

TERAPLAST SA

**SIMPLIFIED CONSOLIDATED
FINANCIAL STATEMENTS**

**AT AND FOR THE NINE-MONTH PERIOD
ENDED SEPTEMBER 30, 2021**

Prepared in accordance with International Financial Reporting
Standards as adopted by the European Union

CONTENTS	PAGE
Consolidated statement of comprehensive income	3
Consolidated statement of financial position	4
Consolidated statement of changes in equity	5
Consolidated statement of cash flows	6
Notes to the consolidated financial statements	7 – 25
Annex 13A	26

TERAPLAST SA
Simplified consolidated financial statements
September 30, 2021

	Note	Period ended September 30, 2021	Period ended September 30, 2020 restated
Income from contracts with customers, of which:	4	451,044,553	309,990,141
Income from the sale of finished goods		406,955,938	273,052,687
Income from the sale of goods		42,517,638	36,059,502
Income from provision of services		1,570,977	877,952
Other operating income		483,655	373,423
Income from investment subsidies		1,758,987	1,543,440
Changes in stocks of finished goods and work in progress		16,575,895	(5,794,831)
Raw materials, consumables and merchandise	5	(310,229,379)	(184,115,083)
Expenses with employees' benefits	6	(48,043,385)	(35,546,209)
Amortisation/depreciation and impairment of non-current assets, net	8	(15,695,990)	(13,652,426)
Impairment of non-current assets, net		92,976	(1,162,687)
Income / expenses from reversal of provisions, net		(147,333)	213,347
Losses on the write-off of tangible and intangible assets, of assets held for sale and investment property		98,054	(378,586)
Other operating expenses	7	(44,866,962)	(34,607,812)
Sponsorship		(529,006)	(89,518)
Operating profit/loss		50,542,065	36,773,198
Foreign exchange differences, net		(880,030)	936,120
Interest expenses, net		(755,774)	(3,904,621)
Other financial income		352,880	48,728
Dividend income		49,875	21,375
Financial result, net		(1,233,049)	(2,898,398)
Profit before tax		49,309,016	33,874,800
Income tax expenses		(6,053,026)	(3,304,170)
Profit of businesses that continue their activity within the Group		43,255,990	30,570,630
Result of Joinery Profiles business		(856,089)	2,716,421
Profit/loss of Steel and TeraPlast Hungary		189,231,375	26,997,302
Profit/loss for the year		231,631,276	60,284,353

These simplified consolidated interim financial statements were approved on October 22, 2021.

Alexandru Stanean
CEO

Ioana Birta
CFO

TERAPLAST SA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At September 30, 2021

(all amounts are expressed in RON, unless otherwise specified)

	Note	September 30, 2021	September 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	8	217,199,535	164,230,946
Investment property	12	4,966,367	3,686,767
Leased right-of-use assets	10	8,189,954	5,157,915
Intangible assets	9	1,880,111	1,112,186
Non-current assets		431,267	304,521
Other long-term investments in equity		15,500	15,400
Total non-current assets		232,682,734	174,507,735
Current assets			
Inventories	13	115,343,947	65,049,188
Trade receivables	14	174,020,687	81,181,079
Receivables representing dividends paid and capital increase out of year's profit	14	270,195,925	30,682,530
Advances to suppliers of non-current assets	14	28,522,568	3,995,667
Prepaid expenses		1,201,990	572,570
Cash and short-term deposits	20	15,821,761	16,620,936
Total current assets		605,106,878	198,101,970
Assets held for sale – Joinery Profiles		-	25,399,520
Assets held for sale – Steel division	1	-	333,788,087
Total assets		837,789,612	731,797,312
Equity and liabilities			
Equity			
Registered capital		217,900,036	174,320,048
Revaluation reserves		13,394,410	13,394,410
Legal reserves		16,627,688	16,627,688
Retained earnings		334,860,162	129,200,928
Capital attributable to controlling interests		582,782,296	333,543,074
Non-controlling interests	15	3,080,241	655,430
Total equity		585,862,537	334,198,504
Long-term liabilities			
Bank loans	16	38,269,825	27,234,942
Finance lease liabilities		5,931,722	2,829,732
Other long-term liabilities	17	8,557,374	9,376,689
Employees' benefits		1,568,516	1,321,041
Subsidies for investments – long-term portion		16,297,471	17,836,056
Deferred tax liabilities		1,311,043	1,313,416
Total long-term liabilities		71,935,951	59,911,876
Current liabilities			
Trade and other payables	17	127,990,609	66,337,280
Bank loans	16	44,072,185	100,408,930
Finance lease liabilities		2,212,567	1,261,591
Income tax payable		2,596,276	1,335,867
Subsidies for investments – current portion		2,051,447	2,051,447
Provisions for risks and charges		1,068,040	563,170
Total current liabilities		179,991,124	171,958,285
Liabilities for assets held for sale and discontinued operations	1		165,728,647
Total liabilities		251,927,074	397,598,808
Total equity and liabilities		837,789,612	731,797,312

These consolidated financial statements were approved on October 22, 2021.

Alexandru Stanean
CEO

Ioana Birta
CFO

TERAPLAST SA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

	Total share capital	Legal reserves	Revaluation reserves	Accumulated retained earnings	Attributable to parent's equity holders	Non-controlling interests	Total equity
Balance at January 1, 2021	174,320,048	16,627,688	13,394,410	129,200,928	333,543,074	655,430	334,198,505
Profit or loss for the year	-	-	-	231,930,620	231,930,620	(299,344)	231,631,276
Total comprehensive income	-	-	-	231,930,620	231,930,620	(299,344)	231,631,276
Increase of share capital out of reserves	43,579,988	-	-	-	43,579,988	-	43,579,988
Dividends granted in Q3 2020	-	-	-	(30,682,530)	(30,682,530)	-	(30,682,530)
Acquisition of Somplast (31.03.2021)	-	-	-	4,392,633	4,392,633	2,724,153	7,116,786
Other equity items increases/(decreases)	-	-	-	18,512	18,512	-	18,512
Balance at September 30, 2021	217,900,036	16,627,688	13,394,410	334,860,163	582,782,297	3,080,239	585,862,537

