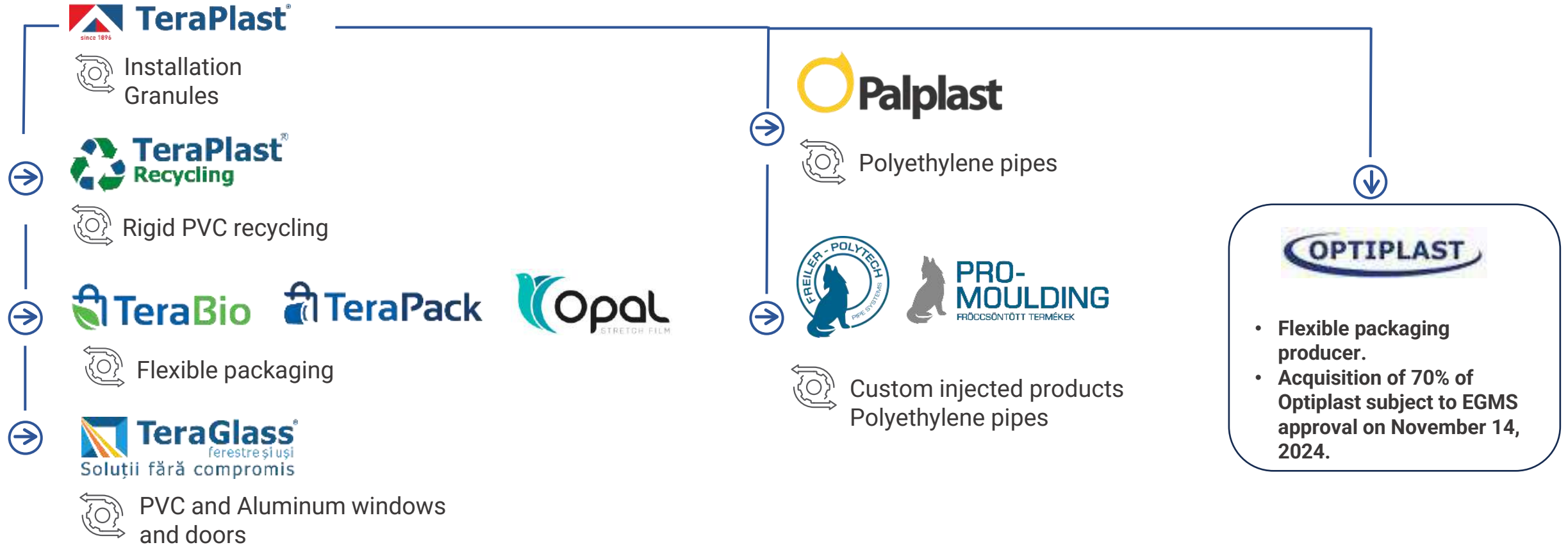


9M24 results

Investors and analysts call
October 31, 2024





Founded in **1989**, the company is located in Odra Sisačka, 40 km from Zagreb, 130 km from the border with Hungary, and 330 km from our subsidiary Polytech kft.

Operational surface of more than 17.000 m2

Production :

- Annual production capacity of cca. 5.000 tons
- Internal annual recycling capacity of cca. 1.200 tons
- 60-70% of raw materials are recycled.
- 30-40% virgin raw material.

Sales :

- Products portfolio: Waste bags (own brand Optiline and private label for retailer), Shopper bags (retail), other bags/packaging films
- Main customers : Spar, Metro, Kaufland, Konzum
- 25% export (Mainly Italy)

Next steps :

- EGMS for approval of the transaction : 14th November 2024.
- Closing estimated date : in the period immediately following approval of EGMS



We negotiated taking over 70% of the capital of the company at the closing, with a call/put mechanism that allows us to acquire the rest of the capital after minimum 3 years from the closing.

1st step : 70% (end of 2024)

Equity value : **x6.5** EBITDA multiplier based on 2023 adjusted EBITDA of **2.000KEUR**. This value will be adjusted with the net working capital, cash and debt at closing.

