

CURRENT REPORT

In accordance with Law no. 24/2017, NSC Regulation no. 1/2006 si FSA Regulation nr.5/2018

Date of the report: 10th September 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 85.691.044,20

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

Important events to be reported:

The TeraPlast Group intends to implement 3 investment projects totaling € 15 million with government grant funding.

The TeraPlast Group, one of the most important manufacturers of building materials and also the largest PVC processor in Romania, will submit 3 investment projects worth € 15 million under the Government Grant Scheme that stimulates investments with a major impact on the economy.

"We believe this Government Grant Scheme is better suited to the size of the Teraplast Group companies. We also want to see how authorities' public statements, as this scheme aims to support Romanian companies, will turn into reality, as long as foreign companies benefited from these state aids so far," said Dorel Goia, TeraPlast Group's Chairman of the Board of Directors.

TeraPlast proposed an investment of € 6.2 million, of which € 3.1 million would be state grant to invest in equipment for group's plastic division. Implementing this project, the company will come up with innovation in the PVC granule market: Teraplast will be the first halogen-free fire resistant granules producer in Romania which are used to insulate electric cables.

From the leading position on the external sewerage market, TeraPlast plans to expand the production capacity of internal polypropylene sewage systems that are a superior quality alternative to PVC systems. The recent trend indicates an increasing demand for the higher-end quality products. Due to the fact that Teraplast aims to deliver efficient solutions for humans and the environment, the waste resulting from polypropylene technological process will be recycled and reprocessed.



Depaco will launch a production facility of 38,000 square meters in a new location in Baicoi (Prahova County). The factory along with the new production lines will ensure optimal logistics and storage flows and an annual production capacity of over 10 million square meters of tile. In the first phase, Depaco will build 10,000 square meters. The budget for the construction and expansion of the production capacity is € 5.2 million, out of which € 1.9 million would be financed through State Grant Scheme.

TeraGlass will apply for State Grant with an investment project of € 3.5 million. The objective of the project is a new, fully automated production stream of windows and doors, which will increase both the production capacity and labor productivity. This investment comes as a result of the growing demand for TeraGlass products.

The cumulative amount of State Grant does not exceed € 6.8 million, the amount by which the beneficiary companies are committed to contribute to the state budget by additional taxes and salary contribution until 2024.

The State Grant Scheme TeraPlast Group applied for aims to boost investments that have a significant impact on the economy and regional development. In the context of funding approval, all three projects will be launched immediately.

In 2017, TeraPlast Group has submitted a project worth € 13 million as well, the first Romanian company to request such government support. For this investment, the government contribution would have been € 6.5 million, but the project has not been approved, hence the company financed the first phase of the project with own resources worth € 3.5 million.

Details TeraPlast Group:

Having a tradition of over 120 years, the TeraPlast Group is currently one of the leading manufacturers of building materials. The Group's product portfolio is structured into six business lines: Installations & Decorations, Joinery Profiles, Granules, Thermal Insulation Panels, Windows & Doors, and also Metal Tile (Wetterbest Brand). In October 2017, TeraPlast Group launched TeraSteel Serbia, the first factory fully owned by a Romanian company established after 1990.

Starting from 2nd July 2008 the greatest part of the Group - TeraPlast is listed on Bucharest Stock Exchange under the TRP logo.

Chairman of the Board of Directors

Dorel Goia

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