	Total share capital	Other capital reserves	Revaluation reserves	Share premiums	Treasury share	FX reserve upon consolidation	Accumulated retained earnings	Attributable to parent's equity holders	Non-controlling interests	Total equity
Balance at January 1, 2020	133,780,651	16,096,574	17,871,014	27,384,726	(139)	(436,298)	79,198,291	273,894,816	2,253,580	276,148,399
Profit or loss for the year	-	-	-	-	-	-	77,299,408	77,299,408	201,390	77,500,798
Total comprehensive income	-	-	-	-	-	-	77,299,408	77,299,408	201,390	77,500,798
Increase of share capital out of reserves	40,539,537	-	-	(27,384,726)	-	-	(13,154,820)	(9)	-	(9)
Legal reserve	-	531,114	-	-	-	-	(531,114)	-	-	-
Reserves representing the revaluation surplus	-	-	(4,476,605)	-	-	-	820,641	(3,655,964)	(820,641)	(4,476,605)
Write-off of 1490 redeemed equity shares	(139)	-	-	-	139	-	-	-	-	-
Dividends granted in Q3 2020	-	-	-	-	-	-	(14,640,657)	(14,640,657)	-	(14,640,657)
Other equity items increases/(decreases)	-	-	-	-	-	436,298	209,185	645,483	(978,900)	(333,417)
Balance at September 30, 2020	174,320,048	16,627,688	13,394,410	-	-	-	129,200,928	333,543,074	655,430	334,198,504

Out of the profit registered in March 2021, the GMS of TeraPlast SA approved the allocation of a special dividend in total amount of RON 226.6 million and the granting of a free share for every 4 shares held. The dividends were paid in July 2021. The share capital increase by RON 43,579,988 representing the free shares allotted, was operated in September 2021.

TeraPlast SA allocated dividends in amount of RON 45,323,187, based on the September 30, 2020 result, of which RON 14,640,657 from reserves and the remainder from the profit of January – September 2020. The dividends were paid in December 2020.

The RON 4.4 million reserve is the difference between the cost of the 70% ownership in Somplast and the higher net asset purchased. At December 31, 2021, the Group shall perform the Purchase Price Allocation as per IFRS 3 and shall reclassify such reserve, if required.

TERAPLAST SA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

TERAPLAST SA
CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

	Period ended September 30, 2021	Period ended September 30, 2020
Cash flows from operating activities:		
Profit before tax (9-month 2021, profit of businesses that continue their activity within the Group)	49,309,016	69,937,064
Losses /(Profit) on the sale and scrapping of fixed assets	(98,054)	716,144
Amortisation/depreciation and impairment of non-current assets	15,695,990	26,368,619
Provisions for risks and charges, net	147,333	181,645
Impairment of doubtful customers	(637,091)	1,863,772
Impairment of inventories	544,115	139,709
Income from dividends	(49,875)	(21,375)
Losses on the sale of investment property	-	166,632
Interest expenses	755,774	5,647,794
Operating profit before changes in working capital	65,667,208	105,000,004
Increases of trade and other receivables	(87,366,590)	(41,082,443)
Increases of inventories	(43,118,379)	(21,143,689)
Increase of trade and other liabilities	53,547,513	57,668,118
Net asset Somplast at March 30, 2021 (consolidation date), including bargain purchase	(18,972,284)	-
Income tax paid	(4,792,617)	(5,047,919)
Interest paid, net	(755,774)	(5,647,794)
Income from subsidies	(1,758,987)	(2,589,651)
Cash (used in)/generated by operating activities	(37,549,910)	87,156,626
Cash from/used in investing activities :		
Payments to purchase tangible and intangible assets	(82,925,548)	(42,044,873)
Payments to purchase shares in Wetterbest	-	(19,034,400)
payments for acquisition of ownership in Cortina	-	(1,397,223)
Proceeds from the sale of tangible assets	(402,428)	13,338,251
Proceeds from the sale of the Steel division and the Joinery Profiles business	396,680,735	-
Proceeds from State aid subsidies	-	15,859,039
Cash from/(used in) investing activities	313,352,759	(33,279,206)
Cash from financing activities:		
Payment of finance lease liabilities	(1,125,988)	(551,161)
Dividends received	49,875	21,375
Dividends paid	(226,615,937)	-
Bank loan repayments, net	(48,909,976)	(56,498,512)
Cash used in financing activities	(276,602,026)	(57,028,298)
Decrease of cash, net	(799,175)	(3,150,878)
Cash at the beginning of the period	16,620,936	29,472,744
Cash at the end of the period	15,821,761	26,321,866

The comparative statement of cash flows for the period ended September 30, 2020 was not restated.

These consolidated financial statements were approved on October 22, 2021.

Alexandru Stanean
CEO

Ioana Birta
CFO

TERAPLAST SA
CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

1. GENERAL INFORMATION

These are the simplified consolidated financial statements of Group TeraPlast SA (“the Group”).

These financial statements were not audited.

TeraPlast SA (“the Parent”) is a joint-stock company set up in 1992. The company’s registered office is located in sat Saratel, com Sieu-Magherus, DN 15A (Reghin-Bistrita) km 45+500, Bistrita – Nasaud county, Romania.

As of July 2, 2008 TeraPlast is listed on the Bucharest Stock Exchange under code TRP.

TeraPlast Group includes TeraPlast (manufacturer of pipes, PVC compounds and profiles) and its subsidiaries:

- Teraglass Bistrita SRL (manufacturer of PVC windows and doors),
- Teraglass Recycling SA (company specialised in recycling following the separation of the recycling line from TeraPlast (in May 2020, following the fulfilment of the legal requirements, Politub SA was deregistered due to the merger by absorption with Teraplast Recycling SA),
- TeraBio Pack SRL (manufacturer of biodegradable packaging, namely garbage bags). The company will start production in the new plant in Q4 2021, it is a EUR 12 million greenfield investment, co-funded through State aid.
- Somplast – manufacturer of flexible packaging; TeraPlast controls the company and consolidates the financial statements of Somplast as of April 1, 2021.

The business of Somplast is pending integration within the Group:

- The polyethylene pipe business was transferred to TeraPlast SA from June 1, 2021 (the equipment was relocated to the workshop of polyethylene pipes of TeraPlast)
- The flexible polyethylene packaging business was transferred to TeraBio Pack in September 2021; production continues in the same location, which TeraBio Pack leases from Somplast
- The buildings not used were leased by TeraPlast Recycling, which will move from the TeraPlast industrial park in the first part of 2022.

