






**TeraPlast®**

**Company presentation**

- About TeraPlast Group
- TRP stock on the capital market
- Business model and recent evolution
- H1/2023 results
- Sustainable development
- Conclusions



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## Clear, strong objectives

- › Double-digit annual growth both organically and through M&A
- › Continuous investments for the integration of innovations and sustainable solutions in our businesses
- › Orientation towards international development
- › Discipline in capital allocation and investments
- › Performance above the market average with the objective of being leaders in all the segments we operate



## Resilient business model

- › Strict monitoring of internal and external credit risk; reduced dependence through customer
- › Effective procurement policy and diversified supplier base
- › Cost-effective production processes
- › Diversified product portfolio
- › Niche strategies and cost leadership

In the coming years we will reap the fruits of recent investments.



## Focus on the future

- › Huge potential for national and regional infrastructure (budgets of over 8 billion euros)
- › The production capacities can serve the demand of the coming years
- › We are expanding and diversifying through constant investment
- › The diversified portfolio and synergies at the level of raw materials reduce the impact of crises on the Group's performance over time

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**.



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



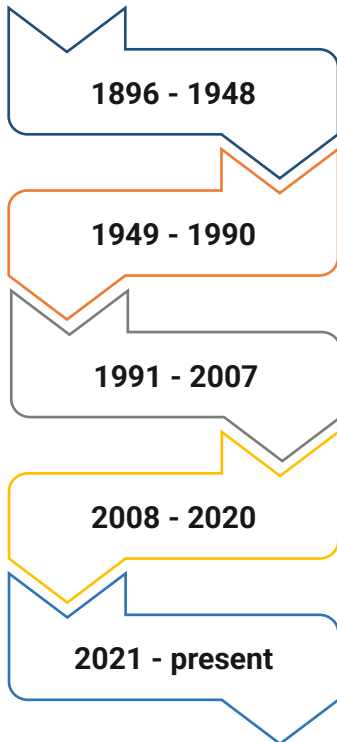
We promote a sustainable business; we take medium- and long-term responsibility of our actions. Both inside and outside our organization we show a responsible behavior to the economic, and social areas and we permanently seek solutions to protect the environment.



Our ambition is to reach performance at every level. 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.

TeraPlast Group is one of the largest Romanian entrepreneurial groups with more than 125 years of tradition, extensive expertise in polymer processing and an annual turnover of close to EUR 150 million. The Group has a strong history of growth and innovation.

**Currently, TeraPlast Group is the largest polymer processor in South-Eastern Europe.**



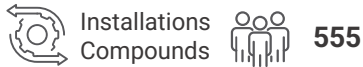
Our tradition began with the processing of ceramic tiles, which over time have become internationally recognized for their quality and aesthetics.

Period of development and reinvention. The processing of plastics begins in 1978 in Construction Materials Enterprise Bistrita.

The foundations of a successful entrepreneurial story are laid. TeraPlast Group is taking shape and investments are gaining momentum: international partnerships, the establishment of new companies, the launch of products for the first time on the Romanian market.

TeraPlast goes public on the BSE, the Group grows and expands, becoming the largest producer of construction materials with Romanian capital: the first Romanian factory abroad, M&A.

The structure of the Group has changed and through investments we became the largest polymer processor in South-Eastern Europe: increasing production capacities, new business lines, entering the packaging market, focus on recycling and energy efficiency.



Systems for interior sewage  
Systems for exterior sewage  
Systems for transport and distribution of water and natural gas  
Rainwater management systems  
Cable protection systems  
Underfloor heating

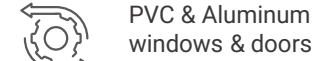
Plasticized and rigid PVC compounds  
HFFR compounds



Micronized recycled PVC  
Recgranulated recycled PVC



Biodegradable and compostable packaging  
Polyethylene packaging



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

Businesses with tradition in the Group, that generate more than 85% of the consolidated revenues at present.

Business that fine-tuned its product portfolio to better meet the market requirements, optimized the management of internal costs. Thus, it increased revenues up by 14% vs. Q1/2022, and the overall evolution is favorable leading to a positive EBITDA in June.

Business that recognized a negative impact due to decreased external market demand. Increased sales volumes on the internal market partially compensated the negative effect.



- > 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 European producer of multilayered pipes made of 100% recycled material.



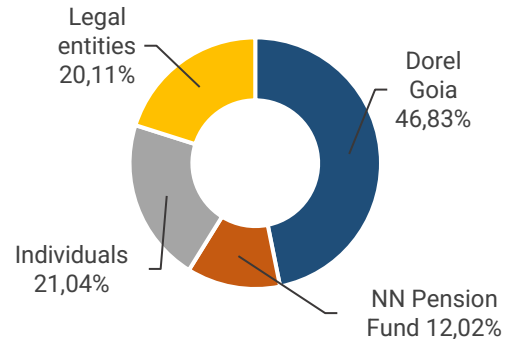
# TRP stock on the capital market

TeraPlast is listed on the Bucharest Stock Exchange since July 2008. Our share (TRP) is included in the reference index of BSE and benefits from international exposure by also being included in the CECE MID and ROTX EUR indices of Vienna Stock Exchange, Small Cap & All Cap of FTSE Russell and Frontier IMI (Investable Market Index) of MSCI.

