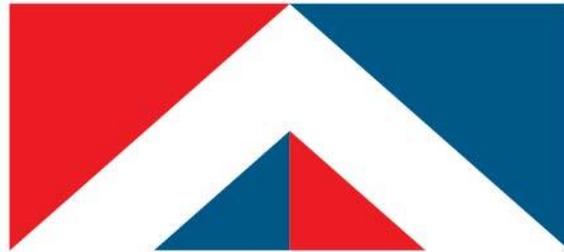


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TeraPlast



September results

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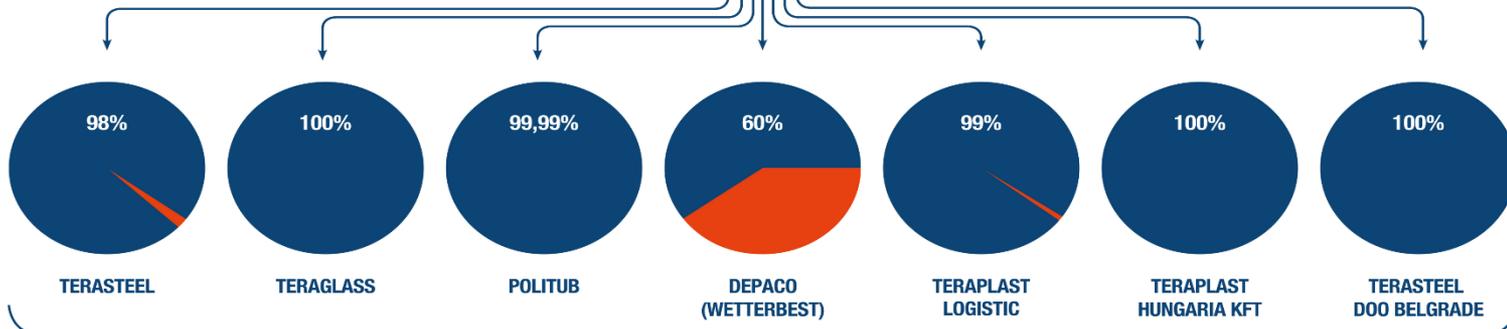


TeraPlast

TeraPlast Group

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TERAPLAST S.A.



TERAPLAST GRUP





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TeraPlast at a glance

TeraPlast Group – At a glance (1/3)

TERAPLAST SA

- We are the largest processor of PVC in Romania and one of the main manufacturers on the installations market
- We're investing more than 20 million EUR in 2017
- Our production facilities were designed with the main objective of addressing the sewage infrastructure. We are prepared to be a key player on this segment.
- We continue to increase our offer and presence on the residential segment.
- Our vision of providing effective, environmentally friendly solutions is materialized in the PVC recycling facility
- We'll continue to invest in new technology: in 2018 we'll have a compounder that will produce a new fire proof compound for the production of cables. It is a relatively new material on the cable materials market, with which Teraplast will complement its range of products for the industry.

TeraPlast Group – At a glance (2/3)

TERASTEEL SA

- TeraSteel is the leader on the sandwich panels and galvanized structures market in Romania and it is present on the European markets, being recognized as a trusted partner.
- In this context the expansions on the markets in the Balkans has come a natural evolution through the acquisition of the factory in Serbia which started production in Oct 2017.
- TeraSteel Romania and Serbia estimate a turnover of EUR 62 million, for 2018.

POLITUB SA

- Politub manufactures tubes and pipes, of medium and high density PE for the transport and distribution networks of water, gas and telecommunications, or irrigation.
- From august 2017, Politub is a fully owned subsidiary.

TeraPlast Group – At a glance (3/3)

TERAGLASS SA

- Teraglass produces and sells PVC windows and doors.

DEPACO SA

- In 2017, TeraPlast acquired a majority shareholding in Depaco, the second largest roof tiles producer in Romania.

TERAPLAST LOGISTIC SA

- This company took over all logistic activities (warehousing and transportation).

TeraPlast Group - Evolution in YTD Sep 2017

The significant investments that TeraPlast made in 2017, will have a major influence to the Group's results in 2018.

