

## COMMUNIQUE

### **TeraPlast Group submitted a new state-aid project worth EUR 10,8 million to produce stretch films**

- **The project will materialize in a factory with an annual production capacity of over 14 thousand tons of stretch film**
- **The Group submitted the project within the state aid scheme to stimulate the investments with a major impact on the economy**
- **At maturity, the investment will generate a turnover of EUR 28 million and an EBITDA of EUR 4 million**

**Bistrița, November 23, 2021**

TeraPlast Group announces the submission of a project for co-financing through state aid for a new investment for a new investment worth **EUR 10,8 million** in total, aimed at the production of stretch films. The project has been submitted **within the state aid to stimulate the investments with a major impact on the economy.**

The state aid may cover 49% of the total volume of the investment, and the beneficiary undertakes to contribute to the public budget with an amount at least equal to the state aid received within five years from the commissioning of the project.

The EUR 10,8 million investment of TeraPlast Group will materialize in a factory with two industrial polyethylene films production lines used mainly to pack the palletized goods. The equipment considered in this project have a high degree of robotics and automation, the maximum existing in the industry at this time.

The new lines will be installed within the Industrial Park in Saratel, and the production capacity will reach over **14.000 tons annually**. At maturity, the investment will generate a **turnover of EUR 28 million** and an **EBITDA of EUR 4 million**.

*„The new investment will bring technological innovation that will contribute to the long-term competitiveness of the Group and to the development on new markets”, said Mrs. Ioana Birta, CFO of TeraPlast Group. „We have a good history of implemented investments that were co-financed by state aid. The projects have been completed, are viable, generate activity, jobs, and revenue to the budget. All the principles that represent the reason to their existence are checked. It is a support scheme not only useful, but necessary for the*



*Romanian companies that wish to expand, to diversify their activity. The state's support is essential to increase internal competitiveness, the relevance in the region and to reduce the trade deficit" she added.*

The project is part of the Group's integrated strategy of accelerated growth on the flexible packaging market, resulted in both M&A operations and the development of new production capacities. The Group will diversify its polyethylene films portfolio that will be present in the market under the TeraPack brand, with a central place occupied by TeraBio biodegradable products. According to specialized studies, the Romanian market of flexible packaging is estimated at approximately EUR 300 million in 2019, of which almost half are imports. TeraPlast Group aims to become the market leader in the next two years.

#### Recent events

- This year, the Group is completing investments worth EUR 32 million in expanding the existing production capacities and creating new business lines.
- TeraPlast signed an agreement with Brikston Construction Solutions to take over the production of polyethylene films in Sighisoara. The acquisition adds to the Group a production capacity of 1.200 tons of films per year and another 300 tons per year for film recycling.
- In the first nine months of 2021, the TeraPlast Group reported a 43% increase in turnover, up to EUR 91,8 million, and a 30% increase in EBITDA, up to EUR 13,1 million, compared to the same period of last year. During the same period, the Group's net profit increased by 39%, to EUR 8,8 million.

#### 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 reach us by

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