Starting 2020, BRK Financial Group is TRP's market maker.



## Shareholding structure



	2020	2021*
Dividends (mil. LEI)	>45	>32
Gross dividend/ share (LEI)	<b>0,026</b>	<b>0,015</b>


BVB:TRP Bloomberg: TRP RO	2021	2022	2023B
Turnover (mln. LEI)	615	711	848
EBITDA (mln. LEI)	74,6	52,7	75

\*Represents the annual dividend distributed from the result from Q2-Q4; does not include the exceptional dividend of 0,13 lei/share from Q1 registered from the sale of the steel products division.





**191 mln**  
Shares traded  
in the last 12 months.



**43 k**  
Transactions in the  
last 12 months.



**104mln**  
RON,  
Total traded value in the last  
12 months.

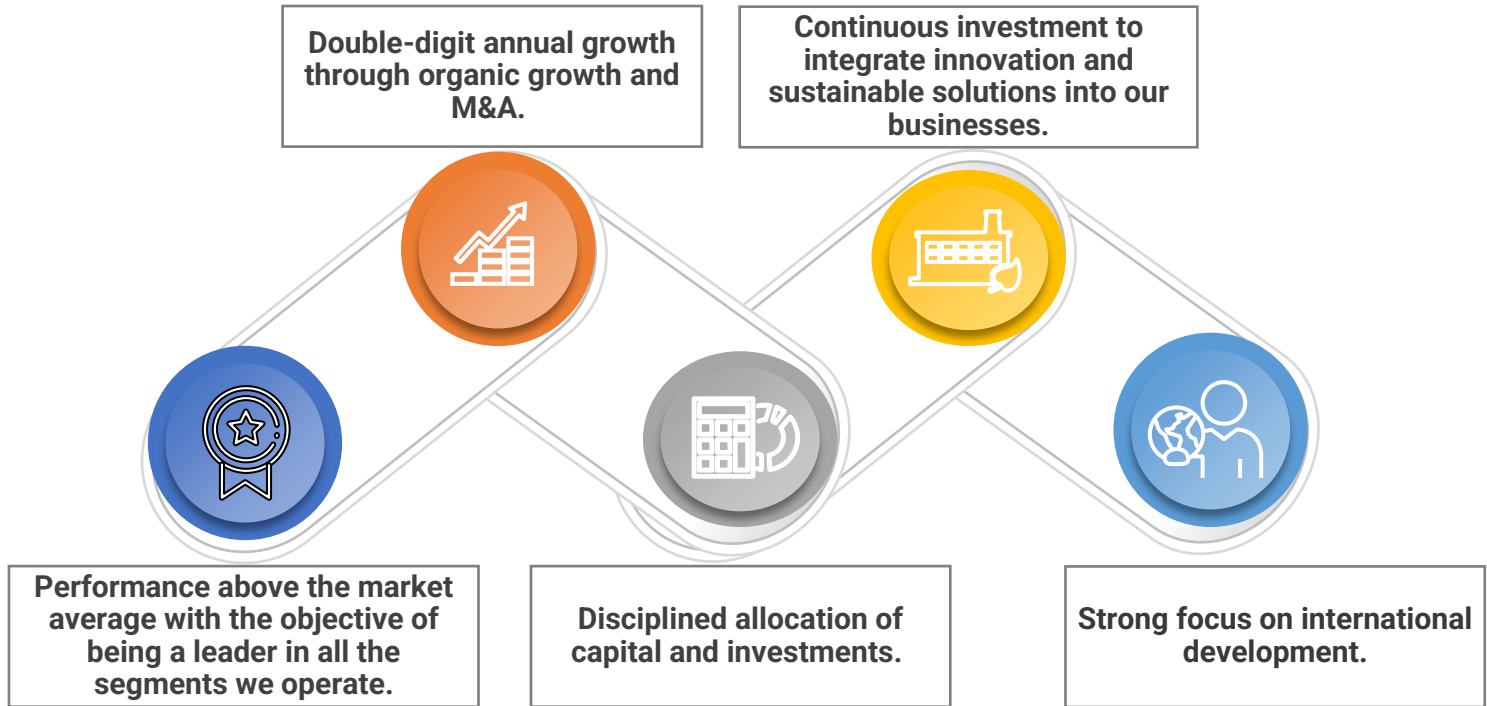


- We commissioned the investments in expanding the production capacities and diversifying our business segments.
- **Regional development**
  - We have opened the subsidiary in Hungary which is operational since January 2023
  - Streamlined the organizational structures to better serve the market and adapt to the upcoming evolution of our businesses on foreign markets
- **Photovoltaic plant**
  - The current plant provides for approx. 5% of the necessary electricity
  - Project worth over RON 22 million in total for a new plant
- **Stretch film factory**
  - Project worth over RON 55 million in total
  - We estimate the start of production in H2/2023
- **M&A**
  - There is currently a drop in prices in the market, but negotiations take longer in this uncertain environment than they usually would

