

CURRENT REPORT

In accordance with Law No. 24/2017 republished and Regulation No. 5/2018 of the Financial Supervisory Authority (ASF)

Date of the report: **01.02.2024**

Name of the issuing company: **TERAPLAST S.A.**

Registered office: **Sărățel village, Șieu-Măgheruș commune, 1 Teraplast Way, Bistrița-Năsăud county**

Phone/Fax: **0263/238.202; 0263/231.221**

Trade Register Office Number: **J06/735/1992**

Tax identification number: **3094980**

Subscribed and paid-up share capital: **RON 217.900.035,80**

Regulated market for shares admitted to trading: **Bucharest Stock Exchange, standard category**

Stock symbol: **TRP**

Significant events to report: Concluding agreement for a significant contract, the value of which exceeds 10% of TeraPlast's total assets, respectively the signing of an agreement for the acquisition of companies by TeraPlast.

TeraPlast acquires the Wolfgang Freiler Group from the Uhl family from Austria.

On the 1st of February, 2024, the Board of Directors of TeraPlast SA ("TeraPlast") announces the signing of an agreement with the Uhl family ("Seller") from Austria to acquire the Wolfgang Freiler Group.

The agreement implies the takeover by TeraPlast of the direct and indirect stakes in the entities comprising the Wolfgang Freiler Group. Consequently, TeraPlast is set to acquire two manufacturing units for pipes and injected polyethylene components located in Hungary, operated by Polytech Industrie Kft. and Pro-Moulding Kft., respectively. Additionally, TeraPlast will take over the distribution activity managed by the Austrian company Wolfgang Freiler GmbH & Co KG, as well as the companies managing a Hungarian industrial park and associated administrative activities, namely Sörgyári Ipari Park Kft., Itraco GmbH and WF Kunststoff Handels GmbH.

The signed agreement is subject to customary precedent conditions, as stipulated in the document signed by both parties. **The transaction will be subject to the final approval of the Extraordinary General Meeting of Shareholders (“EGMS”) of TeraPlast. In this regard, the Board of Directors of TeraPlast recommends a positive vote, considering the transaction beneficial to TeraPlast’s business, to the company’s foreign markets development plans as well as to the shareholders.**

The transaction price has been set at EUR 16,530,000, to which an earn-out mechanism based on the consolidated EBITDA performance of the Wolfgang Freiler Group in 2024 is added. This value of EUR 16,530,000 will be covered by TeraPlast through mixed sources (internal and bank financing). In the context of the shareholder’s approval within the EGMS, the closing of the transaction is expected within a few months.

The accompanying press release on this matter is available for reference alongside this current report.

ALEXANDRU STÂNEAN
CEO TeraPlast S.A.

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PRESS RELEASE

TeraPlast Group acquires Wolfgang Freiler Group from the Uhl family

- The transaction value has been set at EUR 16.53 million, with an additional earn-out mechanism based on the performance of the Group in 2024.
- The transaction involves the takeover of the two factories owned by the Wolfgang Freiler Group in Hungary: Polytech and Pro-Moulding.
- Wolfgang Freiler Group's turnover in 2022 reached EUR 31 million, with an EBITDA margin of 12%.
- The acquired companies hold strong market positions in Hungary, Czech Republic, Austria, Germany, and France.
- The closing is expected within a few months, upon the fulfillment of all customary precedent conditions, including the approval of the shareholders of TeraPlast.

Vienna, February 1, 2023

TeraPlast Group kicks off 2024 on a strong note announcing a major acquisition. Following successful negotiations, the agreement for the acquisition of the Wolfgang Freiler Group from the Uhl family in Austria has been signed. The entity holds modern production facilities in Hungary and a dynamic distribution division across multiple Central and Western European markets.

The transaction value has been set at EUR 16.53 million, covered from mixed sources (internal and bank financing), with an additional earn-out mechanism based on the EBITDA performance of the **Freiler Group** in 2024.

The acquisition extends and complements **TeraPlast Group's** product portfolio, facilitating the access to new, high potential markets in Central and Western Europe. Therefore, the business structure subject to the transaction represents a significant step in the expansion of the Group's exports to Western Europe.

„We now formalize the outcome of a meticulous analysis, and precise opportunity calculations. The entire business environment should pursue long-term expansion and development plans, carrying Romanian products and capital throughout Europe, rather than slowing down due to fear of conflicts or being discouraged by those who have less faith in their prospects. In recent years, we have made substantial investments and achieved a successful exit, navigating through armed conflicts and a pandemic. With this acquisition, ambitious plans regarding Western markets emerge.” stated Mr Dorel Goia, Chairman of the TeraPlast Board of Directors.

"We are delighted to have found in TeraPlast the ideal strategic partner to continue the company's 20 year track record of success and growth. The location of our manufacturing facilities and our close long-standing customer relationships are ideal for TeraPlast growth strategy. It was particularly important to me that TeraPlast is committed to retaining the existing team to ensure a smooth continuation of operations and successful collaborations with our customers." stated Mr Jürgen Uhl.

Wolfgang Freiler Group was acquired from the Uhl family, engaged in diverse sectors, including construction, real estate, and hospitality. **Polytech and Pro-Moulding**, the two subsidiaries of the **Wolfgang Freiler Group**, carry out production activities in Hungary, while **Freiler** oversees the distribution activity. Polytech manufactures pipes for the protection of electrical cables and optical fibers, maintaining a high standard of quality. Pro-Moulding specializes in plastic injection. Another entity of the Group owns an extensive industrial base spanning 5 hectares of land and warehouses in South-West Hungary. The products are marketed in Hungary, the Czech Republic, Austria, Germany, and France, where the companies hold strong market positions. Following the transaction, the 144 employees of the Freiler Group will join TeraPlast Group.

*"Our track record proves our proficiency in growing successful polymer processing businesses and we intend to replicate it. We start with a robust industrial base and a favourable geographical position that enables us to better access five additional Western European countries. Furthermore, we acquire businesses with considerable potential in a market where the competition is less intense than in Romania. We will continue the development of the **Wolfgang Freiler Group** through a EUR 2 million investment in expanding the product portfolio for infrastructure and enhance our competitiveness in the region."* added Mr Alexandru Stănean, CEO of TeraPlast.

In 2022, Freiler's turnover reached EUR 31 million, while EBITDA stood at almost EUR 4 million, with a 12% EBITDA margin.

About TeraPlast Group

TeraPlast Group is the largest polymer processor in South-Eastern Europe. The group is comprised of the following companies: TeraPlast, TeraGlass, TeraPlast Recycling, TeraBio Pack, Palplast Moldova and Somplast. Since July 2, 2008, TeraPlast SA is listed on the Bucharest Stock Exchange under the symbol TRP. The company's shares are included in the BET reference index of the Bucharest Stock Exchange, in the Small Cap and Global All Cap indices of FTSE Russell, in MSCI Frontier IMI (Investable Market Index), and ROTX EUR index of the Vienna Stock Exchange.

In the VEKTOR assessment based on 12 criteria on corporate governance and communication with investors, carried out by ARIR, TeraPlast achieved the maximum score, 10, for the fifth year in a row.

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