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TeraPlast®

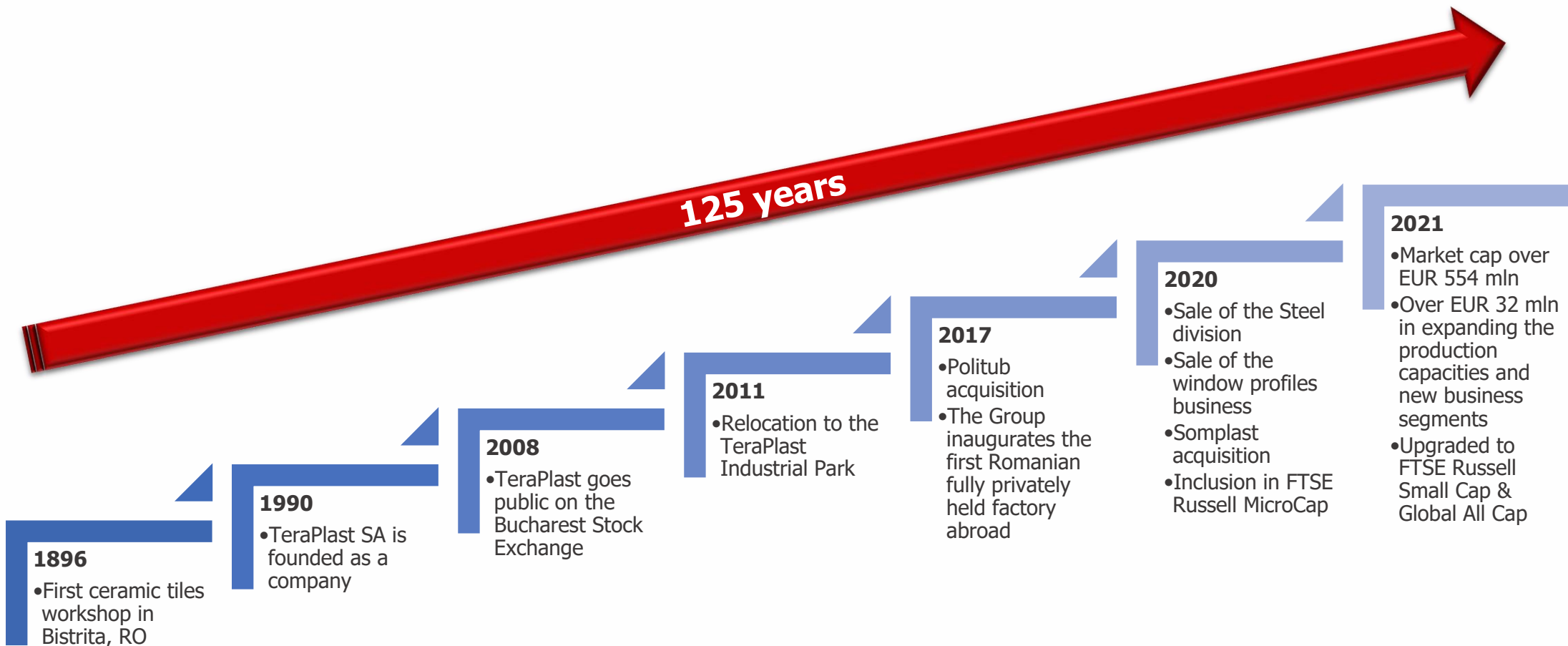
**WOOD'S WINTER WONDERLAND
EME CONFERENCE**

December 8, 2021

- TeraPlast: a high-performance company
- 2020-2021: shift in strategy
- An ambitious view of the future
- Conclusions

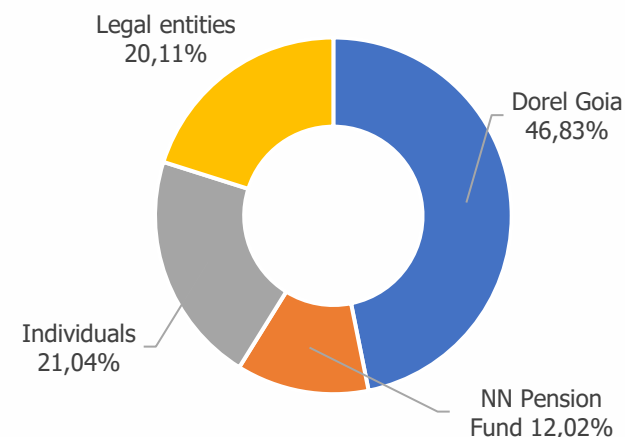


TeraPlast Group is one of the largest Romanian entrepreneurial groups with 125 years of tradition, extensive expertise in polymer processing industry and an annual turnover of over EUR 100 million. The Group has a proven track record of solid growth and innovation.



- > Controlling shareholder: Mr. Dorel Goia, also Chairman of the Board
- > We have **performed during 3Q21**, with +43% in turnover, +30% in EBITDA and +39% in net profit
- > We are **one of the best-performing stocks from the BET index** in the last 12 months (+208%)
- > **Market capitalization** (03.12.2021): EUR 483 mln
- > We granted **1 free share per each 4 shares held** → ex date 28.09.2021
- > We **consistently invest in our development**: EUR 32 million in 2021 in the expansion of our production capacities and new business lines → 3 projects co-financed through state aid which is worth EUR 14 mln in total.
- > So far, the investment projects that offer **sustainable solutions** amount to **EUR 20 million in total**.
- > We have adapted to **cushion or cancel various shocks in the market** – raw materials, energy, construction materials' prices etc.

Shareholding structure



BVB:TRP Bloomberg: TRP RO	2020	2021
Turnover (EUR mln)	81,9	129,4 (B)
Market Capitalization	>554 mln EUR	
Dividends (EUR mln)	>9,4	>46
Gross dividend per share	0,005 EUR	0,026 EUR
TRP share yield	+103,5%	+208%



3rd
most traded stock
in the reference index of
BSE in the last 12M**



Shares traded
802 mln
in the last 12M

Total value

€143 mln
EUR in the last 12M

Average of
566.060 EUR
/ day

Trades

102k
in the last 12M

Average of
404
transactions / day

*12M = Dec. 3rd, 2020 – Dec. 3rd, 2021 | ** by volume

Trading volume & market cap evolution – TRP, last 12M





We are connected to the markets we operate on and the sustainable development trends.



We have a healthy business model and a strategy that shows its results.



