

Altavilla Vicentina, July 28th, 2021

BURGO GROUP AGREES TO SELL THE VERZUOLO (CN) PLANT TO SMURFIT KAPPA GROUP PLC

Burgo Group, the Italian leader and one of the main European producers and distributors of graphic papers, specialty papers and containerboard, has agreed to sell the manufacturing activities related to the Verzuolo (CN) plant to Smurfit Kappa Group plc, listed on the London Stock Exchange, a leading producer of paper-based packaging solutions with plants in 36 countries worldwide, operating in Italy with 23 production sites and 2,000 employees.

The execution of this transaction will allow Burgo Group to accelerate the process of industrial restructuring initiated in 2020 with the entry of QuattroR SGR in the shareholding alongside the Holding Gruppo Marchi SpA.

A leaner financial structure will allow Burgo to dedicate also resources to continue the implementation of its strategic plan to expand the range of products offered to customers, which currently includes graphic papers, specialty papers and containerboard. Further investments will be dedicated to the development of higher value-added products for packaging and plastic substitutes, in the framework of new European regulations on decarbonization of product and industrial processes.

Burgo Group maintains its leadership position in the graphic papers segment and will continue to operate in the containerboard business with the Avezzano plant, which is already producing a range of highly specialized products on which it will increase its focus.

The Verzuolo plant will be integrated into the Smurfit Kappa Group's supply chain in Southern Europe, thus becoming a key production hub in the integrated supply of packaging solutions.

The transaction has been unanimously approved by the Board of Directors of Burgo Group and the closing of the transaction, which is subject to the fulfilment of customary conditions precedent and the approvals of the regulatory authorities, is expected to be completed in the fourth quarter of 2021. During this interim period, the Verzuolo plant will continue to operate as a going concern and to guarantee service to its customers.

BURGO GROUP

Burgo Group is one of the leading European producers of graphic and specialty papers. The Group is a fully integrated player within the paper industry: from production, distribution and recycling of paper to the processing of forest products, as well as factoring and energy generation activities. Jointly controlled by the private equity firm QuattroR and by the Holding Gruppo Marchi SpA and led by Chairman Alberto Marchi and CEO Ignazio Capuano, Burgo Group employs ca. 3,400 employees and operates 11 plants in Italy, 1 in Belgium with an installed base of 15 paper production lines. With a complete range of high-quality products, an aptitude towards research and development of innovative solutions and a strong focus towards the environment, Burgo is a reference partner in the graphics, printing, publishing and converting sectors.

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