Price : 70% from the equity value;

1st payment : we negotiated to pay at closing **85%** of the estimated price of 31.10.2024.

2nd payment : based on the closing statements, the rest of the payment will be released as the difference between the final price and what was paid on the 1st payment. These retained 15% will serve as regularization if needed.

For the photovoltaic panels projects we negotiated to retain a part of the price and pay it only when the state reimburses the investment to Optiplast. This was negotiated as a form of earnout.

2nd step : 30% (starting at the end of 2027)

Equity value : **x6.5** EBITDA multiplier, based on the EBITDA of the last 3 years .

Price : 30% from the equity value.

The sales contract (SPA) includes other usual mechanisms for these types of transactions such as:

- Call option;
- Put option;
- Tag along;
- Drag along.

Based on financial figures as of 30.06.2024,

Equity value would be 13,5 Mio EUR

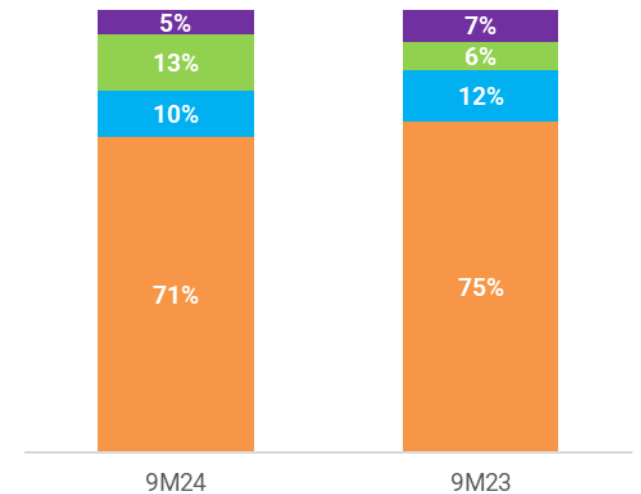
The participation of 70% that TeraPlast would acquire would be 9,5 Mio EUR

Key information for Q1-Q3/2024

- In Romania, infrastructure project financing slowed in Q3, causing payment and execution delays and limiting the installation segment's performance.
- The Austrian and Hungarian markets of the Wolfgang Freiler Group showed growth in Q3, but it was insufficient to offset declines in Germany and France. Low demand has led to price and margin reductions.
- Palplast continues its industrial infrastructure development plans in Călărași, while market demand remains strong due to residential projects by developers.
- TeraDuct significantly expanded its exports, reaching 45.5% in the first nine months of 2024 (up from 22% in 9M23).
- Granules improved both sales and profitability due to volume growth (+38% in quantity).
- Opal stretch film is expanding its customer base, and ongoing improvements in formulations and cost control are expected to move the segment toward positive profitability by 2025.
- Opal stretch films containing up to 30% recycled material were launched on the market, as well as an online shop.
- TeraBio Pack significantly reduced its losses but is not expected to reach positive territory by year-end. Exports increased from 12% to 31% of sales.
- The Windows segment recorded a significantly improved EBITDA compared to the first nine months of 2023. Through diversification of its customer and project base, the segment managed to partially counteract the contraction in the residential market.

Share of the segments in the consolidated turnover

Installation Granules Packaging Windows



TeraPlast Group's initiative to support the restoration of Romania's forest fund, TeraVerde Carbon, has already launched its first projects, with over 30 hectares of land scheduled for reforestation this fall.