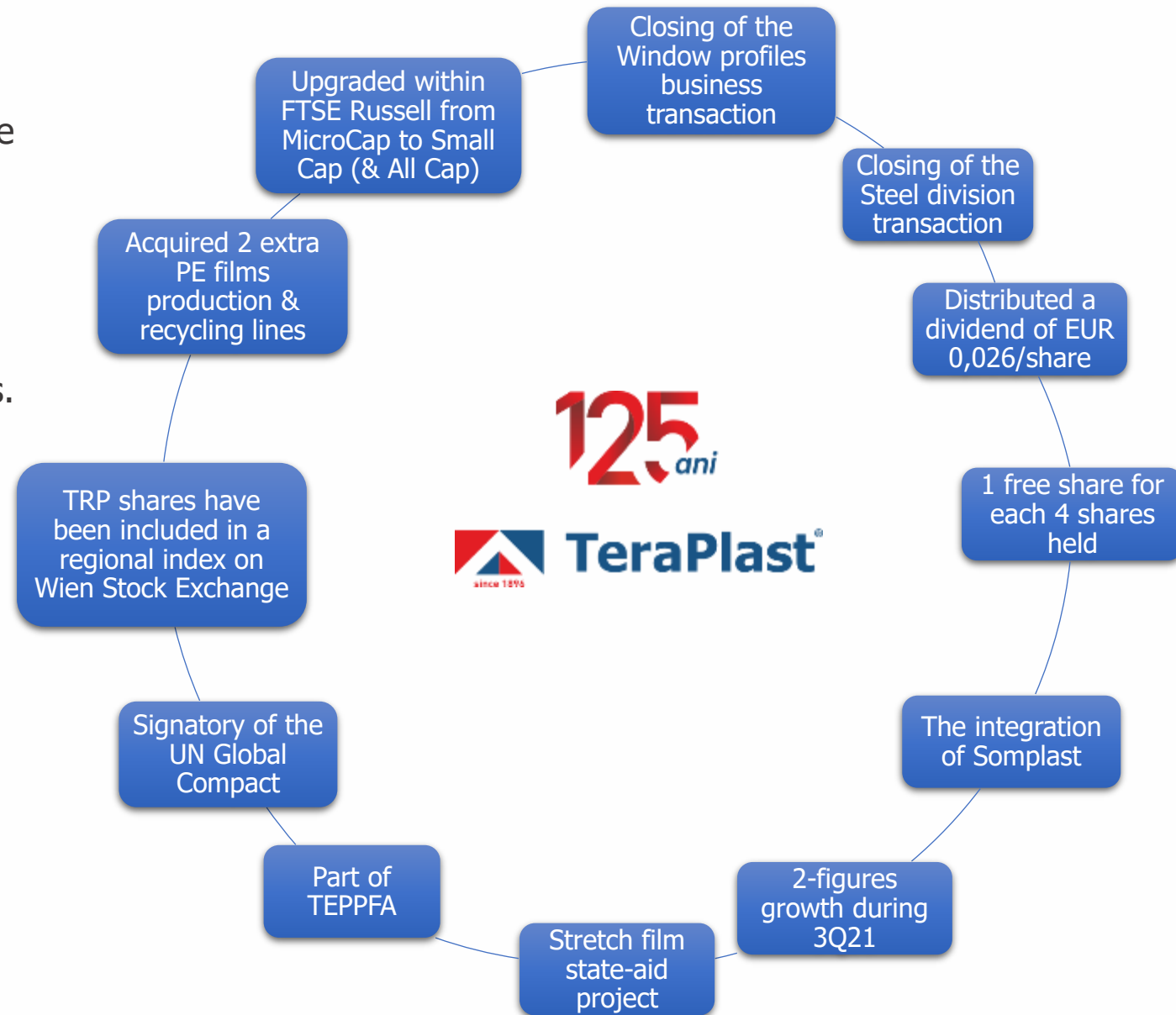
We believe in reciprocity in relation to our shareholders.



We perform thanks to our capacity of adapting to the market context and to the raw materials crisis.



We develop organically, through investments and M&A.





- Leader of the Romanian exterior sewerage market and compounds market in Romania, on BSE since 2008.
- 2021 investment plan: EUR 20 mln in expanding the production capacities for interior sewerage, PE-Xa systems and water & gas systems
- Processing capacities of 96.000to of polymers – LEADERS IN CENTRAL & EASTERN EUROPE



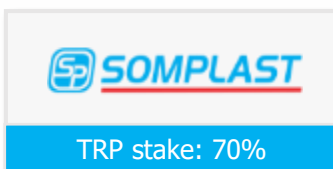
- Rigid PVC recycler (post-industrial & post consumer)
- Processing capacity of 31.000 tons
- The largest producer of recycled micronized PVC in Europe and among top 5 European rigid PVC recyclers



- Biodegradable films and bags producer | Polyethylene films producer
- We invest EUR 12mln in 2021 in the new biodegradables factory, in equipment and state-of-the-art technology that represent a production capacity of 5.000 t/year
- Integrates the polyethylene packaging production & recycling from Somplast and Brikston Construction Solutions. Total polyethylene films production capacity: 5.000 t/year



- PVC and Aluminum windows & doors producer
- Over 15 years of experience on the market
- 69% of its turnover is exported to Germany, Austria, Czech Rep., Slovakia, Hungary, Slovenia



- Stake acquired in December 2020. Taken over at the end of April 2021.
- Main activity: real estate management of the Nasaud production site, where TeraPlast Recycling and part of TeraBio Pack carry out their activity.



Installation



TeraPlast Industrial Park
Romania

Leader on the PVC exterior
sewerage market



Compounds

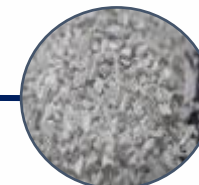


TeraPlast Industrial Park
Romania

Leader on the Romanian market
with a 34% market share



Rigid PVC recycling



TeraPlast Industrial Park
Romania

The largest producer of micronized
recycled PVC in Europe.
Top 5 in Europe as a rigid PVC recycler



Biodegradable packaging



TeraPlast Industrial Park
Romania

2021 investment
worth 12 mil EUR to become
market leaders by 2022



Polyethylene packaging



Năsăud, Romania
Sighișoara, Romania

**Exporter, polyethylene
packaging** portfolio



Windows & Doors



Bistrița, Romania

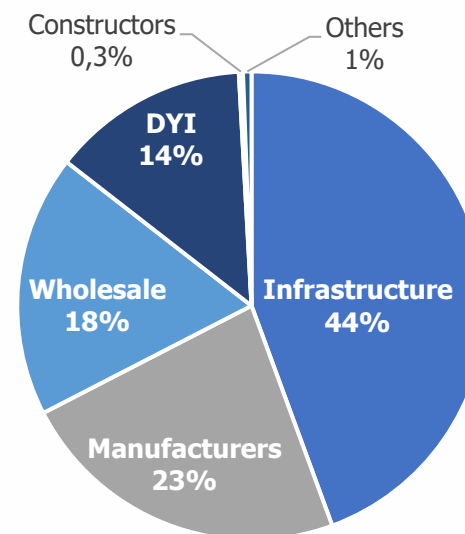
**Over 69% annual
exports**, develops to be among
top 10 producers in the market

Our goal is to be leaders on the markets we activate on

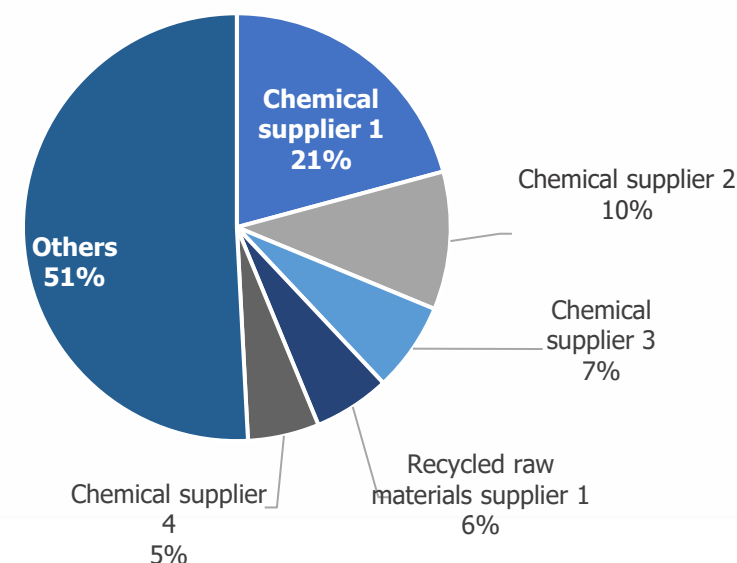
The Group has good reputation among its clients and suppliers being recognized as a trustworthy, strategic business partner

- Tight credit risk monitoring internal & external (insurance)
- Effective purchasing policy: broad supplier base
- Low dependence through client
- Cost-effective production processes
- Good cash management
- Experienced management team
- Diversified portfolio of products & market segments
- Good margins thanks to Group size and innovation
- Customized strategies for each company and market segment
- Flexibility and strategic management → niche strategies and costs leadership
- Not exposed to the public sector but linked to some extent

Client structure - 9M 2021



Supplier structure - 9M2021



Own distribution & production sites



Four production sites: Bistrița, Sărățel, Năsăud, Sighișoara

The production activity is backed by the 6 own distribution centers and the large distribution network.

Expansion works

The total production surface of the Group:

- Total surface: 323.223m²
 - Construction: 89.240 m² (production and storage halls)
 - Concrete platforms: 131.389m²

Out of which:

- 4.440 m² for the biodegradable packaging factory in 2021
- 4.944 m² of storage space in 2021
- 4.410 m² for the new PE factory until March 2022



TeraPlast Group is **one of the largest Romanian entrepreneurial groups with 125 years of tradition** and a proven track record of innovation and development in the polymer processing field.

