



Press Release – 3rd May 2024

Navigator Paper UK Limited increases tender offer for Accrol Shares in the UK from £0.38 to £0.39

On 22 March 2024, the boards of Navigator Paper UK Limited ("**Navigator UK**"), an indirect wholly owned subsidiary of The Navigator Company, S.A. ("**Navigator**") and Accrol Group Holdings plc ("**Accrol**") announced the terms of a recommended all-cash offer by Navigator UK for the entire issued and to be issued share capital of Accrol, a tissue paper converter based in the United Kingdom (UK) (the "**Offer**").

Navigator today announced the terms of a recommended increased and final cash offer by Navigator UK for the entire issued and to be issued share capital of Accrol (the "**Increased and Final Offer**"). Under the terms of the Increased and Final Offer, Accrol Shareholders will be entitled to receive, for each Accrol Share, 39 pence in cash (the "**Increased Offer Price**").

Capitalised terms used in this announcement ("**Announcement**") shall, unless otherwise defined, have the same meanings as set out in the shareholder circular in relation to the Offer that was published and made available to Accrol Shareholders on 17 April 2024.

The Increased Offer Price values Accrol's entire issued and to be issued share capital at approximately £130.8 million and implies an enterprise value of about £188.2 million.

The Increased Offer Price represents a premium of approximately:

- 14.7% to the Closing Price of 34.0 pence per Accrol Share on 21 March 2024 (being the last Business Day before the commencement of the Offer Period);
- 32.1% to the Volume Weighted Average Price per Accrol Share during the 6-month period ended on 21 March 2024;
- 26.4 per cent to the Volume Weighted Average Price per Accrol Share during the 12-month period ended on 21 March 2024.



Navigator considers the financial terms of the Increased and Final Offer to be fair. Therefore Navigator today confirms that the financial terms of the Increased and Final Offer, including the Increased Offer Price, are final and will not be increased, whilst reserving the right to increase the Increased Offer Price and/or otherwise improve the terms of the Increased and Final Offer (i) if there is an announcement on or after the date of this Announcement of a possible offer or of a firm intention to make an offer for Accrol by any third party, or (ii) if the Takeover Panel otherwise provides its consent.

The Accrol Board has confirmed that, from the date on which Navigator announced its firm intention to make the Offer (being 22 March 2024) to the date of this Announcement, the Accrol Board has not received any proposal in respect of an offer to acquire the entire issued, and to be issued, ordinary share capital of Accrol from any third parties.

Accrol is a leading tissue converter and supplier of toilet tissues, kitchen rolls, facial tissues, and wet wipes to many of the UK's leading discounters and grocery retailers.

In the year ended 30 April 2023, Accrol posted revenues of £242 million, Adjusted EBITDA (as defined in Accrol's 2023 annual report) of £15.6 million and Adjusted net debt¹ of £26.8 million. Navigator Paper UK Limited is a wholly owned indirect subsidiary of The Navigator Company, S.A.. Navigator is a large Portuguese integrated pulp, paper, tissue, packaging and biomass-based energy company, listed on the Euronext Lisbon Stock Exchange, with a market capitalisation of approximately €2.75 billion on 21 March 2024 (being the latest practicable date prior to the announcement of the Offer). In the financial year ended 31 December 2023 Navigator reported consolidated revenues of €1,953 million and consolidated EBITDA of €502 million.

The Navigator Company is the European leader (excluding Russia) and is ranked 7th worldwide in capacity of production of fine printing and writing paper (Uncoated Woodfree Paper "UWF"), processing more than 1.6 million tonnes of paper per year. Furthermore, Navigator is Europe's largest producer of Eucalyptus Pulp (BEKP), producing circa 1.6 million tonnes per year and the largest eucalyptus forest producer and manager in Portugal, with circa 100,000 ha of forest under management.

In 2014 Navigator made the strategic decision to enter the tissue market, based on a business model comprising: (i) the production of tissue paper parent reels on a large industrial scale with direct integration of pulp into tissue production; (ii) converting facilities located in Navigator's

¹ Excluding operating type leases recognised on the balance sheet in accordance with IFRS 16.



core consumer markets of Western Europe and the UK; and (iii) serving both "At Home" and "Away from Home" client segments.

- In 2015, it acquired AMS Star Paper, which currently has the capacity to produce around 60,000 tons per annum of high-quality tissue paper and corresponding converting capacity.
- In 2018, it invested in a large-scale, greenfield tissue paper production plant at its industrial complex located in the Aveiro district, Portugal, which it integrated with its pulp mill and which now has tissue paper capacity of 70,000 tons per year and 55,000 tons of converting capacity.
- In 2023, it acquired the tissue consumer business of Spanish Gomà-Camps group as well as its industrial site located in the region of Zaragoza, which has a tissue paper production capacity of 35,000 tons and 55,000 tons of tissue converting capacity.

The Navigator Company now has a total production capacity of 165,000 tons of tissue paper and 180,000 tonnes of tissue converting capacity per year generating approximately €293 million of annual revenue in 2023.

Navigator sees Accrol as a key pillar in its strategy of sustained expansion of its tissue business in the Western European market.

Navigator's strategy is one of long-term value creation:

- It will focus on building on Accrol's market position as a trusted reference player in the UK tissue private label market and supporting its growth across all its core product segments.
- It expects Accrol to benefit from Navigator's expertise and experience in operating similar tissue operations, helping to drive efficiency and productivity, as well as benefitting from Navigator's additional balance sheet capacity and access to capital, which provide the ability to support future growth.
- Combining Accrol's industrial sites, personnel, and client commercial relationships into the Navigator Group has the potential to enhance its performance for the benefit of customers, employees and stakeholders.

The proposed acquisition of Accrol will reinforce Navigator's market positioning in the Western European tissue market. Navigator anticipates this would result in a consolidated turnover of



approximately £500 million, with the UK market expected to contribute around 50 per cent. of Navigator's total tissue turnover.

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More Information

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