

PRESS RELEASE

TeraPlast Group – double digit increase in 2020. EBITDA 58% surge

- **The Turnover of TeraPlast Group has reached RON 1,09 billion, of which RON 396,9 million generated by the continued operations of Plastic Division, which will stay in TeraPlast Group after the disposal of the Steel Division and window profiles business.**
- **EBITDA margin of 14,2% of the continued Plastic Division is superior to the overall EBITDA margin of the Group.**
- **The Group relies on the RON 157 million investments, currently under implementation to reach RON 636,2 million turnover in 2021.**

Bistrița, February 17, 2021

TeraPlast Group, with its two Divisions, Plastics and Steel, exceeded the RON 1 billion threshold of turnover in 2020. The net profit doubled in the same interval, reaching RON 79 million. The continued operations of the Plastics Division, to remain in TeraPlast Group, include the Installation, Recycling, Compound and Window and Doors Business. In 2021, the Biodegradable film business as well as the company Somplast will join.

Plastics Division of TeraPlast Group had a turnover of RON 397 million, a 16% increase over the previous year and generated an EBITDA of RON 56,5 million which represents an increase of 56% versus 2020.

"2020 was challenging but we start 2021 with confidence, with an excellent base for future developments of our Group. The new Group has an EBITDA margin of 14,2% and low gearing. This reflects the stability of our business and the growth potential. The investments of RON 157 million which we are implementing will add value for our shareholders. Our objective is to reach the results of 2019, when Steel Division was still included in the Group. With this goal in mind, we will continue grow organically and through mergers and acquisitions on the domestic market as well as on new markets." **stated Ioana Birta, TeraPlast's CFO.**

<i>Thousand lei</i>	Turnover 2020	EBITDA 2020	EBITDA margin 2020
Installations & Recycling (TeraPlast & TeraPlast Recycling)	291.565	43.003	14,7%
Compounds (TeraPlast)	70.497	12.069	17,1%
Doors and Windows (TeraGlass)	34.888	1.381	4%

Continued business of TeraPlast Group	396.950	56.453	14,2%
Discontinued business	693.858	74.118	10,7%
TeraPlast Group Total	1.090.808	130.571	12,0%

Installations and Recycling had the best performance in 2020, with a 66% increase in turnover and EBITDA of 43 million lei, the equivalent of a 14,7% margin. Installations and Recycling had a turnover of 291,6 million lei, 17% higher than in the prior year.

“The turnover could have increased higher, but we were limited by the production capacity. Exports accounted for 9% of turnover and we target 15% exports in 2021, similar to the compounds export mix in 2020. This is why we decided to invest more than 157 million lei in 2021: so that we will not refuse clients’ orders” **said Ovidiu Gurau, the commercial director of TeraPlast.**

The Compounds business increased EBITDA by 59%, to 12 million lei in 2020. This business is going to grow with the sales of the halogen free, fire retardant compounds. The TeraPlast Group is the biggest producer of compounds in the 10 neighbouring countries and it’s the only Romanian producer of halogen free, fire retardant compounds.

Management is focused on improving the performance of the Windows and Doors business, as it increased turnover by 21% in 2020, but its profitability is below expectations. Through the performance improvement plan in place, we’ll increase EBITDA margin to 11%, so that the Company will be in the top ten Romanian producers.

For 2021, the budgeted EBITDA is of 89,7 million lei, with a 57% increase compared to 2020 and turnover target of 636,2 million lei, 65% higher than in 2020.

The budget includes the following businesses: Installations, Recycling, PVC Compounds, Windows and doors, flexible packaging and bioplastic film.

“We will continue to have the largest PVC processing capacity in Eastern Europe. Through the investments that we are implementing, we will become market leaders in 2022 in the production of polietilene pipes and flexible packaging. With the cash we’ll receive on the sale of the Steel division, TeraPlast will acquire more companies, as it did with Somplast in December, will reduce bank debt and will distribute dividends.” **said Alexandru Stanean, the CEO of the TeraPlast Group**

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.