**219 mln. lei**

**Total value of the investments made between 2021-2022.**



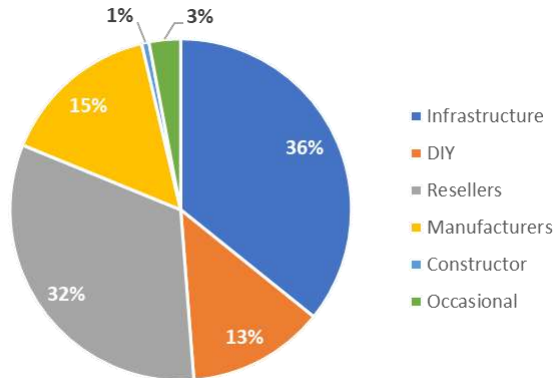


# Key points of our business model

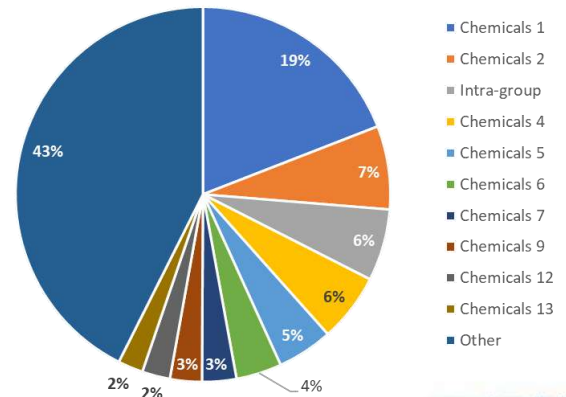
The Group has good reputation among its clients and suppliers being recognized as a trustworthy, strategic business partner.

- 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 à niche strategies and costs leadership
  - Not exposed to the public sector but linked to some extent
  - Annual maintenance CapEx around EUR 1 million

**Clients' structure – 2022**


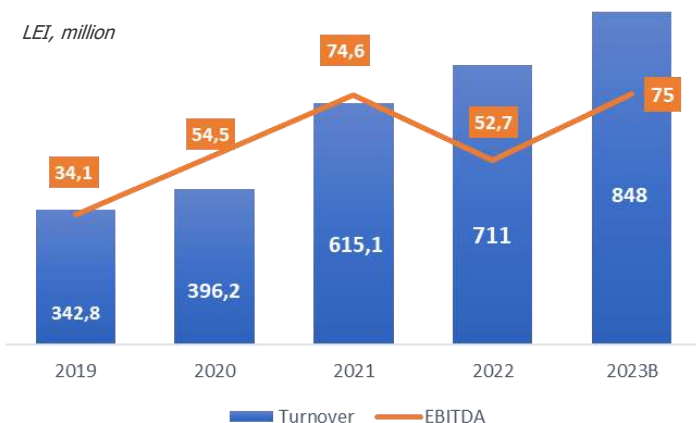


**Suppliers' structure – 2022**



# Our evolution in the past 4 years

- Strong growth generated by investments co-financed through the state aid scheme for expanding the production capacities.
- Diversified product portfolio and raw material synergies reduce the impact of crises on Group-wide performance.
- Development oriented towards emerging sectors: products incorporating recycled material or made entirely from recycled material, biodegradable packaging, energy efficiency through the photovoltaic plant.
- Delivering added-value for our shareholders is the main pillar of our strategy; we sell mature businesses (eg the steel products division) and lay the foundations for growth in new markets.
- We have overcome capacity limitations starting 2020-2021, which puts us in an ideal position to capitalize on future market growth once the current climate improves.
- We have expertise and track record in creating, growing and consolidating businesses, in most segments occupying one of the first positions in the market.



We have prepared for the future through massive investments of 211 million lei in capacity expansions, new factories and new business lines and we continue by investing 102 million in 2023.

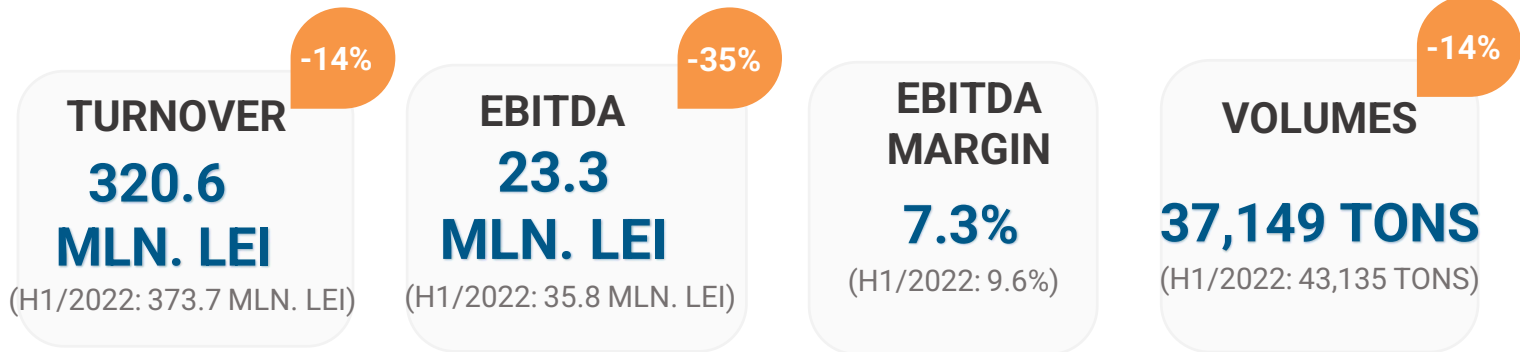
- The evolution of the engineering works of the constructions sector (+30,8% Jan-May 2023 vs Jan-May 2022 according to INS) is still mostly determined by road infrastructure works and less by the entry into execution phase of public works that accelerated based on seasonality but insufficiently.
- The Large Infrastructure Operational Program (POIM) will reach its end this year, and an acceleration of absorption is required. The dynamics of tenders in the public procurement platform indicates a faster pace of assigning contracts for the execution of water and sewer works.
- The residential segment underperformed in the first 5 months of 2023 (-1.9% Jan-May 2023 vs Jan-May 2022 according to INS).
- The compounds and recycling segment faced intense competition from extra-EU raw material imports, which put major pressure on operating margins since the end of last year.
- The Group's customers claim a decrease in demand both domestically and at European level.



