



SOFIDEL ENTERS INTO STALKING HORSE ASSET PURCHASE AGREEMENT TO ACQUIRE CERTAIN ASSETS OF ROYAL PAPER

Porcari (Lucca), Italy, 09 April 2025 – **Sofidel**, a global leading manufacturer of paper for hygienic and domestic use, known particularly in Italy and Europe for its Regina brand, is pleased to announce the entry into a **Stalking Horse Asset Purchase Agreement (APA) to acquire certain assets of Royal Interco, LLC (“Royal Paper”)**.

Royal Paper is a recognized player in the US in both the At-Home and Away-from-Home segments.

Pursuant to the terms of the asset purchase agreement, **Sofidel will acquire four facilities across Arizona and South Carolina**, specifically one paper mill in Gila Bend (AZ), two converting facilities in Phoenix (AZ), and one converting facility in Duncan (SC). The Gila Bend paper mill alone represents an **annual production capacity of approximately 61,000 metric tons**.

Pursuant to the terms of the asset purchase agreement, **Sofidel will make employment offers to a significant portion of Royal Paper’s skilled employees**. Sofidel is committed to integrating such employees seamlessly into its operations, **ensuring continuity and stability**.

On April 8, 2025, Royal Paper (and certain of its wholly-owned subsidiaries) filed voluntary petitions to reorganize under Chapter 11 of the United States Bankruptcy Code. Through the chapter 11 proceeding, Royal Paper is conducting an auction process for the sale of these assets pursuant to section 363 of the Bankruptcy Code.



Sofidel and Royal Paper have reached agreement on a "stalking horse bid", subject to higher and better offers and bankruptcy court approval, as well as other customary closing conditions, including the receipt of any required regulatory approvals.

Cleary Gottlieb Steen & Hamilton is serving as legal counsel and Lazard is serving as sole financial advisor to Sofidel.

Sofidel Group

The Sofidel Group, headquartered in Porcari (Lucca, Italy), is one of the leading manufacturers of paper for hygienic and household use worldwide. Established in 1966, the Group is active in 13 countries, 12 in Europe and the United States (11 States), with over 9,000 employees and a production capacity of 1,860,000 metric tons per year. In 2024, the Group had Net Sales of 3.225 billion Euros. "Regina", its most well-known brand, is present on almost all the reference markets. Other brands include: Sopalín, Le Trèfle, Hakle, Softis, Nalys, Cosynel, KittenSoft, Nicky and Papernet. Sofidel is committed to reaching Net-Zero carbon emissions by the end of 2050.

www.sofidel.com