TURNOVER

681,2 MLN. LEI

+32% vs 9M/'23 (517,4 mln. LEI)

VOLUMES

84.624 TONS

+49% vs 9M/'23 (56.671 tons)

EBITDA

45,2 MLN. LEI

(45 mln. LEI in 9M/'23)

EBITDA MARGIN

6,6%

-2,1pp vs 9M/'23 (8,7%)

NET RESULT

-6,9 MLN. LEI

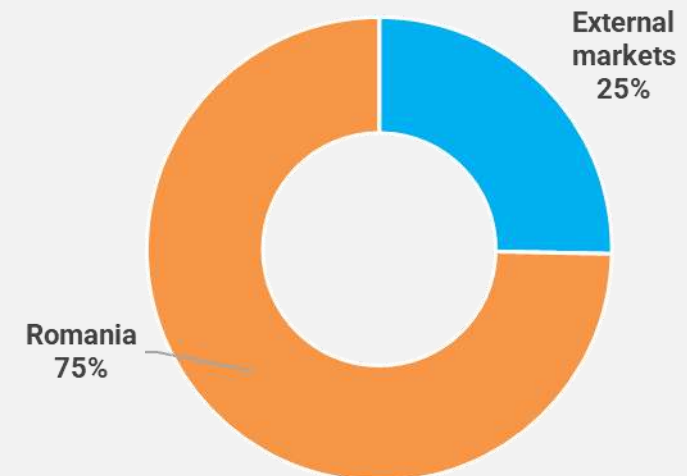
6,7 mln LEI in 9M/'23

GROSS MARGIN

35%

-1pp vs 9M/'23 (36%)

TeraPlast Group's sales outside Romania have maintained their growth, reaching 172.4 million lei in the first nine months of 2024, compared to 86.6 million lei in the same period in 2023.



- The 2024 forecast reflects increased production capacity and the expansion of the Group.
- Market challenges throughout the year and the ramp-up of Opal stretch film production limit profitability.
- We are implementing operational efficiency measures and continue to work on developing synergies with new subsidiaries to improve profitability.
- We remain focused on expanding into international markets to establish a stable growth base.
- Net result is negatively impacted by rising financing costs.
- The difficult market environment will not allow us to deliver the profitability initially expected by our shareholders.
- While TeraPlast (standalone) is anticipated to perform in line with expectations, the subsidiaries will not contribute as anticipated.
- Non-recurring expenses will have a significant impact, amounting to over 8 million lei.

TURNOVER

883,7 MLN. LEI

+31% vs 2023

NET RESULT

-14,1 MLN. LEI

EBITDA

56,5 MLN. LEI

+10% vs 2023

EBITDA MARGIN

6,4%

2024 Forecast

RON, thousand		Total Group	Installation & Recycling	Compounds & Recycling	Windows & Doors	Flexible Packaging
Turnover	Q3 Results	681.159	485.707	71.246	37.416	86.789
	Q4 Forecast	202.534	136.665	20.846	12.054	32.970
	Total 2023	883.693	622.372	92.092	49.470	119.759
	% vs 2023	▲ 31%	▲ 24%	▲ 21%	▲ 1%	▲ 158%
	% vs 2024B	▲ 2%	▼ -3%	▼ -1%	▼ 0%	▲ 43%
EBITDA	Q3 Results	45.211	46.859	7.105	1.915	-10.668
	Q4 Forecast	11.241	8.572	2.518	-156	307
	Total 2024	56.452	55.431	9.623	1.759	-10.361
	% vs 2023	▲ 10%	▲ 6%	▲ 60%	▲ 320%	▼ -38%
	% vs 2024B	▼ -21%	▼ -18%	▲ 45%	▼ -46%	▼ -69%
EBITDA Margin	Q3 Results	6,6%	9,6%	10,0%	5,1%	-12,3%
	Q4 Forecast	5,6%	6,3%	12,1%	-1,3%	0,9%
	Total 2024	6,4%	8,9%	10,4%	3,6%	-8,7%
Net profit	Q3 Results	-6.995	10.197	2.960	315	-20.467
	Q4 Forecast	-7.105	-4.002	1.277	-1.011	-3.369
	Total 2024	-14.100	6.195	4.238	-696	-23.836
	% vs 2023	▼ -1339%	▼ -64%	▲ 168%	▲ 65%	▼ -51%
	% vs 2024B	▼ -232%	▼ -78%	▲ 71%	▼ -242%	▼ -13%

