

CURRENT REPORT

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

Date of the report: **26.01.2021**

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 report:

In accordance with provisions of art. 144 item B, paragraph 4 of the Regulation of the Financial Supervisory Authority no. 5/2018 on issuers of financial instruments and market operations, TERAPLAST S.A. is submitting for publication the Auditor's report containing the transactions reported pursuant to art. 92 (3) of Law no. 24/2017, during the second quarter of 2020.

The attached material includes both the auditor's report and the report on the transactions reported during the second quarter of 2020, to be examined by interested parties.

ALEXANDRU STANEAN

CEO TeraPlast S.A.

For additional information you can reach us by

e-mail investor.relations@teraplast.ro or phone no. +40 741 270 439 – contact person: Alexandra Sica.

**INDEPENDENT LIMITED ASSURANCE REPORT
ON THE INFORMATION INCLUDED IN THE CURRENT REPORT PREPARED BY THE COMPANY IN ACCORDANCE
WITH THE PROVISIONS OF LAW NO. 24/2017, AS REVISED, AND FSA REGULATION NO. 5/2018**

**To the Board of Directors,
TERAPLAST S.A.**

We have been contracted by TERAPLAST S.A. (herein after referred to as “**the Company**” or “**TERAPLAST**”) in order to report according to the requirements of Law no. 24/2017 on financial instruments and market operations, as revised (herein after referred to “**Law no. 24/2017**”) regarding the financial instruments issuers and market, on the information included in the accompanying current report (dated 31 July 2020) (herein after referred to as the “**Current Report**”), which was prepared by the Company in accordance with article 92³ of Law no. 24/2017, and to the provisions of Regulation no. 5/2018 of the Financial Supervisory Authority (herein after referred to as “**FSA**”), to report to the Financial Supervisory Authority (“**FSA**”) and the Bucharest Stock Exchange (“**BSE**”) for the period 1 July 2020 – 31 December 2020, in the form of a limited assurance conclusion.

Specific Scope

The scope of our report is exclusively that laid down in the first paragraph hereof, and our report is prepared for the information of the Company, of the BSE and the FSA and shall not be used for any other purpose. Our report shall not be deemed adequate for use by any party that wishes to acquire rights towards us, other than the Company, for any purpose or in any context.

Any party other than the Company, which gains access to our report or a copy hereof and chooses to rely on our report (or a portion hereof), shall do so on its own responsibility. Our engagement was conducted so as to report on such matters that we must report in an independent limited assurance report, and not for other purposes. This report refers only to the elements mentioned hereunder and does not extend to the Company’s financial statements or other reports issued by the Company, individually or as a whole.

Management’s Responsibility

The Company’s management is responsible for the preparation of the Current Report and conclusion of the transactions reported in accordance with Law no. 24/2017 as revised and FSA Regulation no. 5/2018. Moreover, the Company’s management is responsible for the design, implementation and maintenance of internal controls that enable the preparation of Current Report that is free from material misstatements, whether due to fraud or error.

The Company’s management is also responsible to make sure that the supporting documents underlying the preparation of the Current Report and evidence provided to the auditor are complete, correct and justified.

Auditor's Responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance engagements other than audits or reviews of historical financial information. This standard requires that we comply with ethical requirements, plan and perform the assurance engagement to obtain limited assurance about the Current Report.

Our firm applies International Standard on Quality Control 1 ("ISQC1") and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The procedures selected depend on the auditor's judgment and understanding of the reported transaction included in the Current report, and of other circumstances of the engagement, as well as on our considerations as to the areas where material misstatements might arise. In obtaining an understanding of the reported transaction included in the current report, we have taken into consideration the process used by the Company for concluding the transactions and preparing and presenting the current report in accordance with Law no. 24/2017 and FSA Regulation 5/2018, for the purpose of determining the assurance procedures applicable in the given circumstances, but not for the purpose of expressing a conclusion on the efficacy of the process or of the Company's internal control for concluding the reported transaction included in the Current report and for preparing and presenting the Current report.

The procedures include, in particular, making enquiries of those in charge of financial reporting and risk management, as well as additional procedures aimed at obtaining evidence on the information included in the Current report.