Our mission is to develop **efficient solutions for people and the environment** through innovation and adaptability.

Our vision is to **be leaders on the markets we activate on** by offering high-quality, internationally-certified Romanian products and through developing long term, strong partnerships.

Our values are **Tradition, Responsibility and Performance**.

TeraPlast Group has 125 years of tradition among which we innovated & reinvented ourselves, successfully adapting to the market context and overcoming any obstacle. During these years, we built a powerful brand and an efficient business model, we developed a united team and built strong partnerships.

We promote a sustainable business where we take responsibility of our actions on medium and long term. Both inside and outside our organization we show a responsible behavior to the economic and social areas that we activate on, and we permanently seek solutions to protect the environment.

Our ambition is to reach performance at every level in everything we do. We study the market, anticipate, set high objectives and we are competitive. We use state of the art equipment and advanced technology and permanently invest in development and motivation programs.

We save

62 000 tons
of CO2 annually

By the activity of
TeraPlast Recycling

We save

660 tons
of CO2 annually

By generating over
11% of the
necessary energy
through the PV plant

We implement a
**paperless
culture**

Through automations,
reducing the number of
physical billing and digital
signatures

- We implement best practices in corporate governance to increase our competitiveness on the capital market and bring value to our shareholders and employees.
- We permanently monitor the performance of our product portfolio and recipe development; we launch new, improved solutions.
- Active community involvement through the CSR platform *Building Romania Together* in 3 main areas: Education, Social, Health&Environment.



The CO2 saving are the equivalent of the annual carbon footprint of almost 16.000 people.

TeraPlast Recycling



PVC can be recycled up to

8 times

Without losing its properties



1.875kg

of CO2 are saved per each
1.000kg of rigid PVC recycled



We have invested

4 mln

EUR so far



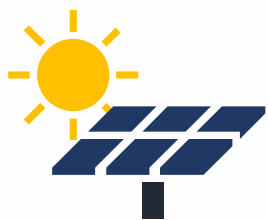
And reached

31.000t

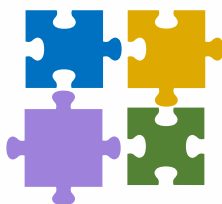
in annual processing
capacity



The PV plant



Sums up over
7.000
modules



Which means over
12.000
m2 in surface

And helps us save

660t

of CO2 annually



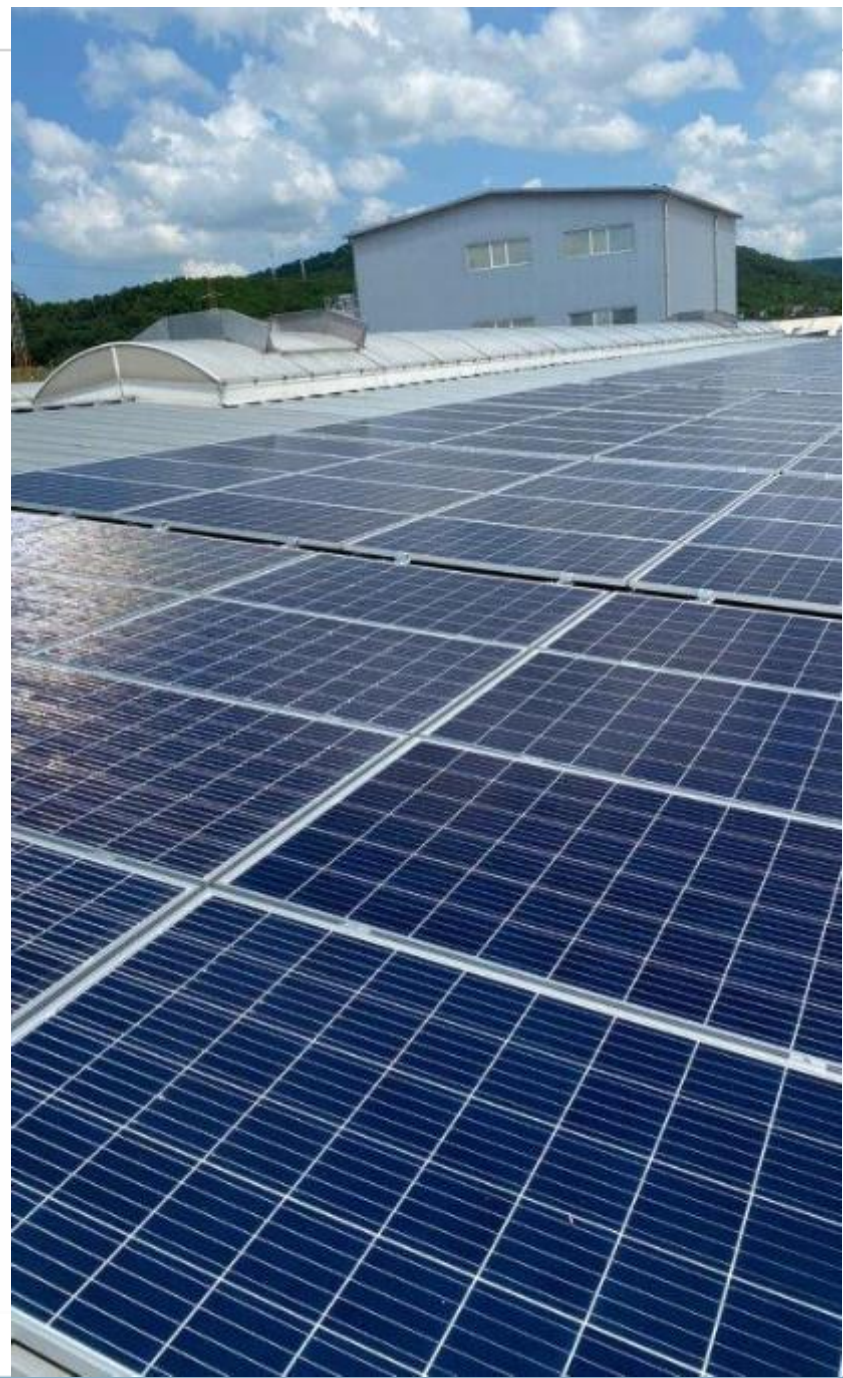
It ensures cca.

11,45%

of the total energy needed



The PV modules will be installed on the new buildings in the Industrial Park as well



Digital transformation

We take advantage of digitalization to optimize our production processes, to intensify our customer relations & create efficient sales and administrative structures.



ERP multi-module systems: Warehouse Management System, SAP 4 Hana, electronic invoicing system



RPA (robotics process automation by UI Path) for credit controlling, payments & cash bookings



Production planning tool - Advanced Planning System



Paperless culture: digital signature, electronic archiving & tablets integrated with SAP for personnel responsible for stock movements



Business Intelligence tools: QlikView, capable of extensive data personalization converting raw data into knowledge

Community & Product development



We support sports activities like the local handball team, tennis and running competitions.



We are involved in a dual-education program with a local high school.



We support the reward of the academic performance of the children from disadvantaged areas.



We participate in reforestation initiatives together with a local NGO and support Via Transilvanica – a Romanian El Camino.



We have implemented a whistleblowing program for our employees & partners.



We constantly improve our portfolio: biodegradable packaging, PE 100-RC pipes, using recycled PVC in producing PVC pipes.