- For 2024, TeraPlast Group estimates a turnover of RON 883.7 million, growth of 31% over 2023.
- EBITDA of RON 56,5 million, the Group's main driver still being the Installations & Recycling segment, followed by Compounds & Recycling, which had a considerable growth. Group EBITDA margin is estimated at 6,4%, compared to 7,6% at the end of 2023.
- The loss of RON 14 million is mainly due to the Flexible Packaging segment where the start-up of the Opal production activity affects the Group's profitability.
- We are focusing on diversifying external markets, including the acquisition of Optiplast, and on maintaining market share amidst fluctuations

The results for 2024 reflect our increased production capacities and expansion through external acquisitions, but market challenges constrain consolidated profitability.

31,7% increase in turnover Q3 2024 vs Q3 2023

- Price deflation in 2024 with 8,6% compared to 2023 is due to the decrease in raw material prices and in the cost of production, which have been transferred to the market.
- Installations and also recycled PVC volumes increased by over 25%.
- TeraBio Pack flexible packaging volumes show constant trend. Decreases were maintained in windows and doors.
- Volumes of Opal stretch film sold were more than 3,000 tons higher than budgeted volumes for the full year.
- The M&A component is the sales of Palplast and Freiler Group (april-september).

amounts in mil RON



Q3 2024 Budget vs Results

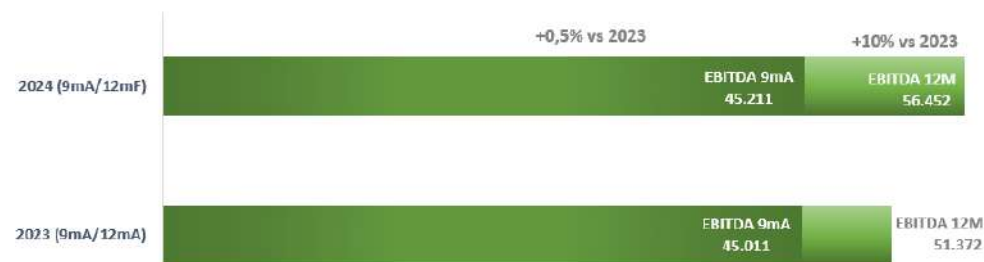
- Due to additional volumes of installation, stretch film and M&A, turnover is 5% above budget and 32% above and H1/2023.
 - The gross margin increased by 28%, from RON 188 million in the first nine months of 2023 to RON 240 million in the same period of 2024.
 - The main impact on the increase in all expense compared to 2023 is the consolidation of the newly acquired entities, Freiler Group and Palplast.
 - Salaries and employee benefits has increased both as a result of the increase in salaries and increase in number of Group employees.
- ⇒ Thus, EBITDA decrease by over 2 pp.
- The net result was influenced by the payment of the minimum turnover tax in Q3/'24, higher depreciation expenses generated by the new investments put into operation and higher financing costs

RON'000	Q3 2024 Results	Q3 2024 Budget	Var %	Q32023 Results	Var %
Net Sales	681.159	647.564	5%	517.384	32%
Other operating income	1.692	93	1730%	991	71%
Total Operating Income	682.851	647.656	5%	518.374	32%
Raw materials, consumables & merchandise	(440.982)	(408.567)	8%	(329.388)	34%
Salaries and employee benefits	(95.837)	(84.029)	14%	(69.457)	38%
Utilities	(30.453)	(31.267)	-3%	(23.611)	29%
Amortization, impairments, provisions	(33.914)	(27.082)	25%	(24.815)	37%
Other operating expenses	(70.367)	(66.338)	6%	(50.908)	38%
Total Operating Costs	(671.555)	(617.282)	9%	(498.179)	35%
EBIT	11.297	30.374	-63%	20.195	-44%
EBITDA	45.211	57.455	-21%	45.011	0%
% EBITDA	6,64%	8,87%		8,70%	
Financial result, net	(14.255)	(12.655)	13%	(9.391)	52%
Profit before tax	(4.037)	(5.276)	-23%	(4.008)	1%
Net profit	(6.995)	12.442	-156%	6.797	-203%
% Net profit	-1,03%	1,92%		1,31%	

