

PRESS RELEASE

TeraPlast Group received the state aid financing agreement to develop a new factory for stretch film

- **The investment amounts to over EUR 11 million**
- **The construction of the new factory will begin this year**
- **At maturity, the investment will generate a turnover of EUR 28 million per year and an EBITDA of EUR 4 million**

Bistrița, May 18, 2022

TeraPlast Group received the financing agreement through the state aid scheme for an investment of **EUR 11.2 million** in a stretch film production unit. The construction of the new factory will start this year in the industrial park from Sărățel. The facility will have two production lines for polyethylene films for industrial use, which represents a capacity of over **14,000 tons per year**. The state-of-the-art equipment has a high degree of robotization and automation of the production flow. At maturity, the investment will generate a **turnover of EUR 28 million** and an **EBITDA of EUR 4 million**, corresponding to a margin of **14%**, similar to that of other segments within the Group.

The incentive mechanism for investments with great impact on the economy implies a support of 50% of the total eligible expenditure of the project from the state. Through this facility, the beneficiary undertakes to contribute to the consolidated general budget at least equal to the amount of State aid received within five years of the completion of the investment.

For optimal implementation of the investment, TeraPlast Group will access financing from Raiffeisen Bank. It is a model used successfully in the past, which allows a balanced allocation of resources and an adequate level of indebtedness.

In the last three years, TeraPlast Group has made investments of EUR 44.4 million co-financed by the state aid scheme.

"We are pleased to have this consistent support from the Ministry of Finance in a program that has proven effective in the past and that brings real benefits to regional development and the economy as a whole", said Mr. Laszlo Vajda, TeraPlast Group Chief Development Officer. "This project, part of the Group's development strategy on a market segment with a major potential, involves the creation of an important stretch film production center in Romania, with long-term benefits", he added.

The stretch film market in Romania is estimated at about 30 thousand tons per year, and the production capacity that will be developed by TeraPlast will radically change the domestic supply, by reducing the need for imports. The group aims to reach a market share of approximately 45% of the stretch film market by the end of 2025, through the development of its own capacities and through M&A operations.

Relevant events

- The group commissioned the biodegradable packaging plant following an investment of EUR 12 million, a central part of the TeraBio Pack business line.
- In the first 3 months of 2022, TeraPlast Group reported a 58% increase in turnover to, up to RON 170.5 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 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 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 obtained the maximum score, 10, for the third time in a row.