- We have industry-specialized colleagues that carry out the **internalized R&D activity**.
- We also have an **internal testing laboratory**, accredited by RENAR – the national Accreditation Body.
- Through the R&D activity, TeraPlast marked a series of **premieres in terms of uniqueness and innovation**:
 - First producer of certified polyethylene piping in Romania and the first producer of multilayered PVC pipes for exterior sewerage
 - First Romanian producer of sandwich panels manufactured on a continuous line by a Romanian company (TeraSteel)
 - The only producer in Romania with a patent to produce multilayered PVC pipes for exterior sewerage (with recycled PVC core)
 - The only producer in Romania of HFFR compounds (halogen free, fire resistant)



2020-2021: shift in strategy

2020 - the year when TeraPlast Group had the best results and adapted its strategy to benefit from the new market opportunities in the long-term starting 2021 by committing to become the largest polymer processor in Central & Eastern Europe*

*excluding Poland

	Market evolution	Strategy adaptation	Reasoning
Strategic segments with accelerated growth	<ul style="list-style-type: none"> Construction market: a market where the delivery time and quality represent competitive advantages Biodegradable market: an attractive market (300 Mln EUR), without strong national leaders (50% of the consumption covered by import) 	<ul style="list-style-type: none"> Diversification & consolidation: expanding by 50% the production capacity for Installation, potential new acquisitions in Romania & abroad New market (Somplast acquisition): Production synergies allow us a competitiveness in price, volume and delivery time 	<ul style="list-style-type: none"> Directing the resources to consolidate the leader position on the main market Entering a relatively new market, with an attractive potential in the long term and superior margins
Market segments with low growth potential	<ul style="list-style-type: none"> Steel & window profiles segments were not attractive anymore in terms of industrial-scale profitability growth to match our business model 	<ul style="list-style-type: none"> Sale of the Steel division and window profiles business <ul style="list-style-type: none"> Decided to refocus the group strategy on the segments that allow the industrialization & economies of scale 	<ul style="list-style-type: none"> Repositioning of the segments as parts of the supply value chain for the strategic markets of the Group

Evolution of the production volumes in 2020

		2020	vs. 2019
Pipes (PVC; PP; PE)	M*	>19,3 mln	+19%
Compounds	T	>17,4 thousand	+15%
Rigid PVC recycling	T	>9 thousand	+19%
Fittings & rotomolded prod.	PCS.	>11 mln	+37%
Windows & Doors	PCS.	>125 thousand	+7%

*linear meters

TeraPlast Group production

- Installation business line reached maximum capacity
- We remain the largest compounds producer in the region and the only producer of HFFR compounds in Romania
- TeraPlast Recycling production maintained the PVC production in TeraPlast SA uninterrupted
- TeraPlast is the only patented producer to produce PVC multilayered pipes for exterior sewerage.
- TeraGlass (windows&doors) has the capacities to grow both the volumes and the margin and reach top 10 windows&doors producers in Romania
- We will become largest polymer processor in CEE

NET PROFIT

**6,1
MLN. EUR**

(2019: 2 MLN. EUR)

+200%

TURNOVER

**81,9
MLN. EUR**

(2019: 72 MLN EUR)

+14%

EBITDA

**11,3
MLN. EUR**

(2019: 7,2 MLN. EUR)

+58%

EBITDA MARGIN

13,7%

(2019: 9,9%)

Strategic repositioning to reach our objective of being **the largest polymer processor in Central and Eastern Europe***

by implementing our accelerated growth business model



Delivering
double-digit
growth



Reaching
the EBITDA
before the Steel
division exit



Leading position
on the markets
we activate on



Organic and M&A
growth



*excluding Poland

54,5%



Of the resident population in Romania is connected to a sewerage network that has a treatment station in 2020*

300 mln EUR

is worth the flexible packaging market in Romania, of which 50% are imports

55,8%



Of the resident population in Romania is connected to the sewerage network in 2020*

1,88 bln EUR

Budgeted for infrastructure through National Recovery & Resilience Plan (water & sewerage networks)

35%



Of the resident population in Romania is connected to the national natural gas network**

2,2 bln EUR

Budgeted for renovations – apartment blocks & public buildings renovated/rehabilitated

72.4%



Of the resident population in Romania is connected to the public water supply system in 2020* (Bulgaria over 95%)

18 bln EUR

Budgeted for other projects where the Group's products can be used (energy, waste management, transport, social & institutional buildings, healthcare, education etc.)



*Latest INS reports available for [sewerage](#) & [water](#) **Public data

**Excellent results are maintained
during the first 9M of 2021**



„Overall, we have maintained our upward trend and keep a double-digit growth rate, in spite of the less favorable market conditions compared to previous quarters.”

EBITDA MARGIN

14.3%

(9M/2020: 15.8%)

+39%

NET PROFIT

**8.8
MIL. EUR**

(9M/2020: 6.3 MIL.EUR)

+43%

TURNOVER

**91.8
MIL. EUR**

(9M/2020: 64 MIL.EUR)

+30%

EBITDA

**13.1
MIL. EUR**

(9M/2020: 10.1 MIL.EUR)

+35%

OPERATING PROFIT

**10.3
MIL. EUR**

(9M/2020: 7.6 MIL.EUR)

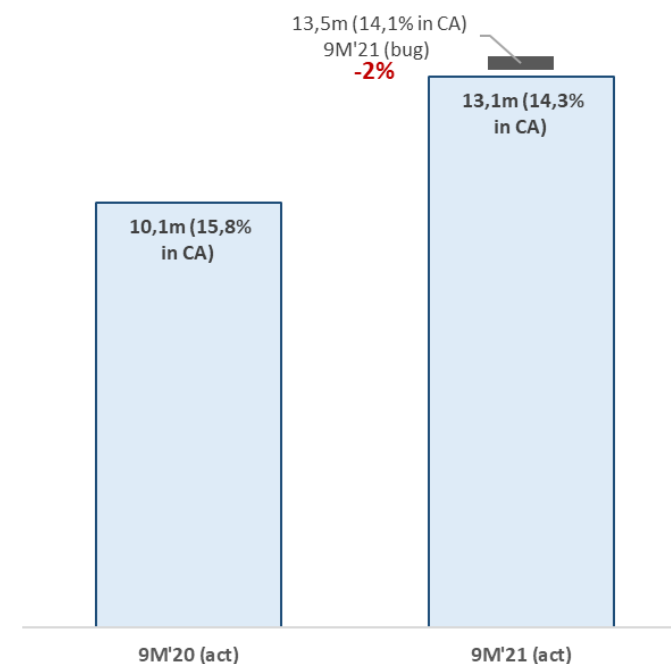
Values registered by the businesses in the current structure of the Group, excluding the impact of the Steel division and window profiles transactions.

- > The results of the Installation business line (TeraPlast) were influenced by raw material costs and a change in demand in a market in search of a new trend. Disturbances were observed mainly due to the extended period of implementation of the indexation of construction materials prices in ongoing public procurement contracts and due to the non-correlation of cost standards at open / launched tenders during this period with the new market realities.
- > Compounds (TeraPlast) remains the business line with accelerating performance, including compared to previous quarters, and the EBITDA margin of the Windows & Doors business line (TeraGlass) keeps improving.
- > The performance of the Flexible packaging business line (TeraBio Pack) was affected in the third quarter by some delays in the commissioning of the biodegradable packaging factory. The segment includes the polyethylene film businesses taken over from Somplast and Brikston, which require an efficiency of operations, including the construction of a new production infrastructure.

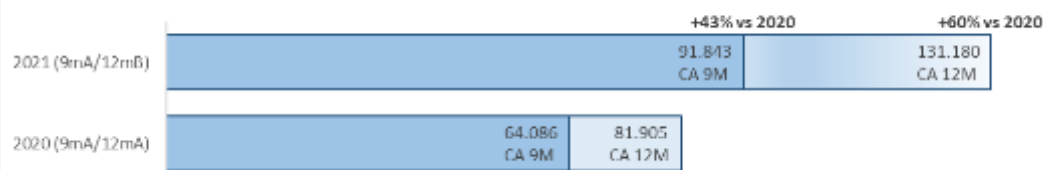
<i>EUR, thousand, if not stated otherwise</i>	TeraPlast Group Total	Installation (incl. micronized recycled)	Compounds (incl. recycled)	Windows & Doors	Flexible packaging
Turnover 9M 2021	91,843	61,258	22,002	6,389	2,194
<i>Evolution compared to 9M 2020</i>	43%	28%	101%	19%	n/a
EBITDA 9M 2021	13,139	8,541	4,316	469	-187
<i>Evolution compared to 9M 2020</i>	30%	15%	72%	112%	n/a
EBITDA Margin	14,30%	13,90%	19,60%	7,30%	-8,50%

