

Joint Press Release

Agreement between Fedrigoni and Portals: Portals, a UK-headquartered global specialist in banknote and security paper production will acquire Fedrigoni's Security business based in Bollate, Italy

Fedrigoni, one of the leading European producers of specialty papers and self-adhesive materials, entered into a transaction for the potential sale of its security business based in Bollate (Italy), specialised in the production of security features, along with its assets and employees, to Portals, a global specialist in banknote and security paper production. Closing of the Bollate transaction is subject to customary conditions precedent. As a separate transaction, Portals is also acquiring an option to potentially purchase certain banknote paper and passport paper assets (including production machinery) from the Fabriano (Italy) security division of Fedrigoni. Fedrigoni CEO Marco Nespolo stated: "Portals is an established, growing player: our people are in good hands". Portals CEO Ross Holliday commented: "The acquisition of Fedrigoni's security thread and foil business will mark a major step forward in Portals' strategy to bring improved innovation and value to our customers for banknote, passport and security papers."

Milan, 28 April 2021 - **Portals, a UK-headquartered company and one of the world's leading suppliers of banknote and security paper, and Fedrigoni, one of the leading European producers of specialty papers and high value-added products for packaging, graphics and self-adhesive labels, have announced their intention to perform the acquisition of Fedrigoni's Security business by Portals.** In a separate agreement, Portals is also acquiring an option to potentially purchase certain banknote paper and banknote paper assets from Fedrigoni's security division based in Fabriano (Italy). The completion of these two separate transactions could occur during the course of 2021, subject to customary approvals. The Security business includes an extensive portfolio of security features for banknote applications and other security documents, as well as the production plant in Bollate (Milan, Italy). The separate sale of certain assets for the production of banknote and passport paper, located in Fabriano (Italy) will be subject to a put and call option which may be exercised by each of the parties by the end of 2021, following the closing of the Bollate transaction.

"We look forward to the completion of the transactions and to welcoming Fedrigoni's skilled and experienced Bollate team to Portals as we continue to develop a leading, integrated security paper business. This transaction will enable Portals to develop and deliver more quickly and efficiently, the leading security products our customers require", said Portals CEO, Dr Ross Holliday.

"We are proud that an established international player in the banknote and security papers business, who intends to invest and expand, has expressed strong interest to acquire our Security business based on the value of our technology and the know-how of our people, who we are placing in excellent hands," commented **Marco Nespolo**, CEO of Fedrigoni Group. Around 100 employees from the group will join the new company, Fase S.r.L., which has been established to allow the transaction regarding the Bollate Security business.



This personnel consists of those working at the Bollate plant, including the commercial team and support staff connected to the security business. As far as the separate transaction relating to certain assets located in Fabriano is concerned, in case the option is exercised, certain machinery and equipment used for the production of banknote and passport papers will be sold to Portals, whilst the personnel, the plant and certain critical assets (including the mould machine) will remain with Fedrigoni to develop the Art & Drawing business, which includes art papers and quality printing papers, both of which are expanding quickly and will be developed even further.

Since its acquisition by private equity fund Epiris in 2018, Portals has invested heavily to develop its banknote and security paper business. Following the Bollate acquisition, Portals will be able to provide its clients with an improved and integrated proposition offer of both paper as well as security threads and foils and will significantly accelerate investment in an integrated innovation strategy. Portals intends to continue security thread and foil production in Bollate and invest in innovation capacity across its facilities.

Fedrigoni Group is assisted by Poyry as financial advisors, Latham & Watkins as legal M&A advisors, PwC and NDA on financial matters, Pirola Pennuto Zei on tax matters and Golder on health, safety and environmental aspects. Portals is assisted by CMS as legal advisor, KPMG for finance and tax matters, Searchlight Consulting for IT and RPS for Environmental due diligence.

Fedrigoni Group

Since 1888, Fedrigoni has always meant excellence in the production of special papers. The Group is one of the major European players in the production and sale of different high value-added papers for packaging and graphics, as well as self-adhesives materials products. With 4,000 employees in Italy and internationally, and 32,000 products, Fedrigoni Group sells and distributes to 132 countries. Fedrigoni now counts amongst its brands Cordenons and the historic brand Fabriano in its paper division, and Arconvert, Ritrama (acquired in February 2020) and IP Venus (acquired in December 2020) in its self-adhesives division, which, thanks to recent acquisitions, has become the third largest global player for self-adhesives materials.

For more information: www.fedrigoni.com

Portals

For the last three centuries, Portals has been manufacturing security products for use in critical applications such as banknotes, passports, vehicle registration documents and birth and marriage certificates. Throughout this time Portals have established themselves as a leader in innovation, with the Portals name being synonymous with pioneering innovations in the security paper industry. Today, Portals produces materials for more than 12 billion banknotes, 200 million brand labels, 70 million passports and 60 million certificates each year, for use in more than 100 countries around the world.

For more information: www.portalspaper.com

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Portals

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