

PRESS RELEASE

TeraPlast Group acquires the pipe manufacturer Palplast based in the Republic of Moldova

- The transaction price is 1.8 million euros, of which 1 million euros will be injected by TeraPlast into the equity of Palplast Moldova and 800 thousand euros paid to the existing shareholder.
- The acquisition of Palplast strengthens TeraPlast Group's presence on the Moldavian market and will also serve as a gateway to Ukraine.
- Palplast's turnover in 2022 reached 2 million euros.

Bistrița, December 19, 2023

TeraPlast Group announces the acquisition of the majority stake in the company **Palplast from Calarasi, Republic of Moldova**. The company owns two production lines for high-density polyethylene pipes for water and gas supply networks.

The parties have agreed upon a transaction value of 1.8 million euros, consisting of 1 million euros injected by TeraPlast SA into the equity of Palplast Moldova and 800 thousand euros to be paid to the existing shareholder.

Thus, the shareholding structure will be comprised of TeraPlast, holding a 51% stake, and Fribourg Capital, the current shareholder, holding 49%.

The amount of 1 million euros will be used by Palplast Moldova to diversify its production capacity and expand the existing logistics platform.

"The expansion of the geographic footprint and growth through mergers and acquisitions are strategic objectives of TeraPlast Group. Acquiring a factory into the Republic of Moldova represents another step to the implementation of this strategy. The market holds immense potential, and the country's status as a candidate for accession to the European Union opens the doors of pre-accession funds. There is much work to be done in a country that has a 4% access rate to sewage networks among rural population. The forthcoming funds are the guarantee of a robust business for the coming years", stated Mr Dorel Goia, Chairman of the Board of Directors, TeraPlast.

Palplast SRL from the Republic of Moldova is a polyethylene pipes manufacturer, whose factory is located in the centre of the Republic of Moldova, in the city of Călărași, just 50 kilometres from the capital, Chișinău.

"We speak the same language, and one million Romanian citizens live in the Republic of Moldova. We have the opportunity to contribute to the development of this country by providing products for infrastructure works, and also creating new jobs, both locally and in the Group's factories in Romania.

This is how we envision our contribution to the development of the local economy in the Republic of Moldova, as well the development of TeraPlast Group”, added Mr Dorel Goia.

”As the Republic of Moldova approaches the EU, we anticipate an exponential growth in demand for materials and pipes for infrastructure. Collaborating with TeraPlast will allow us to maintain the leading position in the local market”, stated Mr Ion Sturza, President of Fribourg Capital.

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 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 the MSCI Frontier IMI (Investable Market Index) indices and in the CECE MidCap and ROTX EUR indices 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 fourth year in a row.

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