The Steel business:

- TeraSteel SA (Romania) and TeraSteel D.o.o. (Serbia) (manufacturer of Sandwich panels and welded steel structures),
- Wetterbest SA (manufacturer of metal tiles),

TeraPlast SA sold to Kingspan group the shares in TeraSteel Romania and Serbia and Wetterbest, according to the contract entered into on July 24, 2020. The transaction was completed on February 26, 2021, when TeraPlast received the RON 375 million price.

The Joinery Profiles business:

TeraPlast Hungaria Kft. (distributor) and the joinery profiles business of TeraPlast SA were sold to Dynamic Selling Group. The transfer was completed and the transaction price was collected in September 2021.

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance

The financial statements were prepared in accordance with the International Accounting Standard – Interim Financial Reporting.

2.2. Bases of preparation

The consolidated financial statements include the financial statements of the parent and the subsidiaries. Control is obtained when the Company has the power to direct the financial and operating policies of an entity to obtain benefits from its activities.

Where necessary, the financial statements of the subsidiary are adjusted to align its accounting policies to those of the Group.

All of the group transactions, inter-company balances and income and expenses are entirely de-consolidated.

The non-controlling interests in the net assets (exclusively goodwill) of consolidated subsidiaries are identified apart from the Group's equity in it. Non-controlling interests consist of the sum of such interests at the initial consolidation date and the share held in changes to equity as of such date.

The accounting policies and measurement methods adopted in the preparation of the simplified consolidated interim financial statements are consistent with those used in the preparation of the annual consolidated financial statements of Teraplast SA at December 31, 2020.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Restatement of consolidated statement of comprehensive income

The statement of comprehensive income for January – September 2020 was restated in order to reflect the businesses that continue their activity within the Group.

At September 30, 2021, the Group applies IFRS 5 Non-current assets held for sale and discontinued operations.

4. OPERATING INCOME AND SEGMENTS

The information reported by the management on the operating policy as regards the allocation of resources and analysis of segment performance are focused on the type of delivered products. The reporting segments of the Group were determined according to:

- the nature of the goods and services
- the nature of the production processes
- the type or category of clients for goods and services
- the methods used to distribute the goods or provide the services

The product portfolio of the businesses that continue their activity within the Group is formed of four business lines: **Installations and recycling, compounds, windows and doors and flexible packaging.**

On the construction materials market, the seasonality influences the monthly evolution of the sales. Therefore, the peak in our activity consists of approximately 6 months (May – October).

The Company's distribution policy targets specialised clients in the constructions sector through the following channels:

- Distributors and resellers (domestic and exports)
- Specialised networks (DIY stores – domestic and exports)
- Contractors and builders (infrastructure projects auctions)
- Producers (domestic and exports)

4. OPERATING INCOME AND SEGMENTS (continued)

BUSINESS LINES

Installations

The Installations business line includes the interior and exterior sewage systems, water & gas distribution systems, rain and wastewater management systems, telecommunications, electric networks, individual utilities branches.

TeraPlast is the leader of the PVC pipes market and the second player on the installations market in Romania.

From its local top-producer position the company has an advantage in contracting the infrastructure works in Romania compared to the foreign competitors.

According to the sustainable development strategy "Romania 2025", the total value of the investments needed for the rehabilitation of the public services of water and sewage infrastructure is EUR 12.5 billion, while the annual average of the necessary investments is EUR 625 million. As for the population connected to the water and sewage systems, in 2017 in Romania only 50.8% of the residents were connected to a sewage system, while 49.4% were connected to sewage systems with treatment stations.

EUR 11 billion were allotted for the Large Infrastructure Operational Program between 2014 and 2020.

So far, EUR 2.3 billion in payments and EUR 9.7 billion in signed contracts were used.

Taking this into consideration, an increase of the demand during the next 2 years, due to the execution phase of these projects

The Installations segment includes the results obtained by TeraPlast Recycling from the sale of recycled micronized PVC, which is raw material for co-extruded PVC pipes.

Compounds

With an over 34% market share, TeraPlast is the leader of the compounds market in Romania and the main supplier of PVC compounds for the cable industry in Romania. The compounds portfolio includes flexible and rigid compounds with appliance in the extrusion and injection manufacturing industry.

In S1 2021, TeraPlast Recycling sold recycled PVC compounds to third parties. The results from the sale of such product used in the production of joinery profiles are included in the Compounds segment along with the results of the compound business of TeraPlast SA.

Windows and doors

Through its business line of windows and doors, TeraGlass produces windows and doors.

Over 70% of products are exported to main markets such as Germany, Hungary and Slovakia. The products of TeraGlass are available especially in DIY stores.

Flexible packaging

Includes the results of Somplast and TeraBio Pack

In December 2020, TeraPlast purchased 70% of the shares of Somplast – manufacturer of flexible packaging from Năsăud. The production of PE pipes of Somplast was interrupted starting June 1, 2021 following the transfer of business line to Teraplast SA.

The investment worth EUR 12 million of TeraBio Pack involves the buildings and endowment of a state-of-the-art plant for the production of biodegradable sacks and bags, and biodegradable compounds. The production process is vertically integrated and the company's products will dislocate imports from the Romanian market. Production starts in Q4 2021.

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

4. OPERATING INCOME AND SEGMENTS (continued)

Continuous development

In 2020, the TeraPlast Group received the financing agreements for three projects co-funded through the State aid scheme:

- *Extension of production capacity for PVC pipes and fittings*
The project worth EUR 7.9 million seeks to enhance the production capacity by purchasing top-of-the-range equipment with high production yield. We will thus be able to better meet the growing market demand.
- *Extension of production capacity for PE systems*
The projects aims at building and endowing a new plant for polyethylene systems for water, natural gas and irrigations. The plant will be built in the TeraPlast Industrial Park in Sărățel, and the total value of the investment amounts to EUR 9.8 million. Along with the project for extension of the production capacity for PVC pipes and fittings, the total production capacity of the Installations business line will be 50% up.
- *Creation of the production unit for biodegradable packaging – TeraBio Pack SRL*
The investment in the biodegradable packaging plant is worth EUR 12 million and will have modern technology, better than most of the equipment currently owned by European manufacturers. This investment will help up bring Romanian OK Compost certified products as per SR EN 1243 on a fast growing market, where half of the local (Romanian) demand is covered by import products.