- The budget was built on the premise of smaller quantities in the first semester, but for the Installations division **a more visible revitalization is expected from the 3<sup>rd</sup> quarter**, as progress will be made in the running of tenders from public funds, especially through POIM.
- The market conditions were unsatisfactory since the end of last year but were in line with the expectations. For this reason, we have implemented **an aggressive operational efficiency policy** which enabled us to reconstruct the bottom line, with good perspectives for the following quarters.
- Margins improved compared to the first quarter, with the Group margin going from 6.1% in Q1/23 to 7.3% in H1/23, and **EBITDA increasing by 58% quarter-on-quarter**.
- Turnover is down from H1/2022, but improving quarter/quarter (+18% Q2/Q1), influenced by seasonality. The decline was accentuated by a year-on-year **price deflation in the first part of the year due to lower raw material prices**.
- The dilution of the base effect is obvious in the quantitative sales as well. The sold quantities (tons) increased in the second quarter of last year by only 5% over the first quarter of 2022, however, this year the quantity rose by 21%, from 16.800 tons in the first quarter to 20.300 tons in the second quarter, leading to total quantities of 37.000 tons for the first half of the year. This evolution points to a **trend that is favourable to reaching the forecast for the whole year**.
- The stretch film factory is under construction and production tests will begin in the 4<sup>th</sup> quarter of this year.



- TeraPlast managed to return to a positive bottom line, which stood at RON 1,6 million for the second quarter and which partially compensates the negative results of the first quarter. For the whole semester, the negative result was reduced to below RON 1 mn (RON 998 th).



We had an improvement in financial performance at the end of the 1<sup>st</sup> half compared to the 1<sup>st</sup> quarter, under the influence of seasonal factors in the construction sector, predictable influence.

A strong effect came from the cost control measures we introduced in the Group, particularly in divisions where performance was suboptimal, including due to market conditions and influences independent of us.

The Group's expectations are for a substantial increase in demand in the second half of this year, leading to a strong return in comparison with the previous year.



<i>Lei, thousands</i>	Group Total	Installations & micronized recycled	Compounds, including recycled	Windows & Doors	Flexible Packaging
Turnover	320,580	231,647	42,324	24,565	22,044
% vs H1 2022	-14%	-7%	-45%	-12%	14%
EBITDA	23,280	23,672	4,022	(967)	(3,448)
% vs H1 2022	-35%	-28%	-54%	n/a	n/a
EBITDA margin	7.3%	10.2%	9.5%	-3.9%	-15.6%

*Over the last five years we have successfully transformed into a group with a diversified portfolio, much more balanced and much more cost effective. The ongoing investments allowed us to expand our customer base, reduce our dependence on some markets and lay the foundations for solid long-term developments. There are many unknowns that make it difficult for us to anticipate what will come next, but the visibility we have for the immediate next period gives us confidence in achieving profitability for the entire year 2023.*

## INSTALLATIONS & MICRONIZED RECYCLED

- 72% contribution to the turnover of the Group
- Turnover decreased by 7%, but increasing from Q1 results
- The highest margin of the Group: 10.2%

## WINDOWS & DOORS

- Turnover decreased by 12% due to the decrease in external demand
- Significant contraction in demand from the retail area, DIY segment
- Sales volumes in the domestic market partially offset the negative effect in the foreign market

## COMPOUNDS, INCLUDING RECYCLED

- Intense competition generated by extra-EU imports of raw materials
- Significant impact felt on recycled materials, which lost competitiveness
- EBITDA margin still above the Group average: 9.5%

## FLEXIBLE PACKAGING

- Turnover increased by 14% thanks to increased volumes and reduced losses
- The reduction of the fixed cost base resulted in the achievement of a positive EBITDA level in June
- New management structure – new CEO and new CCO

# -14,2% decrease in turnover H1 2023 vs H1 2022

- Decreases in volume due to the decrease in public works of water, sewerage and gas installation. Decreases recorded in recycled PVC, windows and doors.
- Price deflation in the first half of the year compared to the same period of the previous year is due to the decrease in raw material prices and in the cost of production.
- The share of raw material cost in turnover decreased to 63% in H1 2023 from 68% in H1 2022. Against the backdrop of lower volumes and higher other operating expenses, especially utilities, the additional margin was not sufficient to preserve EBITDA.

