

Dear Sam Lawson,

We inform you on behalf of Plyterra, JSC that we have examined your letter regarding an upcoming publication on Russian timber in the EU.

The EU sanctions imposed on Russian wood products during the year 2022 have had a significant impact on our company's operations, the geography of sales has been significantly reduced, which has also led to a significant decrease in production and sales volumes. Domestic market of Russia has become our main sales market, and to a lesser extent the USA, Turkey, Israel and China markets, and the markets of CIS countries have done.

Neither Plyterra, JSC is engaged in circumventing sanctions, nor does it provide any support measures to companies located in the EU countries. Any business under contracts between our company and the European Union resident companies has been terminated in accordance with the imposed restrictive measures.

We have thoroughly examined your findings, which relate to our company.

«Petek Kontrplak» and «Intop Group» are customers of our company in the Turkish and Kazakhstan markets.

Petek Kontrplak is the largest importer and distributor in Turkey. The company co-operates with many plywood manufacturers. In addition, Petek itself is one of the largest plywood manufacturers in Turkey. At the same time, our shipments to Petek were rather insignificant (no more than 200 m³, or 6-7 trucks per month). Plyterra has been working with Petek since before the EU sanctions were imposed, and during all the time, we've been assured that Petek values its reputation very highly and we have never had any reason to believe that the company might be involved in circumventing European sanctions.

In their turn, Intop Group is one of the large distributors in Kazakhstan and they also work with many plywood manufacturers. Plyterra cooperated with Intop during the year 2023 and the volume of Plyterra's cooperation with Intop is too small (1 truck per month on average) and only in Kazakhstan market specifications for there to be free volumes to supply other countries except Kazakhstan.

Coming to your points of undercover calls with an unidentified source, we find it difficult to make any comments. We would like to make an official statement and emphasize that Plyterra does not have any relations involving «agenting» and «representation» in the EU markets.

We hereby guarantee that company name Revival SIA is not familiar for Plyterra, nor has it been one of our counterparties.

As for possible offers for Plyterra brand, we can only assume that there may be «exploitation» of our brand on European markets, as our mill and product had a strong name and flawless reputation in EU in the past, which have been gained through many years of cooperation.

To say more, our current capacities would not allow us to ship volumes equal to 100 trucks at a time. We ship only 12-15 trucks per week to the markets of Turkey and Kazakhstan for more than 10 customers to fulfill the demand of these markets. Any customs statistics can confirm these volumes.

Since there are no justification provided in your letter for the stated findings, therefore it is not possible to refute them with justification. The stated points are only assumptions, not based on any facts.

We reiterate for you that we deny our company's involvement in circumventing sanctions and redirecting export to the European Union through third countries, including Turkey and Kazakhstan.

We reckon that you will make right decision and, after examining our comments, will consider them as a reliable primary source.

Sincerely,
Sergey Nikonorov
CEO
Plyterra, JSC