The total value of the State aid to be granted to the TeraPlast Group is EUR 14.6 million. This amount represents the contributions in taxes and duties that the 3 projects will make to the State budget over a 5 years' period since completion of investments. The implementation of the projects started in November 2020.

The sustainable development of the products of TeraPlast Group also reflects in the investments made in TeraPlast Recycling. In 2021, the company invested in doubling its processing capacity, reaching a capacity of 31,000 tons annually. Further to such investment, TeraPlast Recycling will be the largest manufacturer of recycled micronized PVC in Europe and among the 5 European recyclers of rigid PVC.

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

4. OPERATING INCOME AND SEGMENTS (continued)

January – September 2021

	Installations and recycling	Compounds, including recycled	Joinery works	Flexible packaging	Total
Turnover	300,839,421	108,051,460	31,378,936	10,774,736	451,044,553
Other operating revenues	439,072	6,628	9,105	28,850	483,655
Income from subsidiaries	1,154,041	-	604,946	-	1,758,987
Raw materials, consumables used as merchandise	(195,025,022)	(72,502,989)	(18,082,202)	(8,043,271)	(293,653,484)
Employee benefits expenses	(31,551,393)	(7,582,092)	(6,664,778)	(2,245,122)	(48,043,385)
Amortization, depreciation, impairment allowances and provisions	(11,326,173)	(2,320,244)	(1,738,930)	(359,922)	(15,745,269)
Impairment of current assets	42,081	-	217,978	(167,083)	92,976
Other expenses	(32,798,642)	(6,776,464)	(4,555,745)	(1,265,117)	(45,395,968)
Total expenses with sales, overheads and administrative costs	(270,659,149)	(89,181,789)	(30,823,677)	(12,080,516)	(402,745,130)
Operating result	31,773,385	18,876,299	1,169,310	(1,276,930)	50,542,065
EBITDA	41,945,517	21,196,543	2,303,294	(917,008)	64,528,347
EBITDA (%)	13,9%	19,6%	7,3%	-8,5%	14,3%

September 30, 2021	Installations and recycling	Compounds	Joinery works	Flexible packaging	Unallocated amounts	Total
Assets						
Total assets, of which	392,331,520	65,484,134	42,981,082	57,095,638	279,897,238	837,789,612
Non-current assets	140,894,300	24,113,470	22,647,510	35,326,141	9,701,313	232,682,734
Current assets	251,437,219	41,370,665	20,333,572	21,769,497	270,195,925	605,106,878
Liabilities						
Total liabilities, of which:	153,692,344	38,305,621	28,966,991	30,962,119	-	251,927,075
Non-current liabilities	40,034,553	8,849,577	8,566,075	14,485,746	-	71,935,951
Current liabilities	113,657,791	29,456,044	20,400,916	16,476,373	-	179,991,124

EBITDA = operating result + amortization, depreciation, impairment allowances for non-current assets and provisions – income from subsidiaries – impairment of goodwill and debt write-off, net

(*) *The values presented are net of write-offs of inter-segment transactions*

The unallocated non-current assets represent buildings leased to the buyer of the Joinery Profiles business for a period of one year and investment property.

The unallocated current assets represent the receivable of TeraPlast against the shareholders of the company further to the payment of dividends (July 2021) and award of free shares (September 2021). The receivable will be settled with the retained earnings after the GMS approves the annual financial statements (in April 2022), according to the regulations on quarterly dividends.

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

4. OPERATING INCOME AND SEGMENTS (continued)

January – September 2020

restated

	Installations and recycling	Compounds	Joinery works	Total
Turnover	231,038,811	53,023,168	25,928,162	309,990,141
Other operating revenues	364,422	-	9,001	373,423
Income from subsidiaries	729,968	208,526	604,946	1,543,440
Raw materials, consumables used as merchandise	(139,463,868)	(36,204,656)	(14,241,390)	(189,909,915)
Employee benefits expenses	(26,942,369)	(2,494,881)	(6,108,959)	(35,546,209)
Amortization, depreciation, impairment allowances and provisions	(11,721,573)	(721,740)	(1,374,353)	(13,817,665)
Impairment of current assets	(1,296,706)	25,400	108,619	(1,162,687)
Other expenses	(27,836,738)	(2,237,209)	(4,623,382)	(34,697,329)
Total expenses with sales, overheads and administrative costs	(207,261,254)	(41,633,086)	(26,239,466)	(275,133,805)
Operating result	24,871,947	11,598,608	302,644	36,773,198
EBITDA	35,863,551	12,111,822	1,072,051	49,047,424
EBITDA (%)	15,5%	22,8%	4,1%	15,8%

December 31, 2020

Assets

	Installations and recycling	Compounds	Joinery works	Unallocated amounts	Total
Total assets, of which	259,199,090	42,820,105	39,907,981	30,682,530	372,609,705
Non-current assets	127,844,037	21,038,771	25,624,927	-	174,507,735
Current assets	131,355,053	21,781,333	14,283,054	30,682,530	198,101,970

Liabilities

Total liabilities, of which:	142,532,102	32,767,971	24,036,959	32,533,129	231,870,161
Non-current liabilities	45,424,967	4,655,526	9,831,383	-	59,911,876
Current liabilities	97,107,135	28,112,445	14,205,576	32,533,129	171,958,285

Additions of fixed assets	26,123,358	2,963,233	726,817	-	29,813,408
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TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

5. RAW MATERIALS, CONSUMABLES USED AND MERCHANDISE

	Period ended September 30, 2022	Period ended September 30, 2020
Expenses with raw materials	260,193,136	144,205,946
Expenses with consumables	16,516,647	13,156,407
Expenses with merchandise	31,790,959	25,836,860
Packaging used	1,728,637	915,870
Total	310,229,379	184,115,083

6. EXPENSES WITH EMPLOYEES' BENEFITS

	Period ended September 30, 2021	Period ended September 30, 2020
Salaries	43,816,583	32,776,197
Contributions to the State social insurance fund	1,634,152	746,772
Meal tickets	2,592,650	2,023,240
Total	48,043,385	35,546,209

