

PRESS RELEASE

TeraPlast closes the Freiler Group transaction

- TeraPlast shareholders approved the acquisition of the Austrian group Wolfgang Freiler at the Extraordinary General Meeting on March 11.
- EUR 16.53 million were paid for the transaction, to which an additional "earn-out" mechanism is added, based on the results of 2024.
- The Wolfgang Freiler Group will be consolidated within TeraPlast Group's results starting the second quarter.
- The Wolfgang Freiler Group had a turnover of EUR 31 million in 2022, and an EBITDA margin of 12%.
- The acquired companies hold strong positions in the markets of Hungary, the Czech Republic, Austria, Germany, and France.

Vienna, March 28, 2024

TeraPlast Group has completed the acquisition of the Wolfgang Freiler Group, taking ownership of 100% of the share capital of WF Kunststoff Handels GmbH, Wolfgang Freiler GmbH & Co KG, Itraco GmbH, Polytech Industrie Kft, Sorgyari Ipari Park Kft, and Pro-Moulding Kft, effective today. TeraPlast Group paid EUR 16.53 million to the Uhl family for these shares.

"Although according to the SPA signed in early February, we had until the end of April to close the transaction, we preferred to implement it sooner to consolidate the Freiler Group's results for the entire second quarter of this year." said Alexandru Stănean, CEO of TeraPlast Group.

To finance the transaction, TeraPlast Group contracted an investment loan from Banca Transilvania, amounting to EUR 13 million.

TeraPlast shareholders approved the acquisition of the Austrian Wolfgang Freiler Group at the Extraordinary General Meeting on March 11, 2024, marking a crucial step in integrating and consolidating the businesses at Group level. The transfer of ownership took place on March 28, 2024.

The transaction also includes an earn-out mechanism based on the EBITDA achieved by the Freiler Group in 2024. Any payments for the agreed earn-out will be made in 2025, after the completion of the financial statements for 2024 for the companies within the Freiler Group.

The Freiler Group will be consolidated within the TeraPlast Group, and the effects will be visible from the second quarter in the consolidated financial results at Group level.

The Wolfgang Freiler Group brings valuable assets to TeraPlast, with significant development potential, representing attractive opportunities for expanding the geographical footprint in central and western Europe in terms of product portfolio mix and expertise exchange. In 2022, Freiler recorded a turnover of EUR 31 million and an EBITDA of nearly EUR 4 million.

M&A operations are an integral part of TeraPlast's strategy to deliver long-term growth prospects to investors and provide shareholders with added value by expanding into new valuable markets, thus increasing the Group's resilience and capacity to seize new opportunities. The integration of the Freiler Group offers a wide range of synergies, including cost optimization and improved logistics chains, which will subsequently be reflected in financial results as well.

"Beyond the core business, which was evidently the primary selection criterion, we discovered that what unites us are common values, a similar organizational culture, integrity, caring for the community, and a vision oriented towards development. It was a laborious transaction, spanning over more than two years, but in the end, it brings us exactly what we desired: those necessary ingredients to deliver added value to our shareholders," stated Mr. Alexandru Stănean, CEO of TeraPlast.

The acquired assets are encompassed within six economic entities, but they are structured into three essential segments: a trading company located in Austria, and two production units located in western Hungary. The factories in Hungary, Pro-Moulding and Polytech, have a combined production of over 18,800 tons/year, and the portfolio structure offers the possibility of many synergies with the facilities within TeraPlast. Polytech uses over 80% recycled material in the production process of pipes, a structure and model that perfectly align with TeraPlast's vision of sustainable development, being an integral part of the major effort to contribute to the transition to a circular economy.

The Freiler Group has 144 employees who will join the TeraPlast team, so the total TeraPlast Group team will consist of over 1,100 employees. Laszlo Vajda, Development Director of TeraPlast Group, is the one who takes over the supervision and development of the Wolfgang Freiler Group.

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, and in MSCI Frontier IMI (Investable Market Index).

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.

Contact details

Alexandra Sica

Phone: +4 0741 270 439

Email: investor.relations@teraplast.ro