Net sales evolution 2024 (9a/12F) vs 2023 (9a/12a) (RON'000)



EBITDA 2024 (9a/12F) vs 2023 (9a/12a) (RON'000)



Financial performance

all amounts in thousands of RON unless otherwise specified

RON`000	9m 2023	9m 2024	Var %
Net Sales	517.384	681.159	32%
Other operating income	991	1.692	71%
Total Operating Income	518.374	682.851	32%
Raw materials, consumables & merchandise	(329.388)	(440.982)	34%
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% EBITDA	8,70%	6,64%	
Financial result, net	(9.391)	(14.255)	52%
Profit before tax	(4.008)	(4.037)	1%
Net profit	6.797	(6.995)	-203%
% Net profit	1,31%	-1,03%	

- **Significant growth in turnover and volumes:**

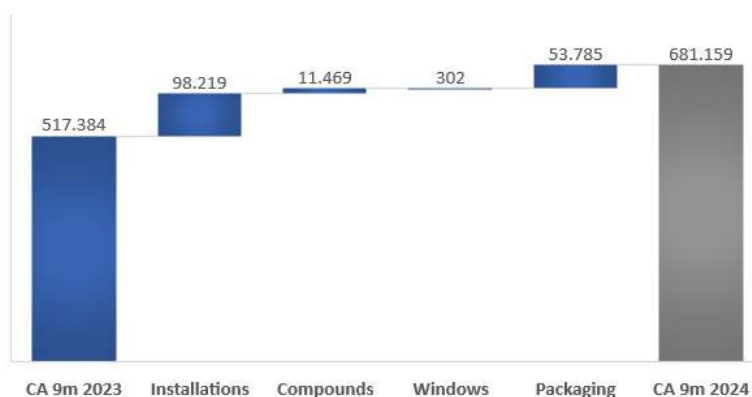
TeraPlast Group recorded a 32% increase in turnover and 49% increase in volumes sold compared to Q3/2023, driven by strategic investments and recent M&A.

- **EBITDA performance:** EBITDA maintained at a similar level to Q3/2023, although EBITDA margin fell to 6.6% due to pricing pressures and efforts to increase market share.

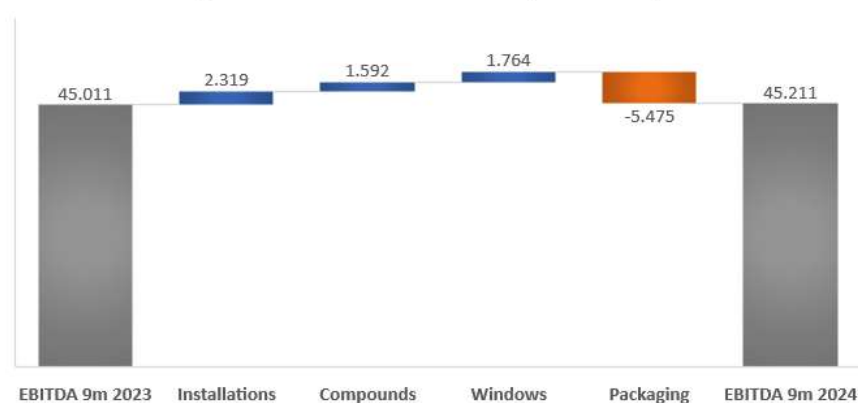
- **External markets 3:** Sales outside of Romania represented 25.3% of the consolidated turnover for the first three quarters, compared to 16.7% in the same period of 2023, reaching RON 172.4 million.

- **Group profitability affected by:** Interest expenses, non-recurring costs related to geographic expansion, and the impact of Opal's stretch film ramp-up.