7. OTHER EXPENSES

	Period ended September 30, 2021	Period ended September 30, 2020
Transport	16,432,351	14,095,124
Utilities and green certificates	11,896,376	8,640,539
Third party services	8,523,905	5,499,161
Damages, fines and penalties	35,862	148,258
Protocol, advertising and publicity	981,307	1,017,473
Other general expenses	638,103	631,006
Taxes and levies	1,289,276	1,148,063
Repairs	2,336,115	1,923,460
Travel	471,125	313,146
Rentals	787,492	70,342
Postage fees and telecommunications	296,159	244,651
Insurance premiums	1,178,891	876,589
Total	44,866,962	34,607,812

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

8. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment and vehicles	Installations and furniture	Property, plant and equipment	Total
COST						
Balance at January 1, 2020	14,127,564	123,158,231	310,466,655	3,263,853	11,960,673	462,976,976
Increases	827,753	20,281,221	5,823,301	1,037,969	41,122,389	69,092,634
of which:						
Transfers to / from non-current assets in progress	-	838,559	20,821,416	414,498	(22,074,473)	-
Transfers of right-of-use assets	-	-	259,096	-	-	259,096
Disposals and other write-downs	(5,531,500)	(14,934,252)	(6,461,538)	(256,709)	(18,827,235)	(46,011,234)
Non-current assets related to Steel and Joinery Profiles businesses	(2,327,749)	(68,014,038)	(123,111,604)	(2,479,721)	(2,060,212)	(197,993,324)
Balance at December 31, 2020	7,096,069	61,329,721	207,797,326	1,979,890	10,121,142	288,324,148
Balance at January 1, 2021	7,096,069	61,329,721	207,797,326	1,979,890	10,121,142	288,324,148
Increases	375,384	978,361	2,850,066	27,556	55,099,382	59,330,749
of which:						
Additions from Somplast acquisition	2,139,000	5,573,531	13,119,436	207,720	7,154	21,046,841
Transfers to / from non-current assets in progress	978,361	1,571,036	21,281,260	164,338	(23,994,995)	-
Transfers of right-of-use assets			184,003			184,003
Transfers of Somplast line of business			1,161,530			1,161,530
Disposals and other write-downs	(1,003,509)	(184,162)	(3,416,990)	(40,380)	(1,172,232)	(5,817,274)
Balance at September 30, 2021	9,585,305	69,268,487	242,976,631	2,339,124	40,060,451	364,229,997

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

8. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Buildings	Equipment and vehicles	Installations and furniture	Property, plant and equipment	Total
ACCUMULATED DEPRECIATION						
Balance at January 1, 2020	24,652	11,957,050	167,246,327	1,629,817	1,303,978	182,161,824
Depreciation during the year - businesses that continue their activity within the Group	346	2,650,286	14,507,836	190,026	-	17,348,492
Depreciation during the year - Steel and Profiles	5,904	1,982,845	15,335,225	340,384	-	17,664,358
Disposals and reductions	(29,518)	(2,628,590)	(5,118,946)	(187,642)	-	(7,964,696)
Impairment	-	321,648	(1,922,399)	-	(48,803)	(1,649,554)
Transfers of right-of-use assets	-	-	142,502	-	-	142,502
Accumulated depreciation of non-current assets related to the Steel and Joinery Profiles businesses	-	(4,284,486)	(78,381,804)	(943,435)	-	(83,609,725)
Balance at January 1, 2020	1,382	9,998,752	111,808,743	1,029,150	1,255,176	124,093,203
Depreciation during the year - businesses that continue their activity within the Group (Note 8)	259	2,239,768	11,762,537	179,251	-	14,181,815
Disposals and reductions	-	(11,800)	(3,083,420)	(39,470)	-	(3,134,690)
Impairment	-	(189,821)	(155,930)	-	-	(345,751)
Additions from acquisition of SOPL	-	1,410,543	10,881,255	207,144	-	12,498,942
Transfers from right-of-use assets under leases	-	-	(263,058)	-	-	(152,882)
Balance at September 30, 2021	1,641	13,447,442	130,950,127	1,376,076	1,255,176	147,030,462
NET BOOK VALUE						
Net book value at January 1, 2021	7,094,687	51,330,969	95,988,583	950,740	8,865,966	164,230,946
Net book value at September 30, 2021	9,583,663	55,821,045	112,026,503	963,048	38,805,275	217,199,535

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

9. INTANGIBLE ASSETS

	Goodwill	Licence and other intangible assets	Intangible assets in progress	Total
Cost				
Balance at January 1, 2020	35,230,839	45,102,769	165,649	80,499,257
Increases	291,876	600,701	43,110	935,687
Transfers to / from non-current assets in progress	-	5,868	(5,868)	-
Disposals and write-downs	-	(84,250)	(3,320)	(87,570)
Non-current assets related to the Steel and Joinery Profiles businesses	(35,522,715)	(38,446,171)	-	(73,968,885)
Balance at December 31, 2020	-	7,178,916	199,572	7,378,488
Increases		427,259	972,522	1,399,781
Transfers to / from non-current assets in progress		33,387	(33,387)	-
Disposals and write-downs			(140,735)	(140,735)
Additions from acquisition of SOPL		155,392		155,392
Balance at September 30, 2021	-	7,794,955	997,972	8,792,927
Accumulated amortisation				
Balance at January 1, 2020	25,204,000	11,341,747	-	36,545,747
Amortisation (Note 8)	-	1,292,644	-	1,292,644
Impairment	-	(39,051)	-	(39,051)
Write-downs	-	(58,270)	-	(58,270)
Amortisation of non-current assets related to the Steel and Joinery Profiles businesses (Note 28)	(25,204,000)	(6,270,768)	-	(31,474,768)
Balance at December 31, 2020	-	6,266,302	-	6,266,302
Amortisation (Note 8)		520,412		520,412
Impairment		(29,290)		(29,290)
Write-downs				
Additions from acquisition of SOPL		155,392		155,392
Balance at September 30, 2021	-	6,912,816		6,912,817
Net book value				
Net book value at December 31, 2020	-	912,615	199,572	1,112,186
Net book value at September 30, 2021	-	882,139	997,972	1,880,111

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

10. RIGHT-OF-USE ASSETS

The Group has a right of use over the assets located in rented buildings, storages and exhibition centers. The Group finances vehicles through leases.