amounts in mil RON



RON '000	FY'2022	FY'23B	Var %	6m'2022	6m'2023	Var %
<b>Net Sales</b>	<b>711.126</b>	<b>847.759</b>	<b>19%</b>	<b>373.691</b>	<b>320.580</b>	<b>-14%</b>
Other operating income	655	704	8%	243	898	270%
<b>Total Operating Income</b>	<b>711.781</b>	<b>848.463</b>	<b>19%</b>	<b>373.934</b>	<b>321.477</b>	<b>-14%</b>
Raw materials, consumables & merch	(486.499)	(560.627)	15%	(255.723)	(203.533)	-20%
Salaries and employee benefits	(83.556)	(97.196)	16%	(41.328)	(45.151)	9%
Amortization, impairments, provisions :	(26.285)	(30.880)	17%	(12.769)	(16.250)	27%
Other operating expenses	(89.008)	(115.634)	30%	(41.121)	(49.514)	20%
<b>Total Operating Costs</b>	<b>(685.349)</b>	<b>(804.337)</b>	<b>17%</b>	<b>(350.941)</b>	<b>(314.448)</b>	<b>-10%</b>
<b>EBIT</b>	<b>26.433</b>	<b>44.126</b>	<b>67%</b>	<b>22.993</b>	<b>7.030</b>	<b>-69%</b>
<b>EBITDA</b>	<b>52.718</b>	<b>75.006</b>	<b>42%</b>	<b>35.762</b>	<b>23.280</b>	<b>-35%</b>
<b>EBITDA %</b>	<b>7,4%</b>	<b>8,8%</b>		<b>9,6%</b>	<b>7,3%</b>	
Financial result, net	(2.344)	(20.196)	762%	(3.036)	(6.476)	113%
<b>Profit before tax</b>	<b>24.089</b>	<b>23.930</b>	<b>-1%</b>	<b>19.957</b>	<b>554</b>	<b>-97%</b>
Income tax expense	(8.684)	(4.544)	-48%	(3.555)	(1.551)	-56%
<b>Net Profit</b>	<b>15.405</b>	<b>19.385</b>	<b>26%</b>	<b>16.402</b>	<b>(998)</b>	<b>-106%</b>
<b>Net Profit %</b>	<b>2,2%</b>	<b>2,3%</b>		<b>4,4%</b>	<b>-0,3%</b>	

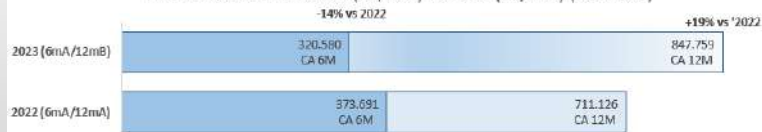
## Turnover

- Consolidated turnover in H1 decreased by 14%.
- Quarter-on-quarter improvement of 18% in Q2/2023.
- The decline was accentuated by a price deflation in the first part of the year.

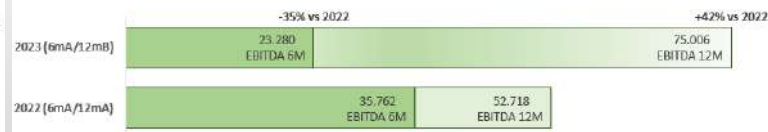
## EBITDA

- The Group recorded an EBITDA decrease of 35%, but with an improvement in the second quarter.
- EBITDA margin of the Installation & Recycling business line reached a double-digit percentage of 10.2% in H1 2023;
- Compounds & Recycling had EBITDA margin at a level of 9.5%;

Net sales evolution 2023 (6a/12B) vs 2022 (6a/12a) (RON'000)



EBITDA 2023 (6a/12B) vs 2022 (6a/12a) (RON'000)



