

AZZURRA CAPITAL ACQUIRES A STRATEGIC STAKE IN PASFIN, THE HOLDING COMPANY OF MULTINATIONAL PAPER GROUP LUCART

Milan, 5 August 2024 - Azzurra Capital has entered into a binding agreement to acquire a strategic stake in Pasfin S.p.A., the holding company that wholly controls the leading manufacturer of tissue, airlaid and MG paper products Lucart S.p.A.

The agreement signed by Azzurra Capital and the members of the Pasquini family marks the private equity fund's entry into the LucartGroup's holding company, to support achieving the ambitious growth and profitability targets of the Group's strategic plan for the coming years, all while respecting the principles of social and environmental sustainability that have always characterised Lucart's operations. The Italian paper-making group can boast several sustainability records, including publishing an annual sustainability report since 2004 and *Platinum* level rating for Ecovadis, placing it in the top 1% of world companies for ESG performance that was achieved in 2023 and confirmed for 2024.

The activities of the company – founded in 1953 by the Pasquini family, which today holds 100% of the capital and will remain actively involved in the operational management – are organised over three business areas (*Away from Home*, *Consumer* and *Business to Business*). The company develops and sells the brands Tenderly, Tutto, Grazie EcoNatural and Smile (for the *Consumer market*) and Lucart Professional, Fato and Velo (for the *Away from Home* market). With a production capacity of 400,000 tonnes/year of paper, Lucart employs over 1,700 people in 10 production plants (five in Italy, one in France, one in Hungary, two in Spain and one in the UK), two logistics hubs and a sales company in Germany. After closing 2023 with a turnover of € 765 million (+6.7% compared to 2022) and an EBITDA of over € 130 million, Lucart has just approved the half-yearly report 2024 with excellent results, confirming its leadership in Italy and Europe in the *Away From Home* sector, in the production of recycled *tissue* paper and the marketing of its own brands.

Stefano Marsaglia, Founder and CEO of Azzurra Capital, commented:

"We are extremely honoured to have become a partner of the Pasquini family. In recent months we have developed an excellent relationship with the family and fully share the objectives and strategies to create further value and growth for the Group. The investment in Lucart perfectly aligns with our strategy of investing in family-owned companies, managed by high-quality entrepreneurs, who are leaders in their field, with a long history of success and attractive growth prospects. The Group is distinguished by its focus on recycled material at the product and packaging level and has unique know-how in the recovery of cellulose fibres from Tetra Pak® beverage cartons. In addition to injecting capital, we will provide the Group with our long-standing experience in capital markets and M&A, as well as our extensive network of international contacts. We are sure that ours will be a successful partnership".

Massimo Pasquini, CEO of Lucart S.p.A., declared:

"We are very happy to be able to count on Azzurra Capital's participation in the Lucart Group. With Azzurra Capital, we developed a complete harmony of business outlooks and on the company's potentials and mode of growth. The Lucart Group's excellent results allow us to look to the future with great optimism, and we are confident that this operation will be strategic in achieving even more ambitious growth and profitability targets, relying on the know-how we have acquired in over 70 years of history, our ability to innovate in the production of high-quality ecological tissue papers, and our leadership position in the European Away From Home tissue market. The Pasquini family is actively involved in the operational management with the ambition to continue to improve this growth path by focusing on a project consistent with the Group's values and objectives".

As part of the transaction, Azzurra Capital was assisted by Goldman Sachs and Intesa Sanpaolo – IMI Corporate & Investment Banking as *financial advisors*, Gianni & Origoni for legal aspects, Alvarez & Marsal for *financial matters and business due diligence*, Andersen for *tax due diligence & structuring*, and Ramboll for *environmental due diligence*.

Pasfin shareholders were assisted by Lincoln International as *financial and debt advisor*, ADVANT Nctm for legal aspects, PwC Italia for *financial vendor due diligence* and Studio Biscozzi, Nobili & Partners for tax matters.

Press information

AZZURRA CAPITAL

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Azzurra Capital is an international private equity fund with offices in Milan, Luxembourg, Dubai, London and Singapore and founded by Stefano Marsaglia. Azzurra Capital targets majority or qualified minority acquisitions in family-owned companies that are leaders in their business sector and led by a management team with a track record of success. Azzurra Capital takes a collaborative approach by offering support to the management team, always respecting their vision and experience. During the past year, Azzurra Capital completed its first investment by taking over 30 percent of Gruppo Desa SpA, an Italian detergent and personal care products company that owns brands such as Chanteclair, Spuma di Sciampagna and Quasar.

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LUCART SPA

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Lucart is a multinational group that promotes a sustainable way of making paper. This is achieved by adopting a systemic approach designed to optimise the use of raw materials and reduce waste by turning them into new resources. Lucart makes airlaid, MG paper and tissue products (paper articles for everyday use, including toilet paper, kitchen paper, napkins, tablecloths, handkerchiefs, etc.). The production activities of the company founded by the Pasquini family in 1953 are organized across three Business Units (Away from

Home, Consumer and Business to Business, engaged in the development and sale of products with brands, such as Tenderly, Tutto, Grazie EcoNatural and Smile (Consumer market) and Lucart Professional, Fato, and Velo (Away from Home market). The production capacity is 400,000 tonnes/year of paper on 12 paper machines. The consolidated turnover is over EUR 750 million and 1,700 people are employed at 10 production plants (5 in Italy, 1 in France, 1 in Hungary, 2 in Spain and 1 in the UK) and 2 logistics centers. Lucart joined the United Nations Global Compact Network Italy in 2020 and has been awarded a “Platinum” sustainability rating by the independent certification company Ecovadis.

Website: www.lucartgroup.com

LinkedIn: <https://it.linkedin.com/company/lucart-group>