EUR '000	Total Plastic			Total Plastic		
	FY'2020	FY'2021B	Var %	9M'20	9M'21	Var %
Net Sales	81.905	131.180	60%	64.086	91.843	43%
Other operating income	553	684	24%	396	457	15%
Total Operating Income	82.458	131.864	60%	64.482	92.299	43%
Raw materials, consumables & merchant	(49.759)	(84.421)	70%	(39.261)	(59.794)	52%
Salaries and employee benefits	(10.309)	(13.714)	33%	(7.349)	(9.783)	33%
Amortization, impairments, provisions and	(4.203)	(4.496)	7%	(3.097)	(3.187)	3%
Other operating expenses	(10.361)	(14.669)	42%	(7.173)	(9.244)	29%
Total Operating Costs	(74.633)	(117.300)	57%	(56.880)	(82.008)	44%
EBIT	7.825	14.564	86%	7.602	10.291	35%
EBITDA	11.258	18.377	63%	10.140	13.139	30%
EBITDA %	13,7%	14,0%		15,8%	14,3%	
Financial result, net	(858)	(983)	15%	(599)	(251)	-58%
Profit before tax	6.967	13.581	95%	7.003	10.040	43%
Income tax expense	(827)	(2.204)	167%	(683)	(1.233)	80%
Net Profit	6.140	11.377	85%	6.320	8.808	39%
Net Profit %	7,5%	8,7%		9,9%	9,6%	

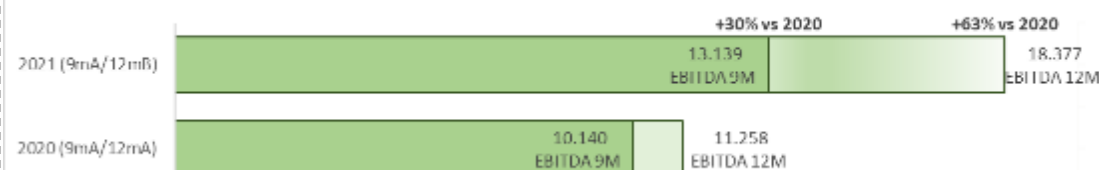
EBITDA Group Plastic 9M'21 vs 9M'20 vs 9M'21 Budget (EUR'mil)



Net sales evolution 2021(9a/12b) vs 2020 (9a/12a) (EUR'000)



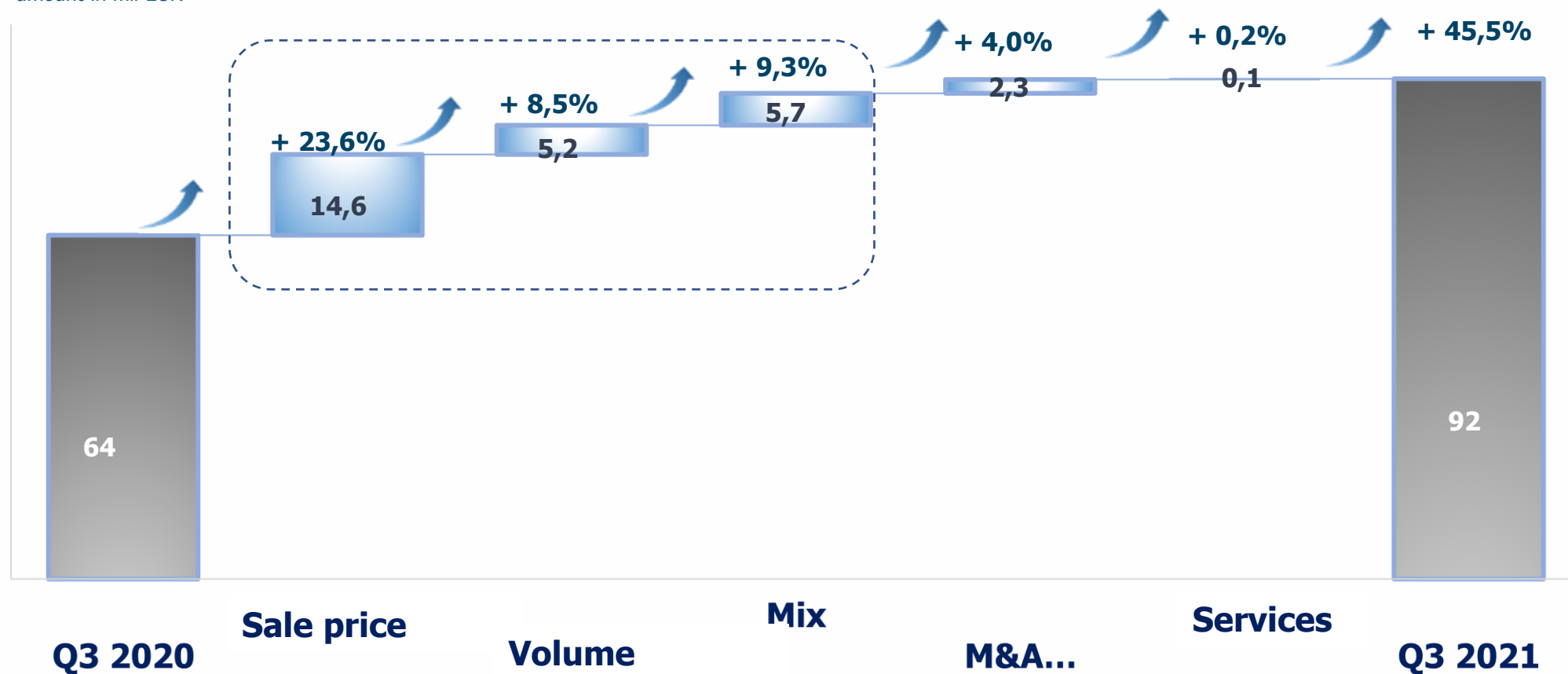
EBITDA 2021(9a/12b) vs 2020 (9a/12a) (EUR'000)



all amounts in RON thousand unless otherwise specified

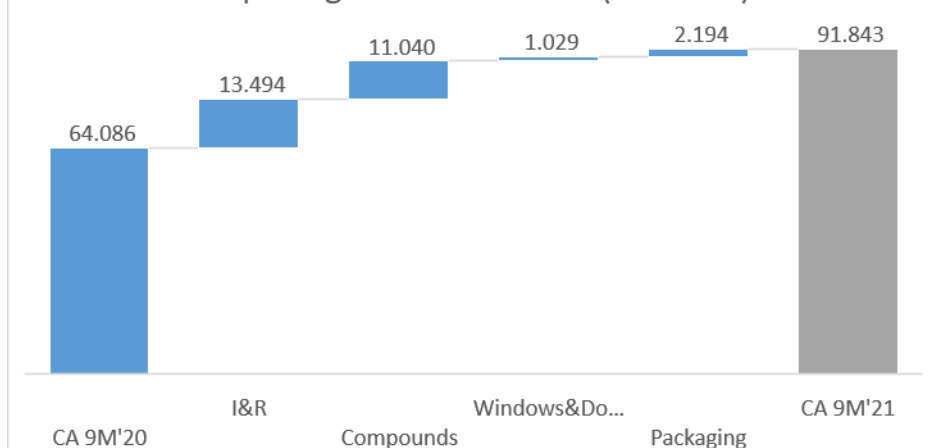
Evolution of the consolidated turnover Q3 2021 vs Q3 2020

