

CURRENT REPORT

In accordance with Law no. 24/2017, and FSA Regulation nr.5/2018

Date of the report: 20th December 2018

Name of the issuing company: TERAPLAST S.A.

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

Phone number: 0263/238.202

Fax number: 0263/231.221

Trade Register No.: J06/735/1992

VAT number: RO3094980

Subscribed and paid-up share capital: RON 107.024.527,40

Regulated market for shares admitted to trading: Bucharest Stock Exchange, standard cat., symbol TRP

Important events to be reported:

Teraplast SA informs its shareholders that, by letter no. 41426/20.12.2018, the Central Depository has informed, that on December 20th 2018, it was registered in the register of shareholders of the company the share capital increase with 21,333,483.20 lei, by issuing 213,334,832 new shares, with nominal value of 0.10 lei/share.

Following the capital increase, the new share capital of Teraplast SA will be 107,024,527.40 lei, divided into 1,070,245,274 shares, with nominal value of 0.10 lei each.

The share capital increase was made into the account of all shareholders (except for the issuer's own shares) registered in the register of shareholders on December 19th 2018, 1 free share was allocated to 4 shares held.

The Board of Directors of Teraplast SA releases for the investors the document regarding the offering or the allocation of free shares (prepared according to appendix no. 2 from FSA regulation no. 5/2018).

Appendix 2:

Minimum content of shareholders information paper on offering or assigning free shares without a cash consideration

1. Responsible persons

1.1. *The name and the function of the private person and/or the name and the headquarters address of the legal person responsible for the information included in the presentation document*

Teraplast SA, headquartered in village Saratel, Sieu-Magherus, DN 15A, km 45 + 500, county Bistrita-Nasaud, Romania, Zip Code 427301, registered with the Trade Register No. J06/735/1992, Sole registration number at the Trade Register Office No. 309498, bank account RO55 BTRL 0060 1202 A608 75XX opened at Banca Transilvania SA, Bistrita, represented by Mr. Alexandru STÂNEAN Chief Executive Officer.

1.2. *Declarations of the responsible persons mentioned at the point 1.1 of which to appear that the information included in the presentation document are, in their knowledge, in conformity with reality.*

After verifying the content of this prospect, the company Teraplast SA, represented by Mr. Alexandru STÂNEAN, Chief Executive Officer, accepts the responsibility for the content and certifies that the released information are in conformity with reality and they do not contain omissions or untrue declarations designed to affect significantly the content of the document.

2. General information about the issuer

2.1. *Name, headquarter, trade register number, Sole registration number at the Trade Register Office*

Name of issuer: Company TERAPLAST S.A.

Headquarters: village Saratel, Sieu-Magherus, DN 15A, km 45 + 500, county Bistrita-Nasaud, Romania, Zip Code 427301.

Company registration: registered with the Trade Register No. J06/735/1992, Sole registration number at the Trade Register Office No. 3094980

2.2. *Social capital before the increase:*

- The value of the subscribed and paid share capital: 85.691.044,20 lei
- The number of shares: 856.910.442 shares
- The nominal value of each share: 0,10 lei

3. Information regarding the shares offered for free to the shareholders

3.1. *The formalities which decides the increase of the share capital which involves offering for free the issued shares to the existing shareholders.*

By the General Meeting of Shareholders decision, dated April 27th 2018, it was authorized the increase of the share capital of the Company, with a maximum of 21.450.000 lei, up to the maximum amount of 107.141.097 lei, representing authorized capital, by delegating to the Board of Directors, for a period of

12 months, the exercise of its competencies regarding the increase of the share capital, based on the provisions of art. 114 paragraph (1) - (2), and of art. 2201 of Law no. 31/1990, the provisions of art. 85 of the Law no. 24/2017 and the provisions of art. 9 paragraph (2) of the Articles of Association of the company, under the following conditions:

- The newly issued shares will be distributed free of charge to all shareholders of the company registered in the Register of Shareholders at the registration date to be determined by the Board of Directors;
- The capital increase will be made to support the current activity of the company;
- Each shareholder registered in the Register of Shareholders at the registration date (which will be determined by the Board of Directors by the decision approving all the details of the increase of the share capital) will be allocated a number of 1 free share to 4 shares held;
- The increase of the share capital will be made by incorporating the reserves set up in the previous years.

By decision no.55 of 14 September 2018 the Board of Directors of TERAPLAST S.A. approved the increase of the share capital with 21.333.483,20 lei by releasing of 213.334.832 new shares, with a reference value of 0.10 lei/share, as well the determination of the price 0,40 lei for the compensation of the fractions of shares following the application of the algorithm and the rounding of the results to the lower inferior

By decision no.66 of 13 December 2018 the Board of Directors of TERAPLAST S.A. approved the date of January 11, 2019 as the date of payment of the compensation of the fractions of shares following the application of the algorithm and the rounding of the results to the lower inferior.

3.2. The registration date established by GMS/or BD, for the identification of the shareholders which will benefit of the offering or allocation of free shares.

Registration date approved by the Board of Directors for the shareholders identification is December 19th 2018.

3.3. The description of the share capital increase:

The reason for the share capital increase: The amounts obtained from the share capital increase will be used to support the current activity of the company.

- **The amount and the source for the capital increase:** The share capital increase will be made by incorporating the reserves in amount of 21,333,483.20 lei, constituted from the net profit of the previous years.
- **The number of issued shares by the capital increase:** 213,334,832 new shares will be issued, with a nominal value of 0.10 lei / share.

3.4. Description of the type and the class of the shares which will be offered or allocated. The number of shares allocated for free for each owned share.

The securities offered are registered dematerialized shares, traded on the Standard category at the Bucharest Stock Exchange.

Each shareholder registered at December 19th 2018 will receive a number of 1 new share for each 4 held shares.

3.5. The value of the increased share capital

The value of the increased share capital is 107,024,527.40 lei.

3.6. The agent which helped the issuer at the compiling of the presentation document - Not the case.

3.7. Any other information considered important by the issuer or by the NSC

Under Article 47 (3) (e) of Law 24/2017 on Issuers of Financial Instruments and Market Operations, the obligation to draw up and publish a prospectus does not apply to the admission to trading of the following securities: shares offered, attributed or to be awarded without a cash consideration to existing shareholders, as well as shares issued if the dividends are paid by issuing shares of the same class as the shares for which the dividends are paid, provided that those shares are the same class of shares already admitted to trading on the same regulated market and a document containing at least the information set by the ASF through regulations;

Issuer

Company TERAPLAST S.A.

Chief Executive Officer

Alexandru Stănean

Should you need any further information, please contact us at 0752-101.571, e-mail: diana.bretfelean@teraplast.ro, contact person Diana Bretfelean – Legal adviser