

COMMUNIQUE

**TeraPlast Group acquires the polyethylene films production line
from Brikston Construction Solutions SA**

- **The agreement also includes the takeover of the recycling equipment**
- **The assets are to be relocated to Năsăud factory for streamlining.**
- **The transfer will take place on September 20, 2021**

Bistrița, September 10, 2021

TeraPlast Group concluded an agreement with Brikston Construction Solutions to take over the polyethylene films production from the manufacturer in Sighisoara.

"From the beginning of the year we have promised that the Group's development shall also be made by acquiring businesses in our interest area. The acquisition of Brikston's assets is another step in this direction after the acquisition of Somplast. These assets add 1.200 tons per year to the current production capacity for industrial polyethylene packaging and 300 tons per year for films recycling. Following the closing, the assets will be relocated to Nasaud to benefit from the synergies thus created. It is a necessary step to reach our objective of becoming leaders on the flexible packaging market in Romania. We already are present on this market and this acquisition strengthens our position and capacity of offering Romanian products on an imports dominated market" stated Mr. Alexandru Stânean, TeraPlast CEO.

The assets acquired by TeraPlast, located at present in Sighisoara, will be transferred on the Somplast plant in Nasaud, the later being in a reshaping process after its acquisition by TeraPlast Group. The flexible packaging production of Somplast will continue its activity in the current location, and to it the one taken over from Brikston will be added. At the same time, the rigid PVC recycling factory of the Group will be relocated on the Nasaud plant. The processing capacity of the rigid PVC factory is tripling as part of this year's expansion investments.

Somplast's location offers plenty of space for development with 20.000 square meters of halls that need to be adapted. The renovation implies both demolition and remodelling works for the auxiliary spaces.

The acquisition of Brikston's assets is part of TeraPlast's expansion strategy on the flexible packaging market, addressing the industrial segment.

There are no biodegradable polymer solutions on this market yet. The Group has under implementation the TeraBio Pack project, an EUR 12 million investment, co-financed through the state aid scheme, to build a biodegradable films production unit to serve the EUR 300 million worth flexible packaging market on which TeraPlast aims to become leader. In the industrial park in Saratel, TeraBio Pack will manufacture biodegradable bags, according to law 181/2020 regarding the management of the compostable non-hazardous waste, which provides compliance criteria for the biodegradable waste (90% biodegradable material and OK compost certification).

Recent events

- TeraPlast received in April 2021 the Competition Council's approval for the take over of Somplast, a necessary step in the integration process.
- TeraPlast Group is implementing investment projects worth EUR 32 million in 2021.
- During the first half of 2021, TeraPlast Group registered a turnover of RON 272,9 million, 40% over the one in the first half of 2020. The Group EBITDA rose by 47% compared to the same period of 2020, up to RON 42,7 million, while the net profit registered by the businesses in the current structure of the Group increased by 71%, up to RON 28,6 million.
- In July, TeraPlast distributed dividends worth RON 226,2 million in total, which represent a gross dividend of RON 0,13/share. In addition, the company's shareholders will receive this fall 1 free share per each 4 shares owned, within the share capital increase.

About TeraPlast Group

The Group is comprised of the companies TeraPlast, TeraGlass, TeraPlast Recycling, TeraBio Pack 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. The company's shares are included in the BSE reference index, BET, and starting September 2021, in FTSE Russell's Small Cap and Global All Cap 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.

For additional information you can contact us by

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