amount in mil EUR

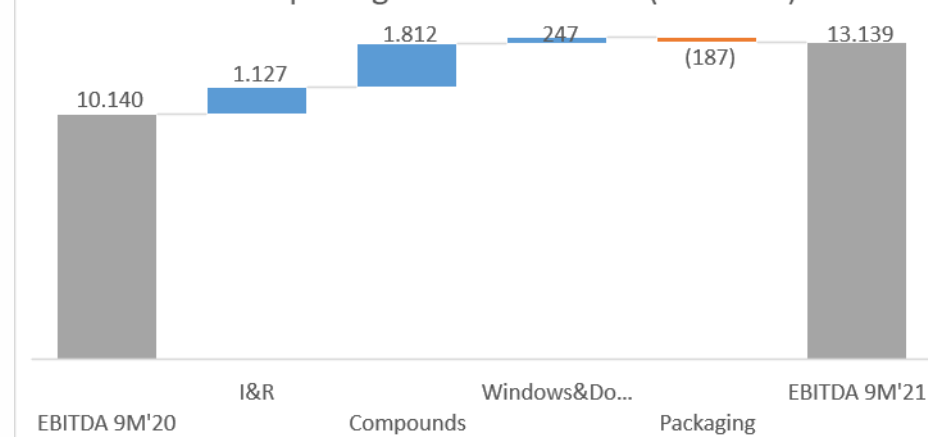


	Total Plastic			Installations and recycling			Compounds			Windows&Doors			Flexible Packaging		
EUR '000	9M'20	9M'21	Var %	9M'20	9M'21	Var %	9M'20	9M'21	Var %	9M'20	9M'21	Var %	9M'20	9M'21	Var %
Net Sales	64.086	91.843	43%	47.764	61.258	28%	10.962	22.002	101%	5.360	6.389	19%	-	2.194	100%
Other operating income	396	457	15%	226	324	43%	43	1	-97%	127	125	-1%	-	6	100%
Total Operating Income	64.482	92.299	43%	47.990	61.582	28%	11.005	22.003	100%	5.487	6.514	19%	-	2.200	100%
Raw materials, consumables & merchant	(39.261)	(59.794)	52%	(28.832)	(39.711)	38%	(7.485)	(14.763)	97%	(2.944)	(3.682)	25%	-	(1.638)	100%
Salaries and employee benefits	(7.349)	(9.783)	33%	(5.570)	(6.425)	15%	(516)	(1.544)	199%	(1.263)	(1.357)	7%	-	(457)	100%
Amortization, impairments, provisions and	(3.097)	(3.187)	3%	(2.691)	(2.298)	-15%	(144)	(472)	228%	(262)	(310)	18%	-	(107)	100%
Other operating expenses	(7.173)	(9.244)	29%	(5.755)	(6.679)	16%	(463)	(1.380)	198%	(956)	(928)	-3%	-	(258)	100%
Total Operating Costs	(56.880)	(82.008)	44%	(42.848)	(55.112)	29%	(8.607)	(18.159)	111%	(5.425)	(6.276)	16%	-	(2.460)	100%
EBIT	7.602	10.291	35%	5.142	6.470	26%	2.398	3.844	60%	63	238	281%	-	(260)	100%
EBITDA	10.140	13.139	30%	7.414	8.541	15%	2.504	4.316	72%	222	469	112%	-	(187)	100%
EBITDA %	15,8%	14,3%		15,5%	13,9%		22,8%	19,6%		4,1%	7,3%		0,0%	-8,5%	
Financial result, net	(599)	(251)	-58%												
Profit before tax	7.003	10.040	43%	n/av at segment level			n/av at segment level			n/av at segment level			n/av at segment level		
Income tax expense	(683)	(1.233)	80%												
Net Profit	6.320	8.808	39%	n/av at segment level			n/av at segment level			n/av at segment level			n/av at segment level		
Net Profit %	9,9%	9,6%													

CA | Bridge 9M'20 - 9M'21 (EUR'000)



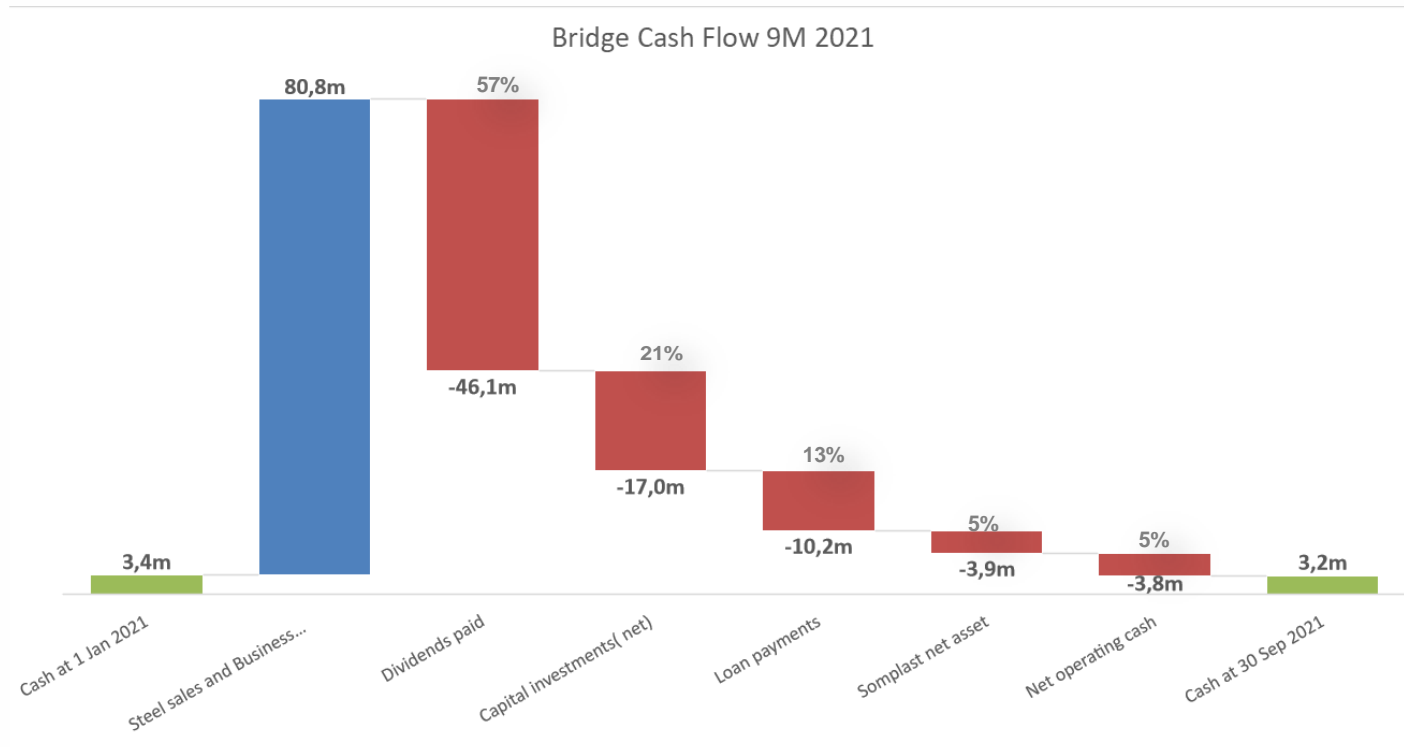
EBITDA | Bridge 9M'20 - 9M'21 (EUR'000)



Summary of cash flow statement (9M 2021)

amount in mil.EUR

Net Profit	10,0m
Net profit adjustments	3,3m
(+) Operating profit before changes in working capital	13,4m
Net working capital impact	-15,7m
Tax on profit paid	-1,0m
Interest paid	-0,2m
Income from subsidies	-0,4m
(-) Subtotal working capital changes and others	-17,2m
=> Cash for operation b / Somplast	-3,8m
(-) Somplast net assets at the date of consolidation	-3,9m
=> Cash for the operation a/ Somplast	-7,6m
Payments for the acquisition of fixed assets	-16,9m
Proceeds from the sale of fixed assets	-0,1m
Steel sales and Business Profile sales	80,8m
(+) Net cash from investment activities	63,8m
Net repayments of loans and leasing	-10,2m
Dividends received	0,0m
Dividends paid	-46,1m
(-) Net cash from financing activities	-56,3m
Net cash variation	-0,2m
Cash & Equiv at Jan 1, 2021	3,4m
Cash & Equiv at Sep 30, 2021	3,2m



1 Revenue from Steel & Profiles sale

The collection from the transaction had the following destinations:

- dividend payment (57%);
- acquisition of fixed assets (21%);
- loan payments (13%);
- the impact of taking over Somplast's net assets at the date of consolidation (5%);
- the rest was used to finance operating activities

2 Capital investments

Of the total ongoing investments (RON 153m), 83m were paid in the first 9 months of 2021 and approximately 10m were paid by the end of last year. The remaining amount will be financed by bridge loans that will be reimbursed after receiving state aid.