all amounts in thousands of RON unless otherwise specified

RON '000	Teraplast Group			Installations and recycling			Compounds and recycling			Windows&Doors			Flexible Packaging		
	6m'2022	6m'2023	Var %	6m'2022	6m'2023	Var %	6m'2022	6m'2023	Var %	6m'2022	6m'2023	Var %	6m'2022	6m'2023	Var %
<b>Net Sales</b>	<b>373.691</b>	<b>320.580</b>	<b>-14%</b>	<b>249.703</b>	<b>231.647</b>	<b>-7%</b>	<b>76.749</b>	<b>42.324</b>	<b>-45%</b>	<b>27.889</b>	<b>24.565</b>	<b>-12%</b>	<b>19.349</b>	<b>22.044</b>	<b>14%</b>
Other operating income	243	898	270%	157	884	465%	53	-	-100%	14	10	-30%	20	4	-80%
<b>Total Operating Income</b>	<b>373.934</b>	<b>321.477</b>	<b>-14%</b>	<b>249.860</b>	<b>232.531</b>	<b>-7%</b>	<b>76.802</b>	<b>42.324</b>	<b>-45%</b>	<b>27.903</b>	<b>24.574</b>	<b>-12%</b>	<b>19.369</b>	<b>22.048</b>	<b>14%</b>
Raw materials, consumables & me	(255.723)	(203.533)	-20%	(164.988)	(141.200)	-14%	(57.366)	(32.160)	-44%	(18.023)	(14.674)	-19%	(15.346)	(15.499)	1%
Salaries and employee benefits	(41.328)	(45.151)	9%	(25.376)	(30.178)	19%	(4.350)	(2.872)	-34%	(5.754)	(5.876)	2%	(5.848)	(6.224)	6%
Amortization, impairments, provision	(12.769)	(16.250)	27%	(8.329)	(12.473)	50%	(1.512)	(1.340)	-11%	(763)	(631)	-17%	(2.164)	(1.805)	-17%
Other operating expenses	(41.121)	(49.514)	20%	(26.550)	(37.481)	41%	(6.301)	(3.269)	-48%	(4.656)	(4.992)	7%	(3.614)	(3.772)	4%
<b>Total Operating Costs</b>	<b>(350.941)</b>	<b>(314.448)</b>	<b>-10%</b>	<b>(225.244)</b>	<b>(221.333)</b>	<b>-2%</b>	<b>(69.529)</b>	<b>(39.642)</b>	<b>-43%</b>	<b>(29.196)</b>	<b>(26.173)</b>	<b>-10%</b>	<b>(26.971)</b>	<b>(27.301)</b>	<b>1%</b>
<b>EBIT</b>	<b>22.993</b>	<b>7.030</b>	<b>-69%</b>	<b>24.616</b>	<b>11.199</b>	<b>-55%</b>	<b>7.273</b>	<b>2.682</b>	<b>-63%</b>	<b>(1.293)</b>	<b>(1.598)</b>	<b>24%</b>	<b>(7.603)</b>	<b>(5.253)</b>	<b>-31%</b>
<b>EBITDA</b>	<b>35.762</b>	<b>23.280</b>	<b>-35%</b>	<b>32.945</b>	<b>23.672</b>	<b>-28%</b>	<b>8.785</b>	<b>4.022</b>	<b>-54%</b>	<b>(530)</b>	<b>(967)</b>	<b>83%</b>	<b>(5.438)</b>	<b>(3.448)</b>	<b>-37%</b>
<b>EBITDA %</b>	<b>9,6%</b>	<b>7,3%</b>		<b>13,2%</b>	<b>10,2%</b>		<b>11,4%</b>	<b>9,5%</b>		<b>-1,9%</b>	<b>-3,9%</b>		<b>-28,1%</b>	<b>-15,6%</b>	

The first half of 2023 was a transition period in view of a new growth cycle.

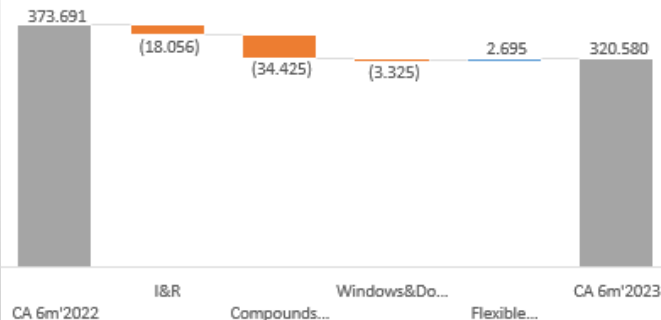
A positive effect as a result of the implementation of the PNRR projects and the "Anghel Saligny" Programme is expected from the 3rd quarter of 2023.

Intense competition from extra-EU imports of raw materials, which has put major pressure on prices.

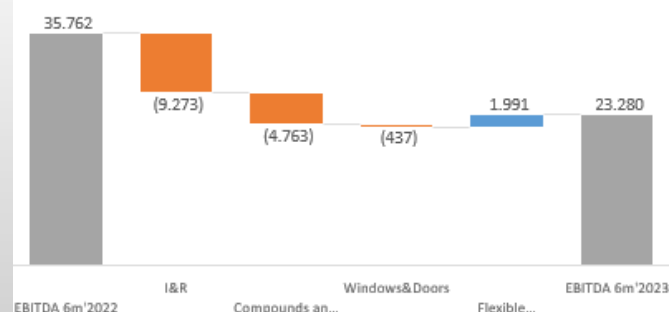
Negative impact of the decline in external demand, retail, DIY segment and contraction in demand from abroad.

Segment performance improved compared to H1 2022.

Net sales | Bridge 6M'22 - 6M'23 (RON'000)



EBITDA | Bridge 6M'22 - 6M'23 (RON'000)

