



NOVAMONT ACQUIRES BIOBAG AND STRENGTHENS ITS LEADERSHIP AND GLOBAL PRESENCE

The operation creates the most vertically integrated group in the bioplastics industry and allows the Italian B-Corp to further expand into Northern/Eastern Europe, North America and Australia

Novara, Italy / Askim, Norway, 12 January 2021 – Italy's Novamont, a world leader in the development and production of biochemicals and compostable bioplastics, announced today it has acquired BioBag Group, a Norway based leading supplier of low-impact solutions for waste collection and packaging.

The acquisition will allow Novamont to benefit from BioBag's highly specialised independent distribution in areas where the buyer is less present. The two companies will be able to offer a more complete solution set to the market and to create long-lasting alliances with key stakeholders such as large retailers and communities. Together they plan to build even more demonstrators (innovative projects that enhance separate organic waste collection and composting systems) especially in North America, the Scandinavian countries, Eastern Europe and Australia. The transaction is an important step forward in a collaborative journey that began twenty-five years ago. Novamont's original vision in the 1990's was to build an integrated value chain for bioplastics and biochemicals linked to initiating and improving the separate collection of organic waste. This became the starting point for what is now called the circular bioeconomy to which both Novamont and BioBag have made important contributions.

There are three reasons that make the acquisition particularly fitting:

1. Strong cultural compatibility developed over two decades of partnership, which has led to a harmonious vision and shared values, as well as the integration of teams around common projects aimed at creating a circular bioeconomy model centered on soil health and the regeneration of local areas.
2. A highly complementary value chain:
 - a. Novamont is mainly focused upstream and has developed the Mater-Bi supply chain that ranges from agricultural raw materials, bio monomers, bioplastics and low impact formulations. It has brought its materials to the market through applications that require biodegradability in composting facilities and soil. The close collaboration with large retailers and local communities interested in innovative low-impact solutions has

reduced the use of traditional plastic and the accumulation of microplastics in the environment.

- b. BioBag is focused downstream. The group is a pioneer in the development and distribution of a wide range of compostable applications starting from the Scandinavian countries and specialises in a series of support services for these applications. BioBag has also developed a growing e-commerce platform, which is an important market channel for their existing applications and for the expanded product range that will be derived from Novamont's innovations and upstream integration.
3. Strengthened service capabilities for Novamont's partners and customers: BioBag is a marketing and distribution company for low-impact applications, which already is and will increasingly be at the service of Novamont partners along the supply chain, helping to maximise the opportunities for product development and geographical expansion. BioBag also brings to the market different and complementary applications to Mater-Bi's, thus enlarging the joint offer and giving maximum service support to retail and other sectors.

Novamont has expanded considerably in the past decade, in particular through internal growth, by acquiring and regenerating obsolete industrial sites. This transaction will allow Novamont to further expand its compostable bioplastics business into Northern/Eastern Europe, North America and Australia. BioBag will continue to operate as an independent organization, with the same leadership team who has achieved excellent results over the past few years. Novamont's CEO Catia Bastioli said: "This agreement allows Novamont to expand its model of circular bioeconomy. By joining our best skills and energies and fully integrating our supply chains we can better serve our partners upstream and downstream while further accelerating circular solutions for different market sectors and for communities pursuing our goal of producing more with less." BioBag's CEO Kjell Ivar Bache is very pleased with the new owners and sees the acquisition as a win-win: "We have been close partners with Novamont for decades and for BioBag this is like coming home. With Novamont, BioBag becomes part of a world-leading bioplastics and biochemicals company. This will enable further international growth together. We are truly excited!" said Mr. Bache.

The advisors involved on the buyer's side were Hi.Lex and Hjort for legal and PWC for financial, tax and labour, whereas the seller's counsels were Bryan Garnier for M&A and Wiersholm for legal.

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Novamont is one of the world-leading groups in the development and manufacturing of bio-based and biodegradable bioproducts through the integration of chemistry, agriculture and the environment. The main fields of application of the company's bioproducts are packaging, separate organic waste collection, retail purchasing, disposable tableware, farming, lubricants, cosmetics, hygiene and pharmaceuticals. Novamont has its headquarters in Novara (near Milan), a portfolio of 1,800 patents, 600 people working in four production sites and two research centres in Italy, and a global turnover of €270M (2019). The group has commercial offices in Germany, France, Spain and the United States and operates through its own distributors in 40 countries. Research & Development accounts for 5% of its revenues and 20% of its

workforce. Materials that can fully biodegrade in soil and water have been developed for those applications with a high risk of dispersion in the environment. Novamont is a Core Partner of Ellen MacArthur Foundation's Food initiative, a member of its CE100 Network, and a signatory of its New Plastics Economy initiative aimed at rethinking plastic packaging systems globally. In 2020 the company was awarded the prestigious 'B Corp' Certification with a top-tier ranking and has joined the United Nations' Global Compact network, a leadership platform for the development and implementation of responsible corporate policies and practices.

BioBag International is a world-leading group of companies working in the development, production, and marketing of certified compostable and biodegradable applications. BioBag's product range is the most comprehensive and extensive in the market. The company's main goals combine concentrating on the quality of existing products and the innovation of new products and concepts. The group is among the leading manufacturers of environmentally sustainable packaging in Northern Europe. In addition to biodegradable and compostable applications, the group brings to market products based upon Post-Consumer Recycled (PCR) material under the GreenPolly brand. BioBag has designed a targeted approach of partnering with synergistically aligned companies across the globe to reach thousands of customers worldwide. The main strategy behind the firm's partner concept is "Think Globally – Act Locally" and its mission is to solve waste challenges through sustainable solutions. With a turnover of €41M and 135 employees, BioBag is based out of Askim, Norway, has a major production site in Estonia, subsidiaries in Sweden, Denmark, Ireland, Finland, Poland, Australia, Canada, USA, and representatives in many countries.

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