



Bracell enters into Agreement to Acquire OL Papéis

OL Papéis will complement Bracell's growth strategy and portfolio diversification in Brazil with entry into the tissue market

SAO PAULO, BRAZIL, January 12, 2023: Bracell, a global leader in the production of dissolving pulp, has entered into an agreement to acquire OL Papéis Ltda. The agreement complements Bracell's growth and diversification strategy by entering the tissue market and further expanding its operations in Brazil.

OL Papéis' assets are located in Feira de Santana and São Gonçalo dos Campos in Bahia (BA) and Pombos in Pernambuco (PE) in the northeast region of Brazil. Bracell is a member of the Singapore-based RGE group of companies.

"This acquisition reinforces Bracell's strategy to expand its business and to continue investing in Brazil. OL Papéis has a significant market share in the Northeast, a region that represents 17% of the volume of toilet paper sold in Brazil in 2021. Its assets, in both manufacturing and brands, will complement Bracell's operations in Brazil", said Sérgio Montanha, Bracell's Head of Tissue Operations.

In early 2022, Bracell announced its commitment to build a tissue mill located next to its pulp mill in Lençóis Paulista, Sao Paulo (SP). Expected to generate more than 2,000 jobs during its construction phase and approximately 300 permanent jobs after its completion, the new tissue mill will operate at a total capacity of 240,000 tons per year. It is expected to begin operations in 2024.

Founded in 2007, OL Papéis employs more than 850 people and is ranked second in market share for toilet paper in Brazil's Northeast region. Its operations have five brands of toilet paper, five brands of kitchen paper towels and napkins, and one brand of diapers. Following the acquisition, Bracell will employ more than 11,000 staff, including direct and outsourced workers on a permanent basis in industrial, forestry and logistics activities in the three Brazilian states in which it operates - São Paulo, Bahia, and Mato Grosso do Sul.

The acquisition is under the review of the Administrative Council for Economic Defense (CADE) and is expected to complete within 60 to 90 days.

**About Bracell:**

Bracell is a global leader in the production of dissolving pulp and specialty cellulose with two main mill operations in Brazil in Bahia and São Paulo. In addition to its operations in Brazil, Bracell has a management office in Singapore and sales offices in Asia, Europe and the U.S. www.bracell.com

About OL Papéis

OL Papéis was founded in 2007 in Feira de Santana, Bahia and is currently the second largest producer of tissue products in the northeast region of Brazil. With more than 850 employees, OL Papeis operates 3 plants located in Feira de Santana (BA), São Gonçalo dos Campos (BA) and Pombos (PE) focusing on tissue products and baby diapers. Its portfolio of products includes 5 brands of toilet paper, 5 of kitchen paper towels and napkins and one of baby diapers. OL has more than 7 thousand clients ranging from large Cash & Carry chains to local supermarkets and retailers.

About RGE

Headquartered in Singapore, RGE is a group of resource-based manufacturing companies with global operations. We produce sustainable natural fibres, edible oils, green packaging and clean natural gas used to create products that feed, clothe and energise the world. We help improve billions of peoples' lives through sustainable products they use every day. With more than US\$30 billion in assets and 60,000 employees, we are creating a more recyclable, biodegradable and lower carbon future.

Committed to sustainable development, conservation and community development, we strive towards what is good for the community, good for the country, good for the climate, good for the customer, and good for the company. With current operations spanning across Indonesia, China, Brazil, Spain and Canada, we continue to expand and engage new markets.

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