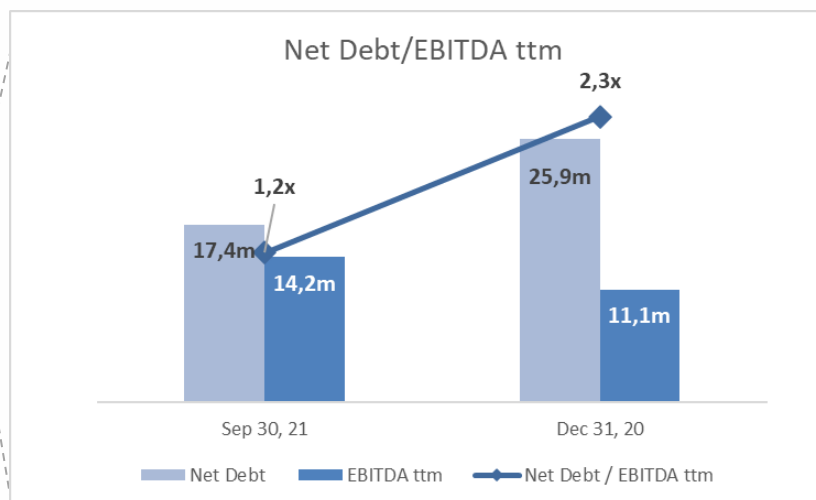
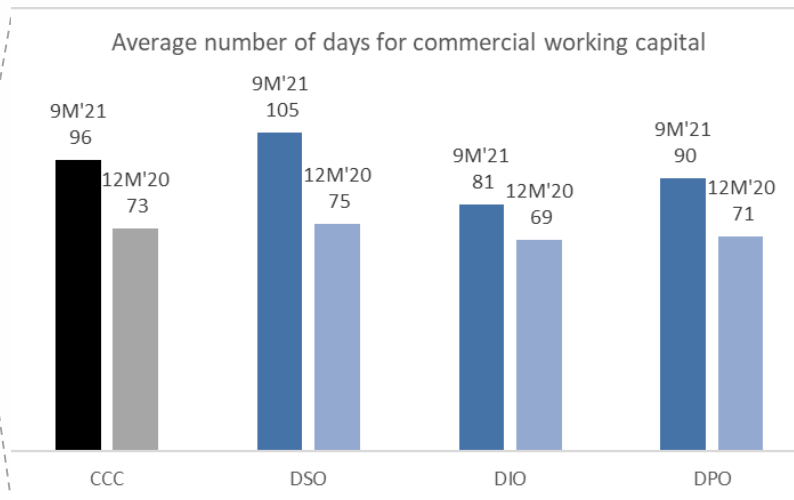
3 Loans

TFD / EBITDA (ttm) decreased from 2.3x in 2020 to 1.2x in 2021. This level will increase with the contracting of bridge loans for the completion of the investment plan and will return to approximately the same level after the collection of state aid (approximately 70 million RON).

4 Net cash for operation

The main reason for the deficit in operating activity refers to the increase of the cash conversion cycle from 73 to 96 days (with an impact of approximately RON 77 million in 2021). The increase in CCC is mainly due to the 40% increase in DSO which was partially covered by the 27% increase in PDO. The increase in DIO was 17%.

SOFP Summary	30.sept.21	31.dec.20	Var abs	Var %
Tangible assets (incl leasing)	45,9m	34,5m	11,4m	33%
Real estate investments	1,0m	0,8m	0,3m	35%
Intangible and GoodWill	0,4m	0,2m	0,2m	69%
Other long-term assets	0,1m	0,1m	0,0m	40%
Fixed assets	47,4m	35,5m	11,8m	33%
Inventories	23,5m	13,2m	10,2m	77%
Trade receivables	35,4m	16,5m	18,9m	114%
Trade payables	-26,1m	-13,5m	-12,6m	93%
Net working capital (commercial)	32,9m	16,3m	16,6m	102%
Receivable dividends	55,0m	6,2m	48,8m	781%
Advances on fixed assets suppliers	5,8m	0,8m	5,0m	614%
Expenses in advance	0,2m	0,1m	0,1m	110%
Debts employee benefits	-0,3m	-0,3m	-0,1m	19%
Profit tax payable	-0,5m	-0,3m	-0,3m	94%
Other net working capital items	60,2m	6,6m	53,6m	807%
HFS Steel assets	0,0m	5,2m	-5,2m	-100%
HFS Profile assets	0,0m	68,0m	-68,0m	-100%
HFR related debts	0,0m	-33,6m	33,6m	-100%
Total Held For Sale, net	0,0m	39,5m	-39,5m	-100%
Cash and equivalents	3,2m	3,4m	-0,2m	-5%
Bank debts	-16,8m	-26,0m	9,3m	-36%
Leasing debts	-1,7m	-0,9m	-0,7m	79%
Other debts and provisions	-2,2m	-2,3m	0,1m	-3%
(Debt) net / cash net	-17,4m	-25,9m	8,5m	-33%
Investment subsidies	-3,7m	-4,0m	0,3m	-8%
Net Assets	119,3m	68,1m	51,2m	75%
Subscribed capital	44,4m	35,5m	8,9m	25%
Reserves	6,1m	6,1m	0,0m	0%
Reported result	68,2m	26,3m	41,9m	159%
Uncontrolled interests	0,6m	0,1m	0,5m	370%
Equity	119,3m	68,1m	51,2m	75%



Trade NWC

- DSO is impacted by price increases throughout the year;
- Customer financing is a differentiating factor, allowed by the contracted insurance conditions;
- We do not have significant delays, the monitoring process is continuous;
- The group's receivables are insured in proportion of 60%;
- Diversified client portfolio, the largest exposure represents 5% of total receivables and top 3 exposures represent 8.5% of receivables
- DIO and DPO - aggressive procurement policy to ensure the necessary stock;

Net debt / EBITDA ttm

- From the collection related to the transaction, the Group used approximately RON 50m for the payment of loans;
- This multiple will increase towards the end of the year and until the completion of the implementation of state aid projects and will return to this level after receiving state aid;
- The group thus has a debt capacity of approximately RON 125m;

An ambitious view of the future



We continue our development through both **investment** and **M&A**

2021/22 Objectives	Development plan
Consolidating or reaching the first position on the Group's segments active on the construction market	<ul style="list-style-type: none"> We actively study acquisition opportunities in Romania and abroad Completion of the production capacity expansion for the Installation business
Leader on the packaging market	<ul style="list-style-type: none"> We invest EUR 12 mln in TeraBio Pack which means an added production capacity of 5.000 tons/year on this segment
TeraGlass among top 10 windows & doors producers in Romania	<ul style="list-style-type: none"> Acceleration of the turnover and profitability increase
An equilibrated capital allocation policy	<ul style="list-style-type: none"> The net profit from the sale of the Steel division was directed to dividends worth EUR 46 mln in total and share capital increase by EUR 8,9 mln in total & towards the development of the group's businesses
EBITDA objective EUR 26,6 mln	<ul style="list-style-type: none"> The sustainable and profitable increase of the Group turnover
We will create 200 jobs	<ul style="list-style-type: none"> As a result of the expansion projects already in implementation

Implementing our strategy
implies a series of **risks**
and challenges

Market wise	Business wise
<ul style="list-style-type: none"> • The continuous pandemic context could restore the market uncertainty and can bring up problems in the logistic chain • On POIM (Large Infrastructure Operational Program) Romania still has EUR 6 bln to spend in the next 2 years • The start of the National Resilience and Recovery Program brings additional budget for investment where our group can provide products 	<ul style="list-style-type: none"> • The most abrupt raw material price increase in the last 5 years that accelerates the recycling investments • We implement productive projects worth EUR 32 mln • We create 200 new jobs

+60%

TURNOVER
131,2 MLN. EUR

(2020: 81,9 MLN. EUR)

+63%

EBITDA
18,4 MLN. EUR

(2020: 11,3 MLN. EUR)