Key indicators, thousand RON	Jan-Sep - 2017	Jan - Sep 2016	▼%
Turnover	294.634	310.909	(5)
Operating result	19.162	36.348	(47)
Net profit	15.931	30.330	(47)
EBITDA	32.908	47.267	(15)

TeraPlast Group – YTD Sept 2017 Results



Operating Result

Segment	Operating result (RON thousand)
Instalations & Decorations	1.251
Compunds	3.970
Sandwich Panels	10.662
Window PVC Profiles	219
PVC Windows & Doors	3.059



NET SALES

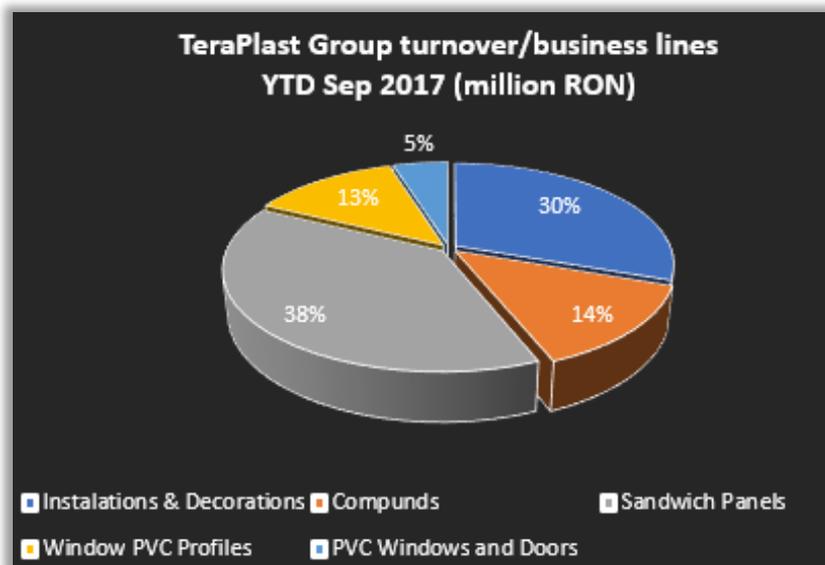
Segment	NET SALES (RON thousand)
Instalations & Decorations	90.195
Compunds	38.911
Sandwich Panels	113.740
Window PVC Profiles	38.378
PVC Windows & Doors	14.304



Major Investments & Acquisitions

- 60% of Depaco and 50% of Politub – RON 58 mil
- Interlemind Serbia = RON 19.35 mil

TeraPlast Group 2017 - Turnover YTD Sep 2017 - 294.63 million RON



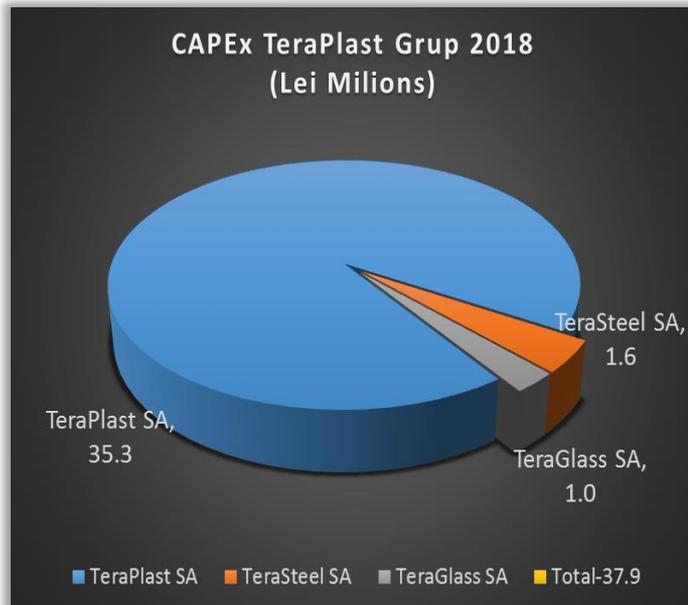
The deadlock in infrastructure continues to negatively influence TeraPlast business, and according to the information we have at the moment there will not be significant improvements in the next half of the year.

The solution that we found in order to compensate the infrastructure decreases is to increase the input of the new businesses purchased in the first half of the year. We anticipate that the panels plant TeraSteel Serbia will bring this year a plus of approximately 4 million EUR in the consolidated turnover.

A hand is shown in the upper right corner, carefully placing a coin onto a tall stack of coins. The background is a blurred cityscape at night, with lights from buildings and streets. In the foreground, there are three stacks of coins of varying heights, arranged from left to right. The lighting is soft and focused on the coins, creating a sense of value and investment.

Acquisitions & Investments

TeraPlast Group 2017 – CAPEX 2018



- Main CAPEX category: PVC recycling plant which is going to decrease the cost with raw materials
- We are already the largest producer of PVC granules in Romania. This new material will make us the the first manufacturer in Romania in this industry.
- Capital expenditures are also directed towards functional warehouse facilities, IT equipment, production facilities, replacement of used equipment, car park renewal, overall quality improvement and unforeseen contingencies.

TeraPlast Group 2017 – Investments Overview

- The first nine months of 2017 marked a series of major investments at TeraPlast Group as part of a larger objective for development.
- The takeover of Depaco, Politub and the expansion of the Group in Serbia through the acquisition of Leskovac factory are embedded in a broader widening approach to diversifying the group's activities.
- These investments have generated a higher debt level which also reflected in a decision to increase the investment plan for 2017 with more than 14%; from 84 million RON to 96 million RON.
- As of September 2017, the debt of TeraPlast Group is **117.287 thousand RON**. Out of this, **66.201 thousand RON** is debt for the investments in Depaco, Serbia and the recycling facility. These investments will generate EBITDA in 2018.

