

CURRENT REPORT

According to Law no. 24/2017 and FSA Regulation no.5/2018

Date of the report: **28.12.2020**

Name of the issuer: **TERAPLAST S.A.**

Registered office: **Saratel village, Sieu-Magherus commune, DN 15A, KM 45+500, Bistrita-Nasaud county**

Telephone/Fax: **0263/238.202; 0263/231.221**

Trade Register Office Number: **J06/735/1992**

VAT Number: **3094980**

Subscribed and paid-up capital: **RON 174.320.047,80**

Regulated market for shares admitted to trading: **Bucharest Stock Exchange, standard category**

Market symbol: **TRP**

Important events to report:

TeraPlast Group received the financing agreement for the new factory for polyethylene systems

TeraPlast Group received the financing agreement for the project "Establishment of a new production unit for TeraPlast SA". The project is worth EUR 10 million in total and the state aid represents EUR 4,9 million.

This is part of the investment projects worth EUR 32 million that the Group is implementing.

"This year we announced record results, but we have been limited by the production capacities. The fact that the infrastructure works speeded up is a sign that finally Romania is mobilizing to fulfill its obligations. There is still a lot of work to be done to reach 99% of the population connected to water, sewerage and gas like our neighbors. We have supplementary funds for both the water and sewerage works and for irrigation works. It would be a pity for the Romanian producers not to be able to efficiently respond to the market demand now that the works are happening. We invest in a new factory and at the same time we invest in the development of the Romanian production, the development of Romania's infrastructure and we contribute to equilibrate the trade balance." stated Mr. Alexandru Stanean, TeraPlast's CEO.

The project implies the construction of a new factory in TeraPlast Industrial Park in Saratel village, Bistrita-Nasaud county and the acquisition of state-of-the-art equipment. In the new factory there will be produced polyethylene systems for water, irrigation and natural gas. The project will be completed in February 2022 and 80 new jobs will be created.

The manholes and pipes made from polyethylene following the investment will double the production capacity of the Installation business line for these product groups. TeraPlast's manholes are used in sewerage networks in the industrial, residential and agricultural areas. The polyethylene pipes are used for the transport and distribution networks for drinking water, general use water, natural gas, telecommunication, pressure sewerage and irrigation.

The state aid can be considered an interest-free loan that the company commits to pay back within 5 years as salary contributions, corporate tax and local taxes.

Thus, following the 3 investment projects for which it received the financing agreements, TeraPlast Group will contribute to the state budget with EUR 14,6 million. This represents the value of the state aid received, supplementary to the contributions of the current structure of the Plastics division.

For 2020, TeraPlast Group estimates a consolidated turnover of EUR 225 million, 12% more than in 2019.

The Plastics division of the Group will register a net profit 4 times larger than the one in 2019, up to EUR 9 million in 2020.

About TeraPlast Group

With a tradition of 125 years, the TeraPlast Group is presently the largest Romanian construction materials manufacturer. The Group is comprised of the following companies: TeraPlast, TeraSteel Romania & Serbia, Wetterbest, TeraGlass, TeraPlast Recycling and TeraPlast Hungary.

Starting July 2nd, 2008, the largest company of the Group – TeraPlast SA – is listed on the Bucharest Stock Exchange under the TRP symbol. TeraPlast's shares are included in the BSE reference index, BET, and since the third quarter of 2020 in FTSE Russell's Total Cap and MicroCap indices.

Within the Vektor evaluation based on 15 criteria for investor relations communication, conducted by ARIR, TeraPlast received the highest mark: 10.

ALEXANDRU STANEAN

CEO of TeraPlast S.A.

For additional information you can reach us by

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