The procedures of obtaining evidence in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As regards the Company's current report, in order to assess the justified and correct nature of the transactions reported in such report, we have conducted the following procedures:

- 1) We have obtained from the Company the accompanying Current report and details on the transactions included in such report.
- 2) We have checked whether the persons approving such report are the Company's authorised representatives and requested the list of authorised signatures.
- 3) For the transactions analysed, presented in the Current report, we have determined whether the details thereof are consistent, in all material respects, with the information included in the signed contract, made available to us, and whether they were signed by the Company's representatives, in accordance with the list of authorised signatures provided to us. Where applicable, we have checked whether the details included in the Current report match the documentation pertaining to such contracts: the parties who signed the supporting documents; the date when the documentation was signed and the nature thereof; description of the type of goods/services indicated in the documentation; the achieved or estimated aggregate value of the contracts and, where applicable, guarantees and penalties established, payment terms and methods, the related contractual terms and conditions.
- 4) For the transactions analysed, we have checked whether the details presented in the accompanying Current report match the information obtained by us following the enquiries with the Company's management as well as with the documentation accompanying the contracts, as applicable.

- 5) For the transactions analysed, to the extent there is a market price for the goods or services provided between the Company and its affiliates, we have discussed with the Company's management the pricing of such goods or services and whether, on a case by case basis, the agreed upon prices are consistent with those applied by other (third) parties for similar goods or services and whether the related contracts are approved by the board of directors or the supervisory board of the Company.

If there are no market prices available, we have analysed whether such transactions are carried out based on the Company's internal procedures regarding the substantiation of the pricing and, respectively, whether the related contracts are approved by the Company's board of directors or supervisory board in accordance with its internal procedures.

Our procedures have been conducted only for the transactions included in the accompanying Current Report, which related to the period 1 July 2020 – 31 December 2021. We have not conducted any procedures to check whether Current Report includes all the transactions that the Company should report as per article 92³ of Law no. 24/2017 for such period.

Conclusion

Our conclusion was formed on the basis of and considering the matters presented in this independent limited assurance report. Based on the procedures described above and the evidence obtained, nothing has come to our attention that causes us to believe that:

- a) the information included in the accompanying Current report is not consistent in all material respects with the supporting documents made available to us by the Company.
- b) the information included in the accompanying Current report is not consistent in all material respects with the requirements of law no. 24/2017 and FSA Regulation 5/2018, as regards the signatories of the supporting documents; the date when the documentation was signed and the nature thereof; the description of the type of goods/services referred to in the documentation; the achieved or estimated aggregate value of the contracts, and, if applicable, guarantees and penalties established, payment terms and methods, the related contractual terms and conditions.
- c) the contract underlying the transaction reported and analysed have not been duly authorised by the Company's representatives and have not been approved by the Company's board of directors and supervisory board.
- d) the price agreed upon by the parties have not been mutually accepted based on the type of goods and other terms and conditions stipulated, as applicable, in the agreements between the parties and have not been determined according to the criteria mentioned at item 5) of the list of procedures herein above.

On behalf of:
Deloitte Audit SRL

Alina Mirea

For signature, please refer to the original signed Romanian version.

Bucharest, Romania
January 26, 2021

Annex

1. Current Report forming the subject matter of this limited assurance report.

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

Date of the report: 31st July 2020

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 133,780,501.80 lei

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

Important events to be reported: Transactions as listed in art. 82 of Law no. 24/2017

No.	Individual / legal entity signing legal documents with Teraplast company	Date of concluding the document	Nature of the document	Subject of the document	Estimated value of the document	Mutual claims between the parties of the document	Constituted guarantees	Deadlines and payment terms
Contract concluded by the Company Teraplast S.A., acting as Buyer								
1	Teraplast Recycling SA	27.07.2020	Sale contract authenticated under no. 2398 / 27.07.2020	Purchase by Teraplast SA of two plots, located in the built-up area of Sărățel village, Șieu-Măgheruș commune, Bistrița-Năsăud county, registered in land book no. 27046 with an area of 24,300 sqm, respectively in land book no. 29199 with an area of 8,500 sqm.	The value of the contract is 1,137,951.30 lei	Total receivables of Teraplast: 908,097 lei Total liabilities of Teraplast: 814,443 lei	No guarantees	The payment of the contractual price will be made through compensation, on the date of signing the Contract

* On 27.07.2020, of the total receivables to be collected from Teraplast Recycling SA, 906,545 lei represent amounts to be collected in the account of the Recycling Business Line Sale Contract from April 2019, after compensation;

General Manager
Stanean Alexandru

If you need any further information feel free to contact us on
Tel. +4 0741 270 439
or e-mail: investor.relations@teraplast.ro
Contact person Alexandra Sica – PR Manager & IRO