

PRESS RELEASE

## TeraPlast acquires 70% of the shares of the flexible packaging manufacturer Somplast Năsăud

**Bistrița, December 29, 2020**

TeraPlast SA, the parent-company of the TeraPlast Group, acquired the majority stake in the company Somplast SA from Năsăud. This acquisition is part of the Group's development strategy alongside the investments of over EUR 32 million that are being implemented.

*"Ever since we sold the Steel Division, we announced that in order to increase the company's value our goal is to grow both organically and through mergers and acquisitions. We decided the purchase of Somplast because it is already present on the foil market which we will enter in 2021 with the investment made by TeraPlast Folii Biodegradabile SRL. The integration of Somplast after the receipt of the Competition Council's approvals will create a series of synergies regarding the raw materials supply and the use of the production capacities more efficiently. Last but not least, Somplast is a symbol of the industry in Bistrița-Năsăud county. It would have been a pity for this industrial base to degrade and disappear. After announcing two transactions to sell some of the Group's businesses we are pleased to announce a first acquisition."* stated Mr. Alexandru Stănean, CEO of TeraPlast.

This acquisition is financed from the sale of the terrain where TeraPlast's warehouse in Brașov operated. This was sold recently for EUR 1,3 million and the warehouse's activity will be relocated starting January 2021 in a space within the Electroprecizia industrial park in Săcele.

Beyond the value of the business, Somplast owns in Năsăud 20.000 square meters of halls out of which only 25% are currently used. In addition to the products it manufactures, the company is also an authorized recycler of polyethylene products.

TeraPlast is to take control over Somplast following the receipt of the Competition Council's approval. The company is also analyzing the prospects of other transactions in Romania and abroad.

TeraPlast Group received the financing agreements for state aid co-financing for projects worth EUR 31 million. For these, TeraPlast will receive a total of EUR 14,7 million of state aid. The projects imply the expansion of the production capacity of the Installation business line and the manufacture of biodegradable packaging. Following the projects above, over 200 new jobs will be created.

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## About TeraPlast Group

*With a tradition of 125 years, the TeraPlast Group is presently the largest Romanian construction materials manufacturer. The Group is comprised of the following companies: TeraPlast, TeraSteel Romania & Serbia, Wetterbest, TeraGlass, TeraPlast Recycling and TeraPlast Hungary.*

*Starting July 2<sup>nd</sup>, 2008, the largest company of the Group – TeraPlast SA – is listed on the Bucharest Stock Exchange under the TRP symbol. TeraPlast's shares are included in the BSE reference index, BET, and since the third quarter of 2020 in FTSE Russell's Total Cap and MicroCap indices.*

*Within the Vektor evaluation based on 15 criteria for investor relations communication, conducted by ARIR, TeraPlast received the highest mark: 10.*

## For additional information you can reach us by

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