

CURRENT REPORT

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

Date of the report: **16.11.2020**

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 builds a new factory in its Industrial Park within a project worth EUR 10 million

TeraPlast Group, the largest Romanian construction materials manufacturer, will build a new factory within the TeraPlast Industrial Park in Saratel, Bistrita-Nasaud county. The project for the new production unit is worth EUR 9,8 million in total. The products manufactured in the new unit address the water, irrigation and gas networks.

The investment includes both new buildings and the acquisition of high productivity equipment. To achieve this, TeraPlast submitted an investment project within the state aid scheme.

"The Plastics division registered record results in 2020. For 2020 we estimate a net profit of EUR 9 million, 4 times the one in 2019, in the context of a turnover of EUR 94 million. The increase of the market capitalization reflects this evolution. The projects submitted within the state aid scheme are worth EUR 32 million in total and at maturity will generate an EBITDA of EUR 8,6 million. By these projects we aim to outweigh the sell of the Steel division which last year contributed by EUR 11 million to the consolidated EBITDA. We manufacture in Romania and contribute to equilibrate the trade balance which in 2019 reached EUR 17,28 billion. We will create new jobs and respond better to the market demand." stated Mr. Alexandru Stănean, CEO TeraPlast.

In the new production unit, polyethylene products will be manufactured for the Installation business line. The manholes produced in the new factory ensure access for verification and monitoring of the sewerage networks for domestic water, rainwater and drainage. TeraPlast's manholes can be used in industrial, residential and agricultural sewerage networks. The polyethylene pipes address the drinking water, general purpose water, natural gas, telecommunications, pressure drainage and irrigation networks. Thus, TeraPlast is offering its clients superior products at the highest quality standards.

The implementation of the project will be completed in February 2022 and will create 80 new jobs. The project was submitted within the state aid scheme under the name "*Establishment of a new production unit for TeraPlast SA*". In the last 3 years, TeraPlast Group has paid over EUR 22 million to the state budget, in the form of salary rights, profit tax and local tax. By this investment, TeraPlast commits to contribute to the state budget, by 2027, with salary rights, profit and local taxes in the amount equal to the requested state aid worth EUR 4,9 million, in addition to the contributions of the current structure of the Plastics division.

In the first nine months of 2020, TeraPlast Group registered a turnover of EUR 167,6 million, 14% more than in the same period of last year. The Group's EBITDA increased by 46% in the same period, y/y, up to EUR 20,3 million, and the net profit reached EUR 12,4 million. For the whole 2020 financial year, TeraPlast Group estimates EUR 225 million in turnover and EUR 28 million in EBITDA. The consolidated net profit estimated for 2020 is EUR 17 million, double compared to 2019.

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 TeraPlast S.A.

For further information you can contact us by

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