Bridge Net sales 9M`23 - 9M`24 (RON `000)



Bridge EBITDA 9M`23 - 9M`24 (RON `000)



Financial performance



RON '000	TeraPlast Group			Installations and recycling			Compounds and recycling			Windows & Doors			Flexible packaging		
	9m 2023	9m 2024	Var %	9m 2023	9m 2024	Var %	9m 2023	9m 2024	Var %	9m 2023	9m 2024	Var %	9m 2023	9m 2024	Var %
Net Sales	517.384	681.159	32%	387.489	485.707	25%	59.777	71.246	19%	37.114	37.416	1%	33.004	86.789	163%
Other operating income	991	1.692	71%	970	1.584	63%	0	0	0%	12	95	698%	8	13	60%
Total Operating Income	518.374	682.851	32%	388.459	487.291	25%	59.777	71.246	19%	37.126	37.512	1%	33.013	86.803	163%
Raw materials, consumables & merchandise	(329.388)	(440.982)	34%	(240.732)	(297.614)	24%	(44.245)	(51.626)	17%	(21.210)	(18.614)	-12%	(23.201)	(73.128)	215%
Salaries and employee benefits	(69.457)	(95.837)	38%	(46.689)	(68.003)	46%	(4.845)	(5.868)	21%	(8.488)	(9.783)	15%	(9.435)	(12.184)	29%
Utilities	(23.611)	(30.453)	29%	(18.433)	(22.305)	21%	(1.749)	(1.653)	-5%	(639)	(537)	-16%	(2.790)	(5.958)	114%
Amortization, impairments, provisions	(24.815)	(33.914)	37%	(18.925)	(24.139)	28%	(2.278)	(2.500)	10%	(904)	(792)	-12%	(2.709)	(6.483)	139%
Other operating expenses	(50.908)	(70.367)	38%	(38.065)	(52.510)	38%	(3.424)	(4.994)	46%	(6.638)	(6.662)	0%	(2.781)	(6.201)	123%
Total Operating Costs	(498.179)	(671.555)	35%	(362.844)	(464.571)	28%	(56.541)	(66.641)	18%	(37.879)	(36.388)	-4%	(40.915)	(103.954)	154%
EBIT	20.195	11.297	-44%	25.615	22.720	-11%	3.236	4.605	42%	-753	1.124	-249%	-7.902	-17.152	117%
EBITDA	45.011	45.211	0%	44.540	46.859	5%	5.513	7.105	29%	151	1.915	1169%	-5.193	-10.668	105%
% EBITDA	8,70%	6,64%	0%	8,61%	9,65%	0%	9,22%	9,97%	0%	0,41%	5,12%	0%	-15,74%	-12,29%	0%

The third quarter brought upon intensified pressure, especially from Western markets. This, along with fluctuations in public infrastructure projects payments, and a contraction in Romania's residential sector, creates a challenging environment, limiting our ability to deliver significant immediate growth to our shareholders, especially in terms of profitability

The increase in volumes on Installations was decisive for the growth in turnover and EBITDA. The EBITDA margin increased by 5%. These results reflect discrepancies across regional markets. In Romania, infrastructure project financing slowed in Q3 and the Wolfgang Freiler Group continues to face pressure from Western markets.

Compounds sales increased, reflecting solid performance and maintaining market share despite challenging market conditions. EBITDA margin was almost 10% due stronger demand in Q3 2024.