TeraPlast Group 2017 – Investments (1/2)

TeraSteel Serbia

- A reference point in the development and expansion of TeraPlast activities in the last period is the opening of TeraSteel Serbia, the first foreign factory inaugurated since 1990 and fully owned by a Romanian company.
- In Serbia, TeraPlast has invested 4.3 million EURs in the acquisition of the Interlemind sandwich panel factory.
- TeraSteel Serbia's investment plan is of EUR 6.5 million for 2017.

Politub

- The acquisition series continued with the acquisition of Politub, one of the most important players in the water and gas pipe market.
- Following the acquisition, Teraplast Group owns a 100% stake in Politub.



TeraPlast Group 2017 – Investments (2/2)

Depaco

- Also in 2017, TeraPlast became shareholder of Depaco, the second tile manufacturer in Romania, part of Wetterbest.
- The acquisition is a strategic one for the Teraplast Group in the context in which the subsidiary TeraSteel is the leader of the galvanized metal structure market, and the new products will complete the current portfolio.

PVC

- In 2017, TeraPlast made major investments in improving existing production facilities, a notable example being the recycling line for PVC waste.
- The recycling section will begin production in November 2017 and will have a significant impact on reducing raw material costs and increasing product quality and sustainability.



TeraPlast Group 2017 - TeraSteel

- **Romanian sandwich panel market: 100 mil. EUR, TeraSteel Romania being the largest producer with 21% market share**
- **Serbian sandwich panel market is 2.3 mil sqm (35 mil. EUR), is dominated by imports (80%), and the opportunity to be a player in Balkans region could not be overseen.**
- With the acquisition of Serbian plant, **TeraSteel is able to meet the rising demand in Balkans**, beside Serbian market : Bulgaria-2.7 mil. sqm, Bosnia-0.5 mil sqm, Croatia-0.5 mil. sqm, **and to consolidate its position on the Romanian market.**
- Production for TeraSteel Serbia is planned to reach **0.3 mil sqm in 2017, 1.6 mil sqm in 2018.**
- With a planned start in the first half of September, **Terasteel Serbia & Terasteel Romania** are expected to reach **62 mil EUR 2017 in turnover.**

TeraPlast Group – Objectives 2018

TeraPlast	Politub	TeraSteel & Depaco
<p>-Increase of the EBITDA margin to 12%;</p> <p>-PVC Recycling - we estimate significant savings; we will increase the percentage of recycled PVC in the profiles (we implement a new co-extrusion technology) and the pipes for the residential sector;</p> <p>Opportunity: 49% of households in Romania are connected to the public sewage network.</p>	<p>-We will double the turnover;</p> <p>-We will increase our market share, exploiting more synergies with TeraPlast (sales force and full system delivery);</p> <p>Opportunity: 64% of households in Romania are connected to the public water network.</p>	<p>-TeraSteel will produce a complete system of panels (polyurethane foam and mineral wool) and galvanized structures;</p> <p>-We will increase the sales team to better cover all areas of the market;</p> <p>-We have in plan the exploitation of Depaco - TeraSteel synergies in terms of acquisitions, TeraPlast infrastructure;</p> <p>-Depaco has an investment plan aiming at increasing the production capacity</p>

TeraPlast Group - Milestones 2017

February	➤ Cosmin Patroiu was appointed Chief Executive Officer of TeraSteel.
March	➤ TeraPlast decided to purchase 50% of the company Depaco, the second player on the metallic tiles market, from Wetterbest brand.
May	➤ The Board of Directors of Teraplast appointed Mrs. Mirela Pop as Chief Executive Officer.
June	➤ TeraPlast signed an agreement to purchase an extra 10% shares in Depaco*
August	<ul style="list-style-type: none"> ➤ Teraplast Group concluded the agreement for the purchase of the 50% stake held by French company Socotub in Politub. Until then, Teraplast had 50% of Politub, one of the most important players on the water and gas pipes market. ➤ Following this acquisition Teraplast Group will fully own 100% of Politub's share capital. The acquisition is part of the development and expansion plans of Teraplast Group.
September	<ul style="list-style-type: none"> ➤ Teraplast completes the investment in a new PVC recycling plant and in an effort to make continuous investments towards energy saving. ➤ An increase of the Group's 2017 investment plan with over 14% from 84 mil. RON to 96 mil. RON was agreed in September.

*As of 30 September 2017 the ownership recorded in the Trade Registry was 50% and therefore, Depaco is jointly controlled at the moment.



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