Cost	Buildings	Machinery and equipment from previous operating and finance leases	Equipment	Total
Balance at January 1, 2021	5,462,186	2,848,732	2,848,732	8,310,918
Inflows	6,639,893	2,719	2,719	6,642,612
Outflows	(3,777,471)	(238,228)	(238,228)	(4,015,699)
Balance at December 31, 2021	8,324,607	2,613,223	2,613,223	10,937,830
Depreciation				
Balance at January 1, 2021	2,144,918	1,008,085	1,008,085	3,153,003
Depreciation expenses	1,322,646	388,951	388,951	1,711,597
Depreciation of equipment transferred to assets held for sale and discontinued operations	(1,982,764)	(133,960)	(133,960)	(2,116,724)
Balance at September 30, 2021	1,484,801	1,263,076	1,263,076	2,747,876
Book value at January 1, 2021	3,317,268	1,840,647	1,840,647	5,157,915
Book value at September 30, 2021	6,839,807	1,350,147	1,350,147	8,189,954

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

11. SUBSIDIARIES AND FINANCIAL ASSETS

At September 30, 2021 and December 31, 2020, the parent holds investments as follows:

Subsidiary	Country	Ownership	September 30, 2021	Ownership	December 31, 2020
		%	LEI	%	LEI
TeraSteel S.A. Bistrița	Romania	Sold			Held for sale
Teraglass Bistrița SRL	Romania	100	50.000	100	50.000
TeraPlast Recycling SA	Romania	99	11.766.350	99	11.766.350
TeraPlast Ungaria	Ungaria	Sold			Held for sale
Wetterbest SA	Romania	Sold			Held for sale
TeraSteel DOO Serbia	Serbia	Sold			Held for sale
TeraBio Pack SRL	Romania	100	100,000	-	-
Somplast	Romania	70,75	4,897,400		
		-	16,813,750	-	11,816,350

In 2020, the Company sold the Steel division to Kingspan group, resulting in a decrease of investments held by RON 101,377,430 from TeraSteel România, Wetterbest, TeraSteel Serbia and TeraPlast Hungary.

At December 31, 2020, the investments in the Steel division and in TeraPlast Hungary were reclassified as held for sale.

At September 30, 2021, the transfer to the buyers was completed.

On December 29, 2020, TeraPlast executed a sell order of 70.7511% of the shares of Somplast SA on the spot market at a price of RON 4,897,400. At December 31, 2020, TeraPlast SA did not exercise control of Somplast, for which reason the investment was presented as an investment in financial assets at December 31, 2020, and Somplast SA was not included in the scope of the consolidation. The Competition Council approved the purchase of Somplast on April 14, 2021. Therefore, the Group consolidates the financial statements of Somplast as of April 1, 2021.

Other long-term equity investments

Details on the equity investments of TeraPlast SA are as follows:

Name of investment	Country	Ownership	September 30, 2021	Ownership	December 31, 2020
		%	RON	%	RON
CERTIND SA	Romania	7.50	14,400	7.5	14,400
Parteneriat pentru dezvoltarea durabila	Romania	7.14	1,000	7.14	1,000
ECOREP GROUP S.A Adjud	Romania	0.1	100	-	-
		-	15.500	-	15.400

The other Group companies do not hold other equity investments.

12. INVESTMENT PROPERTY

At December 31, 2020 and September 30, 2021, TeraPlast holds 36 thousand sqm of land in Bistrița for value appreciation, classified as investment property. The TeraPlast production unit was located on such land, before the Company moved to TeraPlast Industrial Park. The land has a fair value of RON 3,687 thousand.

The Group values its investment property at fair value, and changes in fair value are recognised in the separate statement of comprehensive income. Investment property was revalued at December 31, 2020 by an independent expert appraiser, who used the market approach.

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

13. INVENTORIES

	September 30, 2021	December 31, 2020
Finished products	45,429,340	23,248,828
Raw materials	55,160,002	29,437,932
Merchandise	9,229,771	8,423,038
Consumables	5,065,539	3,313,139
Items of inventory	301,576	316,062
Semi-finished goods	1,984,604	2,390,562
Residual products	589,789	460,074
Goods pending supply	3,480,551	728,921
Packaging	482,035	235,468
Inventories – gross value	121,723,207	68,554,024
	September 30, 2021	December 31, 2020
Impairment of raw materials and consumables	(2,151,733)	(1,460,849)
Impairment of finished products	(2,451,522)	(849,869)
Impairment of merchandise	(1,776,005)	(1,194,118)
Total impairment	(6,379,260)	(3,504,836)
Total inventories – net value	115,343,947	65,049,188

Impairments are applied for all categories of inventories (see above), using both general, and specific methods according to their maturity and the analyses of likelihood of use in the future. Inventories one or more years old, which did not register any changes over the past year, and those found non-compliant are 100% adjusted.

The Group's inventories are pledged in favour of financing banks.

14. TRADE AND OTHER RECEIVABLES

Short-term receivables

	September 30, 2021	December 31, 2020
Trade receivables	129,786,248	66,079,006
Commercial papers not payable	48,829,584	28,865,223
Advances paid to suppliers of non-current assets	28,522,568	3,959,699
Advances paid to suppliers of inventories and services	7,963,615	475,504
Advances paid to employees	(4,253)	128
Other receivables	276,006,643	34,686,689
Impairment allowance	(18,365,225)	(18,206,973)
of which, for SOPL clients	(1,021,790)	
Balance at the end of the year	472,739,180	115,859,276

Changes in impairment allowances for doubtful customers

	September 30, 2021	December 31, 2020
Balance at the beginning of the year	(18,206,974)	(26,038,861)
Receivables written-off during the period	226,447	936,608
Impairment allowance registered to profit or loss for trade receivables	637,092	(2,301,664)
Impairment of assets held for sale and discontinued operations		9,196,944
Balance at the end of the period	(17,343,435)	(18,206,974)

In determining the recoverability of a debt, the Group takes into account any change in the lending quality of the debt from the date of granting the credit, until the reporting date. The concentration of credit risk is limited considering that the customer base is large and customers are not related to each other.

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

The Group registered an impairment allowance for the total amount of trade receivables overdue for more than 90 days.