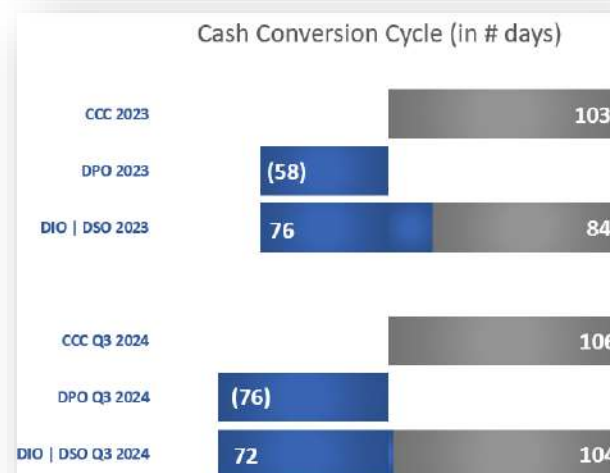
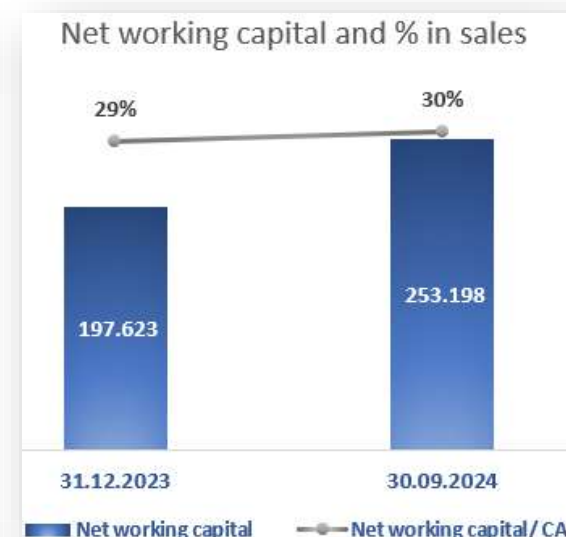
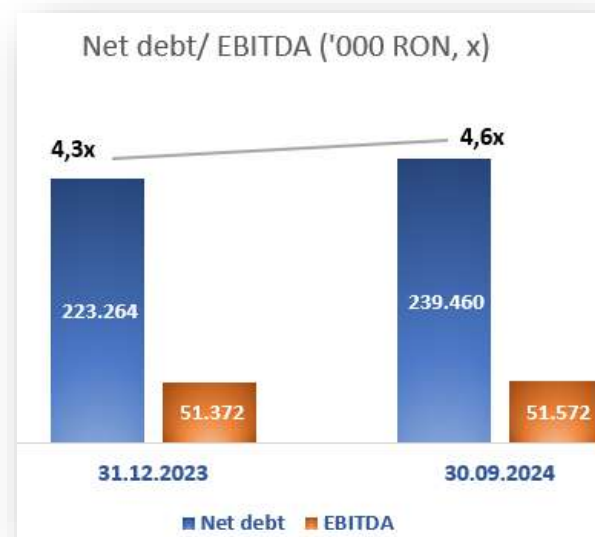
Significant improvement of EBITDA and turnover remained steady. These results were supported by the completion of large residential projects and continuity from ongoing projects from last quarters.

Significant segment increase especially due to Opal stretch film. EBITDA remained negative, affected by the ramp-up costs of the stretch film factory. Optiplast Croatia will join this segment pending approval from the general meeting on November 14.

Q3 2024 | Balance-sheet summary

RON '000	TRP Group	
	31.12.2023	30.09.2024
Intangibles	3.961	3.925
Tangible assets	421.430	474.207
Investment Property	5.737	12.128
Other non-current assets	1.583	19.520
Non-current assets	432.712	509.781
Inventories	138.564	175.654
Trade receivables	154.411	237.580
Trade payables	(103.329)	(170.951)
Trade working capital	189.647	242.283
Other payables	(2.282)	(3.065)
Other receivables	10.259	13.980
Other working capital	7.977	10.915
Net working capital	197.623	253.198
Cash and cash equivalents	18.879	19.748
Bank loans and leases	(242.143)	(259.207)
Net (debt) / cash	(223.264)	(239.460)
Right of use lease obligations	(10.397)	(16.092)
Other non current liabilities	(6.908)	(7.761)
Provisions	(525)	(525)
Subsidies	(76.561)	(91.053)
Net assets	312.681	408.088
Share capital & premiums	217.900	317.890
Reserves	54.259	54.072
Retained earnings	37.856	30.915
Non-controlling interest	2.665	5.211
Equity	312.681	408.088

