



Press Release

Paris, January 27th, 2021

PRUDENTIA CAPITAL ORGANIZES THE MERGER OF THE FRENCH ARJOBEX GROUP AND THE GERMAN MDV GROUP TO CREATE THE LEADING EUROPEAN SYNTHETIC PAPER COMPANY

With the support of the French investment fund Prudentia Capital, 18 months after its successful carve-out, the Arjobex Group, which specializes in the production of synthetic paper under the Polyart® brand, acquires its German competitor MDV Group, to create the European leader of specialty coatings on papers and film for the tags and labels market (security, medical, food, etc.), whose growth is projected at 8.3% per year until 2025.

The MDV Group is a historical player in this sector, whose origins date back to the 19th century. The group owns two production sites in Germany and a production site in Liverpool, UK. MDV is mainly active in the labelling and writing/printing markets, and sells its range of fluorescent papers under the brand Fluolux®, and its ranges of synthetic substrates under the brands Satinex® and Robuskin®. It has also a recognized know-how in the field of technical coatings and special substrates, as illustrated by its involvement in the coating of EFTE film used in the construction of the outer shell of the Allianz Arena, the emblematic Munich Football stadium.

This acquisition was made with the support of Indigo Capital, which provided the financing of the transaction and became a co-shareholder. The new group has a combined turnover of more than €60m and employs 300 people. Due to their strong complementarity, the merger of the two groups will enable them to increase their international sales and generate significant operational and industrial synergies.

In line with their ESG commitments, Prudentia Capital and Indigo Capital intend to contribute to the emergence of a green leader by supporting the development of products in line with the circular economy. While this segment is expected to grow by 21% per year in the coming years, the continued and combined R&D efforts of both Arjobex and MDV will make it possible to offer a truly renewable and recyclable range of products (including bio-sourced and PCR films) to its clients, distributors, converters, and printers.

"This merger is fully in line with the philosophy of our fund, which is designed to enable French SMEs to take a step forward in their development, in particular by seizing

acquisition opportunities on an international level. With this transaction, Prudentia Capital confirms the relevance of its approach: our Franco-German approach favors the emergence of future leaders in Europe" according to Dominik Zwerger, Founding Partner and Managing Director of Prudentia Capital.

"This merger strengthens Arjobex's position as the European leader and will enable us to accelerate our development, particularly in order to meet the environmental challenges of tomorrow," said Arnaud Roussel, CEO of the Arjobex Group.

"After 3 decades as CEO and shareholder of the MDV Group, I am confident that I am transferring my company into good hands. MDV and Arjobex are complementary groups. Supported by a very committed fund, this merger marks a new page in MDV's history and will ensure its future development" according to Ashok Krishna, MDV Group's director and historical shareholder.

About Arjobex Group:

A global leader in the manufacturing of synthetic paper, Arjobex has been a partner in the printing industry for over 40 years.

Arjobex is the number 1 leader in Europe in synthetic paper, number 3 globally. With worldwide sales, Arjobex operates manufacturing sites and R & D centers in both Europe and North America.

Arjobex mainly addresses the labels and tags market, with a complete offer of customizable products, destined to an array of specialized printing companies and distributors with various end-markets.

Website: <https://www.polyart.com/>

About MDV Group:

The MDV group specializes in the production and marketing of coated papers and extruded films, used in sectors as varied as labelling, panel creation, high-end printing and technical coating.

The MDV Group, which consists of 3 entities (MDV, Reisewitz and Tech Folien), is a historical leader in Germany and the United Kingdom. It has recently started its internationalization in Asia and the United States. It has plants in Germany (Karlstein, Penig,) and England (Liverpool) as well as a state-of-the-art R&D center.

Website: <https://www.mdv-group.com/en/>



About Prudentia Capital:

Prudentia Capital is an independent and privately-owned asset management firm based in Paris, licensed by the Autorité des Marchés Financiers (AMF), supporting the growth of established French and European small and mid-sized companies.

Our philosophy is based on a close relationship with management teams, a strong entrepreneurial spirit, and a firm commitment to transparency and accountability. We strive to create value for both entrepreneurs and investors by doing the fieldwork necessary to identify opportunities that are a match for our expertise.

We create long term partnerships with successful small and medium-sized companies and their management teams that have financial, strategic, and operational needs that we can creatively deliver, unlocking the path for them to become leading national and international companies.

We are a signatory of the United Nations Principles for Responsible Investment (UNPRI) and we uphold the same stringent standards of Corporate Social Responsibility in our own company that we promote in our investments.

Email: contact@prudentiacapital.com

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About Indigo Capital:

Indigo Capital is an independent investment management firm specializing in the provision of private bonds and preferred equity to mid-market businesses. Since 2000, Indigo Capital' team has arranged flexible capital solutions for fifty or so French and European transactions alongside leading private equity funds, management teams and corporates. Indigo invests in France and Europe across all industry sectors.

Indigo has currently €500m under management through different funds. The management team is composed of 8 professionals, who have been working together for more than 20 years.

Indigo is a signatory of the United Nation Principles for Responsible Investments (UNPRI) and is committed to the implementation of ESG (Environment, Social and Governance) best practices both at the level of its organization and within its investee companies.

Website: <https://www.indigo-capital.fr/>

About the Transaction:

Investor: Prudentia Capital (Dominik Zwerger, Thibault Wirth, François Gassion)

Investor / Financing: Indigo Capital (Monique Deloire, Martin Bellé)

M&A Advisor: Commerzbank (Claus Steinhoff, Sven Lange, Sven Steck)



Financing Advisor: Oaklins (Hadrien Mollard, Soufian Mami)

Legal - Investors: Dentons (Dr. Volker Junghanns, Thomas Voss, Jean-Marc Allix, Steeve Jaskierowicz), Friehe Associés (Emmanuel Scialom, Morgane Ferron), De Pardieu Brocas Maffei (Jean-François Pourdieu, Sandra Benhaim)

Legal - Sellers: CMS (Dr. Hendrik Hirsch, Dr. Christoph Vaske, Maxine Notstain)

Tax & Corporate Structuring: Florilèges Avocats (Marie-Hélène Raffin), Linden Avocats (Cécile Madelin)

Financial Due Diligence: 8 Advisory (Michael Wahl, Fabien Thièblemont, Emre Vanlioglu, François Gallizia)

Environmental Due Diligence: Anthesis (Frank Schmidt, Fabian Janz)

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