The measurement of expected credit losses is a function of the default probability, of loss given default (i.e. the size of the default loss) and of the default risk exposure. The probability of default is based on the risk rating of each client obtained from independent parties, adjusted, if applicable, with prospective information, as described above.

As regards the exposure to default risk, for financial assets, it is represented by the gross book value of assets at the reporting date.

The Group's receivables are fully pledged in favor of financing banks.

15. NON-CONTROLLING INTERESTS

	September 30, 2021	December 31, 2020
Balance at the beginning of the year	655,430	2,253,380
Profit or loss for the year	(299,343)	201,391
Reserves representing revaluation surplus		(820,641)
Acquisition of SOPL	2,724,154	
Other elements	-	(978,900)
Balance at the end of the year	3,080,241	655,430

16. BORROWINGS

	Short-term		Long-term	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Teraplast SA	25,527,990	89,608,176	20,805,282	23,631,466
Somplast SA	43,882			
Teraglass Bistrita SRL	10,808,207	10,800,754	2,978,797	3,603,476
Tera Bio Pack SRL	7,692,106		14,485,746	
Total	44,072,185	100,408,930	38,269,825	27,234,942

The break-down of borrowings and finance leases by currency is the following:

Currency	September 30, 2021	December 31, 2020
EUR	25,890,936	7,747,063
RON	64,595,363	123,988,132
Total	90,486,299	131,735,195

At September 30, 2021 and December 31, 2020 the finance lease liabilities were as follows:

	Short-term		Long-term	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Teraplast SA	2,172,777	1,095,826	5,844,042	2,712,004
Teraglass Bistrita SRL	39,790	165,765	87,680	117,728
Total	2,212,567	1,261,591	5,931,722	2,829,732

The Group's inventories are pledged to financing banks.

The Group's receivables are fully pledged to financing banks.

The Group's cash and cash equivalents are fully pledged to financing banks.

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

17. TRADE AND OTHER PAYABLES

	September 30, 2021	December 31, 2020
Trade payables	95,561,795	48,506,108
Commercial papers payable	4,698,938	535,957
Liabilities with purchase of non-current assets	17,734,863	11,534,913
Other current payables	17,030,990	13,572,034
Advances on account of orders	1,521,397	1,564,957
Total	136,547,983	75,713,969

The contractual liabilities reflect the Company's obligation of transferring goods or services to a client from which it received the counter value of the good/service or from which the amount receivable is outstanding.

The liabilities with the purchase of non-current assets include Other non-current payables of RON 9,376,689 representing the debt to E-ON for the photovoltaic panels.

OTHER CURRENT PAYABLES

	September 30, 2021	December 31, 2020
Payroll liabilities and social security liabilities	9,494,065	6,566,338
VAT payable	6,060,074	1,398,995
Employees' rights not claimed	88,293	72,778
Sundry creditors	86,351	1,297,178
Trade guarantees received	219,980	978,978
Other taxes payable	470,003	2,125,656
Dividends payable	612,224	1,132,111
Total	17,030,990	13,572,034

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

18. FINANCIAL INSTRUMENTS

The risk management activity within the Group is carried out in the area of financial risks (credit risk, market risk, geographic risk, currency risk, interest rate risk and liquidity risk), operational risks and legal risks. The primary objectives of the financial risk management activity are to set the risk limits, and then to ensure that the risk exposure remains within these limits. Operational and legal risk management activities are intended to guarantee the proper functioning of internal policies and procedures to mitigate operational and legal risks.

(a) Capital risk management

The Group manages its capital to ensure that the Group entities will be able to continue their activity while maximizing shareholders' income, by optimizing the balance of liabilities and equity.

The structure of the Group's capital consists of liabilities, which include the loans presented in note 20, the cash and cash equivalents and the equity attributable to the equity holders of the parent. Equity includes the share capital, reserves and retained earnings.

The Group's risk management also includes a regular analysis of the capital structure. As part of this analysis, management considers the cost of capital and the risks associated with each class of capital. Based on the management's recommendations, the Group can balance its general capital structure by paying dividends, issuing new shares and buy-back of shares, as well as by contracting new debts or by settling existing debts.

Like other industry representatives, the Group monitors capital based on its gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt represents total loans (including long-term and short-term loans, as presented in the balance sheet), less cash and cash equivalents. Total capital represents "equity" as presented in the consolidated balance sheet plus net debt.

The Group's gearing ratio at September 30, 2021 and December 31, 2020 was as follows:

	September 30, 2021	December 31, 2020
Bank loans and finance lease liabilities (notes 22 and 23)	90,486,299	131,735,195
Less cash and cash equivalents	(15,821,761)	(16,620,936)
	74,664,538	
Net debt		115,114,259
Total equity	585,862,537	334,198,504
Total equity and net debt	660,527,075	449,312,763
Gearing ratio	11%	26%

(b) Main accounting policies

Details on the main accounting policies and the methods used, including recognition criteria, basis of measurement and basis for recognition of income and expenses for each class of financial assets, financial liabilities and equity instruments are presented in note 2 to the financial statements.

(c) Objectives of financial risk management

The treasury function of the Group provides services necessary to the activity, coordinates the access to the national financial market, monitors and manages the financial risks related to the operations of the Group through internal risk reports, which analyse the exposure by the degree and extent of the risks.

These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and interest rate risk on cash flows.

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

18. FINANCIAL INSTRUMENTS (continued)

(d) Market risk

The Group's activities primarily expose it to financial risks regarding fluctuations in the exchange rate and interest rate.

The Group's management continuously monitors its exposure to risks. However, the use of this approach does not protect the Group from incurring any losses outside the foreseeable limits, in case of significant fluctuations in the market. There was no change compared to the previous year in the Group's exposure to market risks or in the way the Group manages and assesses its risks.

(e) Management of currency risk

The Group carries out transactions in various currencies. Hence, the Group is exposed to fluctuations in the exchange rate. Exposures to exchange rate are managed in accordance with the approved policies.

(f) Management of interest rate risk

The Group's interest-bearing assets, revenues, and cash flows from operating activities are exposed to fluctuations in market interest rates. The Group's interest rate risk arises from its bank loans. Variable interest rate loans expose the Group to the risk of interest rate cash flows. The Group did not resort to any hedging operation in order to reduce its exposure to interest rate risk.