Key aspects



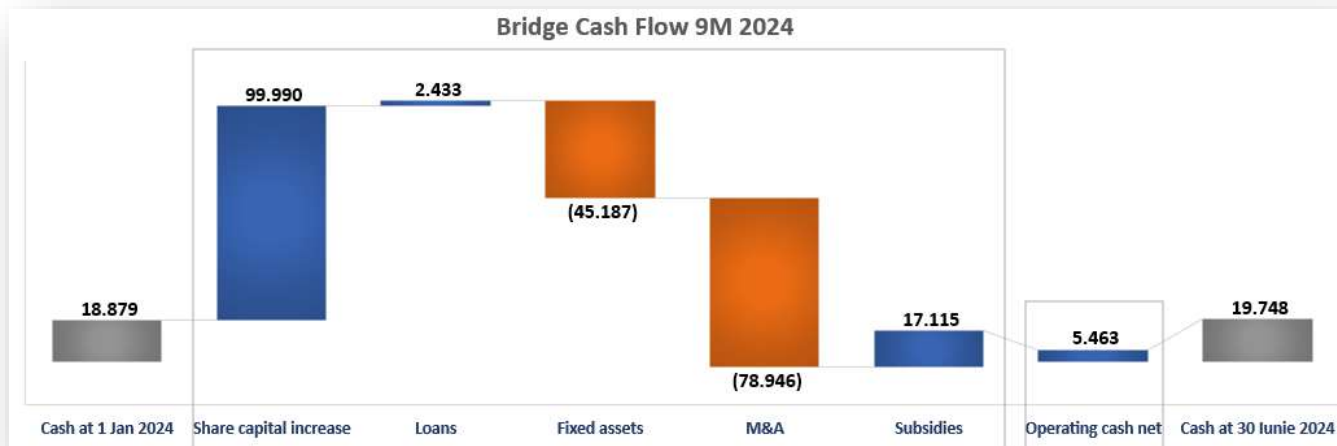
- We have successfully completed the share capital increase through which we attracted EUR 20 million to finance the company's acquisitions and to cover the company's current needs.
- Working capital up slightly due to acquisitions.

*Turnover and EBITDA from the last 12 months

Q3 2024 | Cash-flow summary

Cash flow summary, RON `000	30.09.2023	30.09.2024
Net profit before tax	10.805	(2.958)
Net profit adjustments	41.654	55.457
(+) Operating profit before changes in working capital	52.459	52.499
Net impact working capital	32.728	(25.046)
Income tax paid	(1.599)	(13.590)
Interest paid	(9.530)	(2.139)
Income from subsidies	(6.038)	(6.261)
(-) Subtotal changes in working capital and other	15.561	(47.036)
=> Cash from operating activities	68.020	5.463
Payments for fixed assets acquisitions	(97.742)	(45.187)
Freiler purchase payments, net of purchased cash	701	(78.946)
Receipts from subsidies	23.933	17.115
(+) Net cash used for investments	(73.108)	(107.017)
Net repayments of loans and leasing	1.324	2.467
Share capital increase	-	99.990
Share repurchased	9	(34)
(-) Net cash from finance activities	1.334	102.423
Net variance	(3.754)	868
Cash & Equiv at Jan 1, 2023/ 2024	10.713	18.879
Cash & Equiv at Sept 30, 2023/ 2024	6.959	19.748

Bridge 30 September 2024



- We paid 79 million lei for M&A - Freiler Group net of purchased cash.
- Out of the planned CapEx of 54 million lei planned for this year, we paid 45 million lei, mainly for the last components of the second stretch film line, the improvement of TeraPlast's production capacities and photovoltaic park.
- We have received 16.9 million lei subsidy for investments in the stretch film factory, we will receive another 8 million lei this year for stretch film.

Thank you!