EBITDA MARGIN
14%

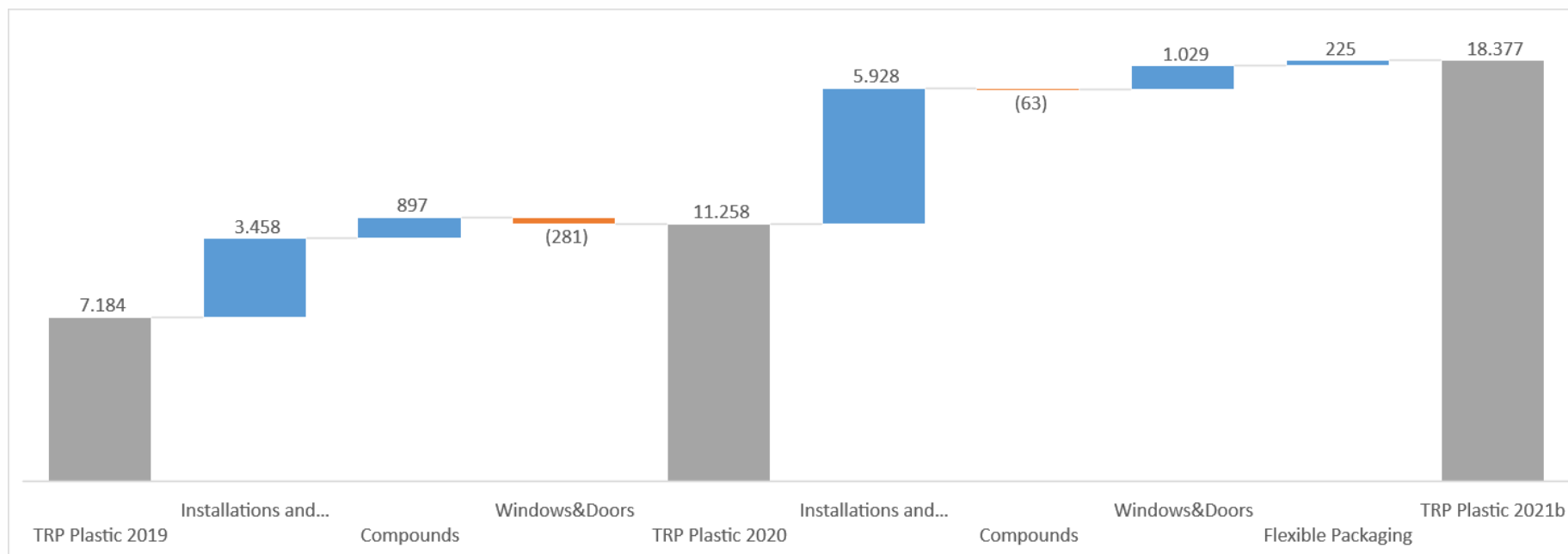
(2020: 13,7%)

- The growth in 2021 is based on:
 - Increase in production capacities for TeraPlast by implementing the state aid co-financed projects
 - Starting up the production of TeraBio Pack and integration of Somplast

The results from 2020 and the first half of 2021 highlight the profitability of the accelerated growth business model and reconfirm the development strategy of the TeraPlast Group on the markets it targets the leading position.

EBITDA Bridge 2019 – 2021

TeraPlast, Plastics Division



KEY POINTS

Plastics division

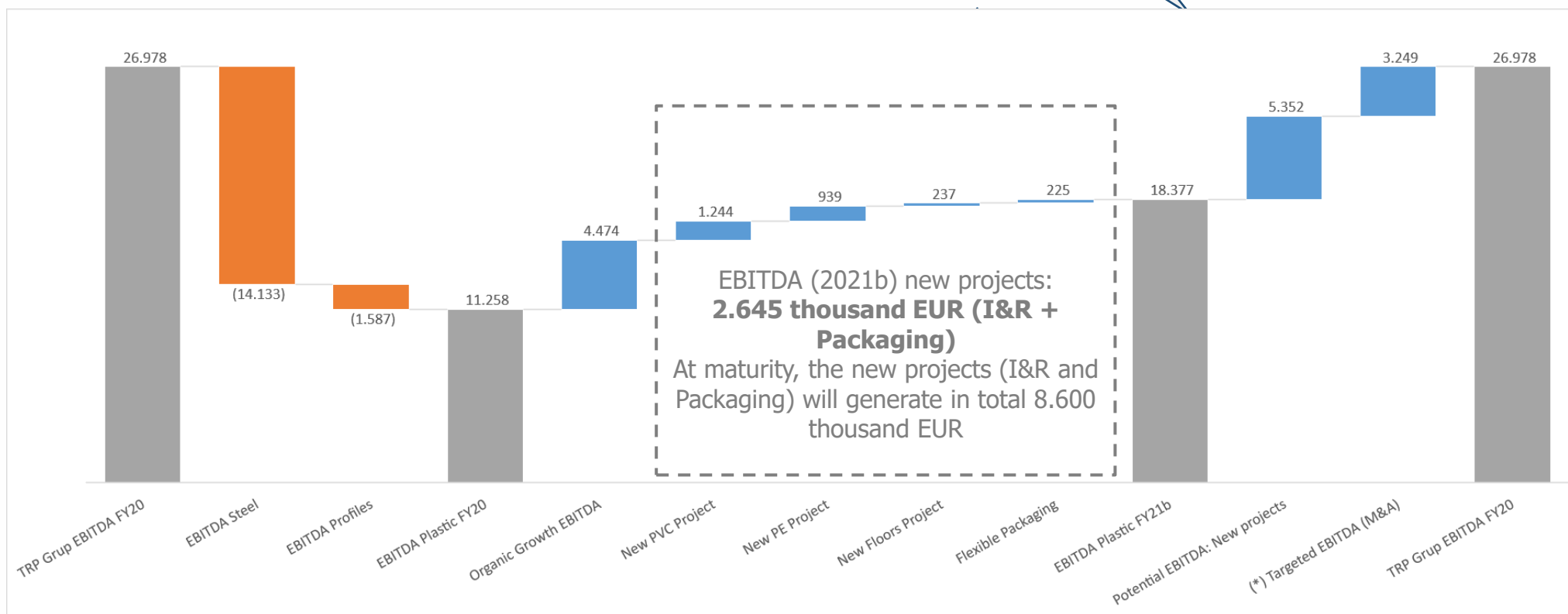
- Sustained profitability despite the crisis;
- Low maintenance capex (EUR 1 mln/year due to use of latest technology).
- EBITDA Margin of 13,7% for the plastics division is superior to Group average of 12%, prior the Steel division exit.
- The budgeted growth does not include potential M&As.

The businesses that exited the Group contributed by more than half to the 2020 EBITDA and in the following period we will focus on Plastics operations to reach an EBITDA equal to the one in 2020 in a 2 years time.

The potential of the projects to generate EBITDA is in line with the Group's strategy; we expect an EBITDA margin between 12% and 16% from the new projects

The M&A activity that follows aims at identifying the best opportunities to carry out the set strategy

Amounts in
EUR thousand



(*) excluding Somplast's contribution

TeraPlast: a company with outstanding performance on both the polymer products market and the capital market.

1

The group aims the development of the business through both investment, accelerated organic growth in the favorable market context, and through M&A.

2

We have long-term partnerships in the areas of raw materials and utilities, and a global footprint in supplier base that gives us a certain comfort in negotiating in abnormal market conditions. We have also approached a different inventory management model compared to last year to dampen the impact of raw materials price fluctuation.

3

2020 was the year with the best results for TeraPlast Group and we managed to surpass them by Q3/2021, delivering on our promise to grow by double-digits.

4

Starting Q4/2021 we will have into operation the production capacities of the 2021 investments which will help us manage better the off-season.

5

The outlook for 2022 is positive on all segments, from installation and windows & doors (PNRR), to packaging (European directives) and recycling (Green Deal).


6

In 2022 we will rebuild the EBITDA of EUR 26 million, prior to the sale of the Steel division and window profiles, and our commercial efforts will be directed towards consolidating or achieving market leader positions, depending on the segment.

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