

CURRENT REPORT

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

Date of the report: **09.03.2021**

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 be reported:

TeraPlast Group distributes RON 226,6 million worth of special dividends

- **The amount distributed represents a 24% yield/share¹**
- **The Board of Directors also proposes to keep in TeraPlast over RON 147 million that will be directed to the acquisition of some companies of granting a new dividend at the end of the year.**
- **As it has announced before, TeraPlast Group has paid several down payments for over RON 160 million in investments during this year and actively analyses possible acquisitions.**

The Board of Directors of TeraPlast SA shall propose to the shareholders' approval special dividends distribution as well as free shares from the profit it will register until the end of March 2021.

The amount proposed for dividends is RON 226,6 million², which represents a gross dividend of RON 0,13/share. At the current value of the shares it represents a record yield of 24%.

In addition to the cash distribution, the proposal of the Board of Directors is to increase the share capital of TeraPlast with the amount of RON 43.579.988. Thus, one free share shall be granted for each 4 shares owned by the shareholders at the registration date of the share capital increase.

¹ The 24% yield is calculated at the current TeraPlast market capitalization

² Based on the audited interim financial statements as of March 31st, 2021



This proposal considers the shareholders' desire to keep a comfortable liquidity of the Group, which can be used for the acquisition of companies or for granting a new special dividend towards the end of the year.

On the model of the acquisition of Somplast in December 2020, TeraPlast Group will continue its regional expansion and increase its market share through M&A. *"Our interest is for companies that allow us synergies. We are looking at several criteria. First, the field of activity has to be similar or complementary to the ones TeraPlast Group activates on: recycling, flexible packaging, pipes and related products for water, gas and sewerage networks. Second, they must manufacture products with export demand, or which can dislodge imports from the domestic market. On the other hand, there must be companies that have high-performance production technologies. Financial performance is another key criterion. We are looking to companies that have similar indicators to those of TeraPlast and a low degree of indebtedness. These are cumulative conditions"* stated Mr. Dorel Goia, Chairman of the Board of Directors.

The Group has ongoing investments of over RON 160 million this year, co-financed through state aid. TeraPlast estimated for the end of the year a comfortable gearing between 1 and 2 (total net bank debt/EBITDA). Therefore, the Group could enter bank loans in substantial amounts until a gearing of 3, common in the industry, which at the same time is a comfortable level for both the company and the shareholders.

On February 26, TeraPlast Group announced the collection of RON 373 million following the closing of the steel products division to Kingspan.

The present proposal of the Board of Directors shall be registered in the General Meeting of TeraPlast Shareholders that will be prepared and published according to the applicable legal provisions.

The Financial calendar for 2021 is amended accordingly by introducing the following events:

Event	Date
General Meeting of the Shareholders	June 25, 2021
Ex-date special dividends	July 12, 2021
Registration date for the special dividend	July 13, 2021
Payment date for the special dividend	July 22, 2021
Ex date share capital increase	September 28, 2021
Registration date for the share capital increase	September 29, 2021
Payment date for the share capital increase	September 30, 2021

The convening notice of the General Meeting of the Shareholders will be published on 21.05.2021 and shall comprise the financial auditor report for the financial statements as of 31.03.2021 and the final proposals for special dividend and free shares distribution.

About TeraPlast Group

The Group is comprised of the following companies: TeraPlast, TeraGlass, TeraPlast Recycling, TeraPlast Folii Biodegradabile and Somplast.

Starting July 2nd, 2008, TeraPlast SA – the parent-company of the TeraPlast Group – 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, for the second year.