

PRESS RELEASE
16.6.2021

BERNER LTD ACQUIRES A MAJORITY STAKE IN CHEMIGATE LTD AND IS STRENGTHENING ITS OFFERING TO THE FOREST INDUSTRY

Berner Ltd has acquired a majority stake in Chemigate Ltd, a manufacturer of modified starch-based binders, adhesives and speciality chemicals. The acquisition further strengthens Berner's role as an important and long-term partner to the industry, in line with the company's strategy.

The share transaction signed on 15 June 2021 will significantly increase Berner Group's offering to the forest industry. In addition to the existing basic chemicals, magnesium products and analytical and quality management solutions, Berner's portfolio is expanding to include modified starches and speciality chemicals produced by Chemigate.

"The forest industry has always played an important role in Finland and, through this acquisition, we are strengthening our long-term commitment to serving the paper and board industry in Finland and its surrounding areas," says **Antti Korpinieni**, CEO of Berner Ltd.

The roots of Chemigate's business date back to the late 1970s. The company's turnover in 2020 was EUR 60.8 million. After the acquisition, Chemigate will continue to operate as an independent subsidiary of Berner.

"Chemigate's customer focus, agility, innovation and continuous business development strongly contributed to the acquisition. Chemigate has done well in a market that has changed significantly in recent years as paper production has declined sharply and at the same time forest industry companies have invested heavily in paperboard production," Korpinieni explains.

Chemigate's raw materials are mainly ecologically sustainable barley and potato starch from Finnish nature. The company has three plants in Finland.

"As a Finnish family-owned company, we are very happy to be further strengthened by a domestic company using Finnish raw materials," says Korpinieni.

Chemigate CEO **Tom Schauman** is delighted with the sale of the majority stake to Berner.

"There is a huge appetite for bio-based products and we believe that this acquisition will support our strategy of growing in this market. Together with Berner, we will continue our customer-oriented and competence-based work in the Nordic paper and board market, while developing new approaches and bioproducts for the wider industry," says Tom Schauman.

The purchase of Chemigate's majority stake will have no impact on personnel. The transaction still requires the approval of the Finnish Competition and Consumer Authority.

For more information, contact:

Antti Korpinemi
CEO, Berner Ltd
Tel. +358 50 551 3720

Tom Schauman
CEO, Chemigate Ltd
Tel. +358 40 728 5014

***Berner Ltd** is an established family-owned Finnish company founded in 1883 with six business units whose high-quality Finnish and international brands are an integral part of daily life in Finland. In 2020, the Group's turnover was EUR 324.3 million, and its work force totalled 536. The Berner Industries business unit supplies chemicals and food- and feed raw materials to the manufacturing industry and the infrastructure sector. Group company Berner Chemicals Ltd manufactures magnesium products in Kokemäki. Responsibility is one of Berner's areas of strategic focus and we are committed to its continuous and long-term development #huomisenpuolustaja. More information: www.berner.fi*

***Chemigate Ltd** is a company dedicated to selling modified starches for technical applications such as binders in the paper industry. We are committed to supplying our customers with natural (starch based) products that withstand even the most stringent requirements what comes to ecology and sustainability. Our success comes from the expertise of our personnel and from the knowledge of the demands of our customers. More information: www.chemigate.fi*