The Group continuously monitors its exposure to interest rate risk. This includes simulating various scenarios, including refinancing, updating existing positions, financing alternatives. Based on these scenarios, the Group estimates the potential impact on the income statement of certain fluctuations defined in the interest rate. In each simulation, the same interest rate fluctuation is used for all currencies. These scenarios are only prepared for the debts that represent the main interest bearing positions.

The Group is exposed to the interest rate risk, considering that the entities within the Group lend funds at both fixed and variable interest rates. The Group manages risk by maintaining a favourable balance between fixed rate and variable rate loans.

(g) Other price risks

The Group is not exposed to the risks regarding equity price, arising from equity investments. Financial investments are held for strategic, rather than commercial purposes and are not significant. The Group does not actively market these investments.

(h) Management of credit risk

Credit risk refers to the risk that a third party will not comply with its contractual obligations, thus causing financial losses to the Group. The Group has adopted a policy of only dealing with trusted parties and obtaining sufficient guarantees, when appropriate, as a means of reducing the risk of financial losses from default. The Group's exposure and credit ratings of contracting third parties are monitored by the management.

Trade receivables consist of a large number of clients, from various industries and geographical areas. The permanent evaluation of credits is carried out as far as the financial condition of the clients is concerned and, when applicable, credit insurance is made.

Cash is held in financial institutions which, at the time of deposit, are considered to have the lowest risk of default. The Group has policies that limit the exposure value for any financial institution.

The book value of receivables, net of the provision for receivables, plus cash and cash equivalents, represents the maximum amount exposed to credit risk. Although the collection of receivables could be influenced by economic factors, the management considers that there is no significant risk of loss for the Group, beyond the provisions already booked.

The Group considers the exposure to credit risk to counterparties or group of counterparties with similar characteristics, by analysing the receivables individually and carrying out impairment allowances together with the customer credit management department.

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

18. FINANCIAL INSTRUMENTS (continued)

(i) Management of liquidity risk

The final responsibility for managing liquidity risk lies with the board of administration, which has built an appropriate framework for managing liquidity risks with respect to providing short-, medium- and long-term Group funds and liquidity management requirements. The Group manages liquidity risks by maintaining adequate reserves, banking facilities and reserve loan facilities, by continuously monitoring real cash flows and by matching the maturity profiles of financial assets and liabilities.

19. RELATED PARTY TRANSACTIONS

The Company's related parties and affiliates are as follows:

September 30, 2021 and December 31, 2020

Susidiaries

Teraglass Bistrita SRL
Terasteel SA
Politub SA
Teraplast Recycling SA
Teraplast Hungaria Kft
Wetterbest SA
Terasteel Doo Serbia
Cortina WTB SRL
Terasteel Slovakia Sro

Related parties (common shareholding/decision-makers)

ACI Cluj SA Romania
Ditovis Impex SRL Romania
Eurohold AD Bulgaria
Hermes SA Romania
INFO SPORT SRL
ISCHIA ACTIVHOLDING SRL
ISCHIA INVEST SRL
LA CASA RISTORANTE PIZZERIA PANE DOLCE SRL
NEW CROCO PIZZERIE SRL
Parc SA
Primcom SA
Sens Unic Immobiliare SRL
Alpha Quest Tech SRL
Banca Romaneasca SA
Bittnet Systems SA

The transactions between the parent and its subsidiaries, Group affiliates were eliminated from the consolidation.

TERAPLAST SA
NOTES TO THE SIMPLIFIED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended September 30, 2021
(all amounts are expressed in RON, unless otherwise specified)

20. CASH AND CASH EQUIVALENTS

For the statement of cash flows, cash and cash equivalents include petty cash and bank accounts. Cash and cash equivalents at the end of the financial year, as presented in the statement of cash flows, may be reconciled with the related items in the balance sheet, as follows:

	September 30, 2021	December 31, 2020
	RON	RON
Cash at banks	15,448,727	16,446,405
Commercial papers receivable	215,243	
Petty cash	72,852	111,019
Cash at banks, restricted	84,939	63,512
Total	15,821,761	16,620,936

The Group's cash is fully pledged in favour of financing banks.

These simplified consolidated financial statements were approved on October 22, 2021.

Alexandru Stanean
CEO

Ioana Birta
CFO

Declaration of the Management

We confirm to the best of our knowledge that the unaudited financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group as required by the applicable accounting standards and that the consolidated financial statements of TeraPlast Group give a true and fair view of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that the Group faces.

October 22, 2021
The Board of Directors

Alexandru Stanean
CEO

Ioana Birta
CFO

TERAPLAST SA**Annex 13A***(all amounts are expressed in RON, unless otherwise specified)***SI 2021 report of TERAPLAST SA****as per FSA Regulation no. 5/2018 Annex no. 13A****Date of report:** 24 October 2021**Name of company:** TERAPLAST SA**Registered office:** Sieu-Magherus, Saratel village, National Road 15A, KM 45+500, Bistrita-Nasaud**Telephone/Fax:** 0263 238202; Fax: 0263 231221**Tax reference code:** 3094980**Registration number at the Trade Register:** J06/735/1992**Regulated market where the issued securities are traded:** Bucharest Stock Exchange**Share capital subscribed and paid-up:** 217,900,036.00 lei**Main attributes of the securities issued by the company:**

- 2,179,000,360 nominal shares with a face value of RON 0.1/share.

B. Economic ratios

	30.09.2020	30.09.2021
a) Current (general) liquidity = <i>Current assets / Current liabilities (recommended value is approximately 2)</i>	1.46	3.36

Current – general liquidity registered at 31.03.2021 is 4.10 and represents the coverage of current liabilities with the current assets held by the company.

	30.09.2020	30.09.2021
a) Gearing ratio = <i>Capital borrowed / Capital employed</i>	0.21	0.11

Capital borrowed – more than 1 year old loans,
Capital employed = Capital borrowed + Equity

	30.09.2020	30.09.2021
d) Turnover of receivables - clients = <i>average balance of receivables / turnover x 270 days</i>	104.67	76.39
a) Turnover of non-current assets = <i>turnover / non-current assets</i>	1.87	1.94

Alexandru Stanean**CEO****Ioana Birta****CFO**