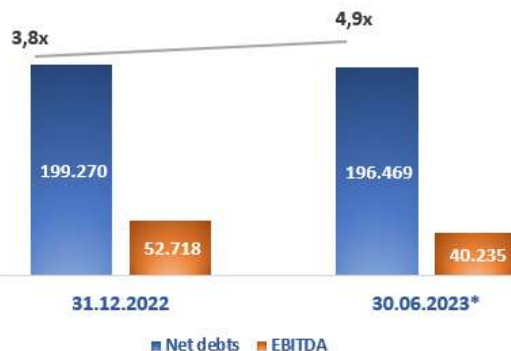


## H1 2023 | Balance-sheet summary

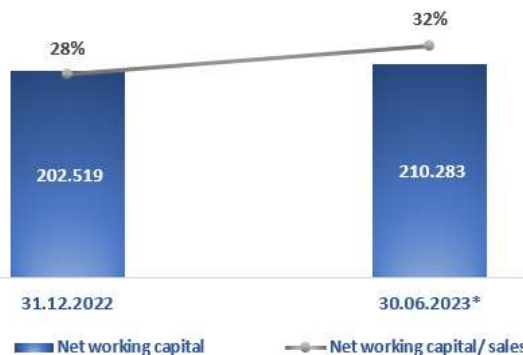
RON '000	TRP Grup	
	31.12.2022	30.06.2023
Intangibles assets	3.772	4.156
Tangible assets	355.953	354.068
Investment Property	4.915	4.915
Other non-current assets	2.158	1.902
<b>Total fixed assets</b>	<b>366.797</b>	<b>365.041</b>
Inventories	129.120	132.474
Trade receivables	146.302	179.585
Trade debts	(79.523)	(111.225)
<b>Trade working capital</b>	<b>195.899</b>	<b>200.834</b>
Other payables	(2.002)	(2.002)
Other receivables	8.622	11.452
<b>Working capital - other</b>	<b>6.620</b>	<b>9.449</b>
<b>Net working capital</b>	<b>202.519</b>	<b>210.283</b>
Cash and cash equivalents	10.713	31.859
Finance lease loans and debts	(200.659)	(219.747)
Other long-term debts	(8.372)	(7.628)
Provisions	(953)	(953)
<b>Net (debt) / cash</b>	<b>(199.270)</b>	<b>(196.469)</b>
Investments grants	(60.566)	(68.644)
<b>Net assets</b>	<b>309.479</b>	<b>310.212</b>
Share capital	217.405	217.900
Reserves	52.516	52.283
Retained earnings	36.296	36.807
Non-controlling interest	3.262	3.221
<b>Equity</b>	<b>309.479</b>	<b>310.212</b>

## Key aspects

Net debts / EBITDA ('000 RON, x)



Net working capital and % in sales



- TeraPlast Group plans to invest 120 million lei this year. The stretch film plant is under construction and production tests will start in the 4th quarter of this year. The total investment amounts to 84 million lei.
- In H1 2023 we collected subsidies in the amount of 11.5 million lei, and the last installment of state aid of 12.4 million lei will be collected in Q3.
- Net working capital increased from the previous period due to an increase in receivables and advances to suppliers of fixed assets.

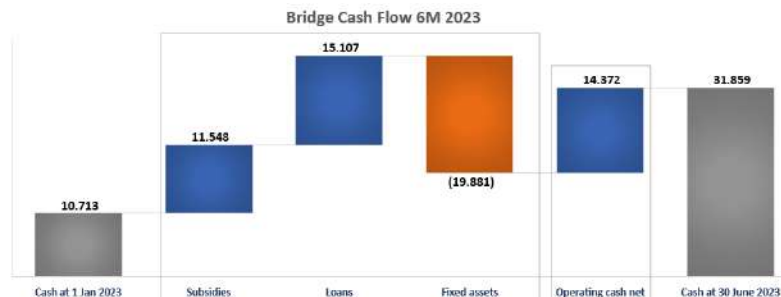
\*Turnover and EBITDA from the last 12 months

## H1 2023 | Cash Flow summary

RON '000

Cash flow summary	6 M 2022	6 M 2023
<b>Net profit before tax</b>	<b>19.957</b>	<b>554</b>
Net profit adjustments	18.157	27.020
<b>(+) Operating profit before changes in working capital</b>	<b>38.114</b>	<b>27.574</b>
Net impact working capital	(46.411)	(3.356)
Income tax paid	(735)	(336)
Interest paid	(2.844)	(6.040)
Income from subsidies	(1.591)	(3.471)
<b>(-) Subtotal changes in working capital and other</b>	<b>(51.580)</b>	<b>(13.202)</b>
<b>=&gt; Cash from operating activities</b>	<b>(13.466)</b>	<b>14.372</b>
Payments for fixed assets acquisitions	(44.314)	(20.582)
Receipts from sales of fixed assets	145	701
Receipts from subsidies	-	11.548
<b>(+) Net cash used for investments</b>	<b>(44.170)</b>	<b>(8.333)</b>
Net repayments of loans and leasing	52.847	15.098
Share repurchased	-	9
<b>(-) Net cash from finance activities</b>	<b>52.847</b>	<b>15.107</b>
Net variance	(4.789)	21.146
<b>Cash &amp; Equiv at Jan 1, 2022/ 2023</b>	<b>7.712</b>	<b>10.713</b>
<b>Cash &amp; Equiv at June 31, 2022/ 2023</b>	<b>2.923</b>	<b>31.859</b>

## Bridge 30 June 2023



- The improvement in operating cash in H1 2023 vs H1 2022 is due to better performance in working capital management.
- The main outflows were for the financing of ongoing investments (stretch film project).

We have specific projects that address the sustainable development:



## Photovoltaic plant:

We already have a photovoltaic plant made with E.ON (1.9 million euros)

We are building a new photovoltaic plant designed for a power of 4.56 MWp

We will reduce emissions, in total, by approximately 4,500 tons of CO<sub>2</sub> eq./year



## Biodegradable packaging

The technology in TeraBio's factory has a carbon footprint over 95% lower than conventional technology.

The products are OK Compost certified by TUV Austria.



## Integration of recycled material

We have products that integrate recycled material as well as made of 100% recycled (Grin Pipe, polyethylene films).

We have an international patent to produce recycled PVC pipes.



## The largest recycler

Through TeraPlast Recycling we are the largest producer of micronized recycled PVC in Europe.

According to studies, for every 1 ton of recycled PVC, 2 tons of CO<sub>2</sub> are saved.



## Digitization and governance

We are digitizing our processes to reduce our environmental impact and become more efficient.

The whistleblower is publicly available to anyone who wants to report irregularities.



**Signatory  
since 2021**

- › Our business model aims at the optimal integration of the entire value chain, compliance with business ethics, the development of a sustainable social and economic environment as well as reducing the potential negative impact we can have on what surrounds us.
- › We are part of relevant international organizations to keep abreast of market trends, innovations and sustainable initiatives (e.g. TEPPFA, Recovynyl, UN Global Compact, European Bioplastics).
- › We report our progress annually in accordance with GRI and SASB standards; starting 2022 we report on EU Taxonomy as well.

## Economic

	Unit	2021	2022	2021 vs 2022
Net revenue	mln. RON	615,1	711,1	15,60%
EBIT (profit before tax)	mln. RON	50,9	16,6	-67,40%
Net profit	mln. RON	42,3	15,4	-63,30%
Liabilities	mln. RON	288,2	352,1	22,20%
Equity	mln. RON	591,5	309,5	-47,70%
Market cap (average price at 30.12.2021, and 31.12.2022)	mln. RON	2.144,10	1.204,90	-43,80%

## Environment

	U.M.	2021	2022	2021 vs 2022
Total consumption of electricity	MWh	35.281	35.853	1,60%
The amount of electricity produced by the photovoltaic panels	MWh	1.732	1.870	8,00%
Total amount of recycled waste*	thousand tons	1,116	1,207	8,10%
Total CO2 emissions (Scope 1)**	tCO <sub>2</sub> eq	3.708	2.887	-22,10%
Total CO2 emissions (Scope 2, market based)**	tCO <sub>2</sub> eq	2.241	984	-56,10%
Total CO2 emissions (Scope 3, market based)	tCO <sub>2</sub> eq	n/a	n/a	TBA in 2023
Total energy consumption	GJ	181.389	175.264	-3,40%
Percentage of energy provided by the photovoltaic plant from the total consumption	%	4,90%	5,20%	+ 0,3pp

## Social

	U.M.	2021	2022	2021 vs 2022
Employees (average number)	people	905	1.009	11,50%
Total training hours	hours	4.517	31.563,50	598,80%
Total investment in the community	mln. RON	1,7	1,76	3,50%

Sustainability report published annually at Group level, in accordance with **GRI and SASB**.



Available on our website at  
<https://investors.teraplast.ro/reports-and-information/annual-reports/>



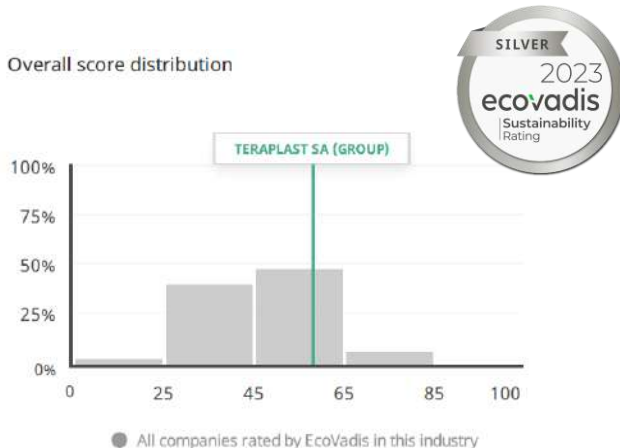
- › The total emissions of greenhouse gases (GHG) are obtained at Group level by calculating the emissions resulting from the consumption of electricity, natural gas and fuels, in accordance with GHG Protocol.
- › Emissions in 2022 down 35% compared to 2021, supported by the existing PV plant and obtaining guarantees of origin for 2021 and 2022 from the electricity supplier. We will build a new photovoltaic plant to increase the share of renewable energy used, as well as the degree of energy independence of our group.
- › We participate in ESG rating initiatives → TeraPlast rating by Sustainalytics available on BSE Research Hub, EcoVadis Silver recognition, CDP under evaluation.

TeraPlast Group  
carbon footprint  
in 2022



**3,871**  
Tons CO2 eq.  
Scope 1 & 2  
Scope 3 underway.

Overall score distribution



SUSTAINALYTICS  
ESG Scores

TeraPlast



Report Date: 12/15/2022  
Report Type: Core Framework

Source: <https://bvbresearch.ro/ReportDashboard/ESGScores>

- TeraPlast Group – the largest polymer processor in Central & Eastern Europe.
- In 2022, there was pressure generated by the general context, increases in raw material prices and weak infrastructure market due to delays in the start of investments.
- We feel that the hard part is over. We expect that this year will bring growth, a more positive market context and less price volatility, forming the basis for the next growth cycle.
- We always aim high, and we take on ambitious growth objectives.
- 2023 will bring better results as **price volatility will decrease**. The increase will come from volumes, not inflation.
- **We will exceed**, volumen wise, **the records in 2021** for most of our segments.
- **We keep investing in 2023**: the total amount is RON 102 million. The major projects are the stretch film factory and a new photovoltaic powerplant. We keep on diversifying and increasing our geographical footprint. We always keep in mind the care for the environment, investing in green ways to become more self-sufficient.



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