

Press Kit EuroShop 2020

Content:

Press Release

Sonae Arauco sets new trends at EuroShop

Key Messages & FAQ:

New Innovus Collection & Innovus Coloured MDF Deep Black

Picture material is available on request.

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Sonae Arauco sets new trends at EuroShop

New Innovus Collection and Innovus Coloured MDF Deep Black as highlights in retail and shopfitting

- **Sonae Arauco presents the New Innovus Collection at EuroShop 2020**
- **The new Deep Black reference from the Innovus Coloured MDF portfolio is presented for the first time**
- **Sonae Arauco is on site with its international specification & contracting team**

Meppen, 14th of February 2020 - Sonae Arauco is presenting several Innovus trade fair highlights at EuroShop 2020 and is on site with its international sales and contracting team especially for the retail market in Hall 11 / F43-3.

New Innovus Collection: Authentic design developments and megatrends

Expressive colours, innovative designs and exclusive finishes with distinctive textures are just some of the highlights of the New Innovus Collection. With more than 200 decors and 15 different finishes, it allows 260 combinations of melamine faced panels and laminates. This is a renewal rate of 40 percent compared to the previous range. The focus is on the 5 new, haptic structures, Cosmos, Flow, Fusion, Spirit and Stucco. They are not only contemporary, but also absolutely authentic.

Current megatrends, such as reduction to the essentials, sustainability and the individual attitude to life played a decisive role in the development of the collection - important aspects that are also decisive success factors for modern shop fitting. "Innovus - Matching life" is the central idea of the New Innovus Collection which offers solutions for all moments in life.

Premiere with Innovus Coloured MDF Deep Black

For the first time Sonae Arauco will present the new Deep Black reference from the Innovus Coloured MDF portfolio at EuroShop. The solid-coloured MDF offers versatile solutions for interior designers, processors and retailers. In contrast to the previous Black, the product is more convincing with a significantly richer black and even finer wood fibres. In addition, the Deep Black scores with an optimised technical performance and improved deep milling properties.

The Sonae Arauco sales team, including specification & contracting, is available for information on products, suggestions and trends, especially for the project business around shopfitting. As co-exhibitor of dlw - German Shopfitting Association - Sonae Arauco is present in Hall 11 / F43-3.

PRESS RELEASE

About Sonae Arauco

Sonae Arauco is one of the largest wood-based solutions' companies in the world. With a long-term business vision based on an industrial soul. Sonae Arauco's commitment to sustainable development is borne out in its forest management certification, the implementation of a circular bioeconomic model and the permanent integration of recycled wood into the industrial process.

The company's portfolio contemplates a vast range of products that cover the diverse necessities of the market, from the more standard to the most demanding from a technical viewpoint, as well as an extended range of decorative products, commercialized under the name Innovus (known as Novolam in the South African market).

The company resulted from a joint venture between two important worldwide players in the wood sector: Sonae Indústria and Arauco. Both share the same ambition to take wood further and a long-term business vision. The company currently employs around 3,000 staff in 9 countries (Portugal, Spain, Germany, South Africa, United Kingdom, France, Netherlands, Switzerland and Morocco), has 23 industrial and commercial plants, and sells its products in over 80 countries, reaching a turnover of circa EUR 800 million.

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Key messages

New Innovus Collection

- Innovus is a well-known brand of decorative products by Sonae Arauco, providing versatile solutions that turn ideas into innovative projects;
- The New Innovus Collection is the result of extensive research and development work and is a strategic focus for the company;
- Sonae Arauco believes that the new collection will bring added value to its clients in the approximately 80 countries it operates in because the Innovus Collection is global and yet adapted to the specific needs of each market;
- The New Collection was developed to meet the needs of an increasingly global, demanding and eclectic target audience. Innovus is a collection where you can mix and match all the decors available in melamine-surfaced panels and in laminate;
- The New Innovus Collection has a number of new decors that can be used in a variety of contexts and areas, given that the range is available in melamine-surfaced panels and in laminate: from the living room to the kitchen, from the bedroom to the bathroom, in offices or hotels, the Innovus Collection will meet any demands;
- Innovus has a range of diverse, modern decors with a renewal rate of around 40% compared to the previous collection. The new Innovus Collection includes over 200 decors and 15 different finishes, allowing for over 260 different combinations;
- The Innovus Collection has wood decors from different species of trees, such as oak, walnut and exotic structures; fantasies, with oxide and cement textures and decors, and distinctive unicolours;
- Innovus has five new finishes, two of which were developed exclusively. Compared to the previous collection, and in just three years, Innovus has a renewal rate of over 35% for its finishes;
- The New Innovus Collection was designed to consolidate the range and make it more consistent, particularly in decor and finish combinations;
- A collection designed with the new global trends in the areas of architecture and interior design in mind. The new collection was inspired by our everyday lives, the places we live and work in and that we visit, which become part of who we are;
- The New Innovus Collection brings with it a set of new marketing materials and a totally revamped communication concept, giving the brand a new narrative. *Matching life* reflects the philosophy of the new collection: Innovus is everywhere and stays with us throughout our lives. Innovus is life.

Innovus Coloured MDF & new Deep Black

- The Innovus Coloured MDF range is a product line that is as versatile as it is inspirational. Medium density fibreboard (MDF) to which six selected colours were added, perfectly matching the boldest of projects;
- Through-dyed, all the pigments selected ensure colour consistency and intensity when exposed to the light;
- The colour variety of Innovus Coloured MDF enables new design concepts for interiors and creates a cosy, modern and elegant atmosphere;
- Other properties of Innovus Coloured MDF include easy processability and paintability;
- Innovus Coloured MDF was developed for environmentally friendly use, by the use of glues without formaldehyde (NAF). The products are therefore listed under the new ECOBOARD label*;
- Innovus Coloured MDF Black Fire X is available with improved fire retardant properties and meets the requirements of the DIN4102 (B1) standard and the EU standard EN13501-1 (B-S2, d0);
- For the first time Sonae Arauco will present the new Deep Black Reference from the Innovus Coloured MDF portfolio at EuroShop 2020;
- In contrast to the previous Black, the product convinces with a significantly richer black and even finer wood fibres;
- The Deep Black also scores with an optimised technical performance and improved deep milling properties;
- Of course, the Deep Black also offers special Innovus Coloured MDF properties such as colour fastness, easy workability and paintability.
- *Innovus Coloured MDF Deep Black is classified according to CARB2 / TSCA

Key messages

Corporate

- Sonae Arauco is one of the largest producers of wood-based panels in the world;
- Sonae Arauco is much more than a panel producer. It is a company focused on the development of added value wood solutions for architecture, furniture, sustainable construction and interior design;
- Its portfolio includes a wide range of products that meet the different market needs, from the most standard to the most demanding from a technical standpoint. The portfolio also includes a wide range of decorative products marketed under the Innovus brand (and Novolam in the South African market);
- The company came into being in 2016, as a result of a joint venture between two important world players in the sector: Sonae Indústria (PT) and Arauco (CL), which are companies that share the same ambition of sustainable growth for the business;
- Sonae Arauco has a very industrial soul, as well as a long-term business vision. This is the result of a partnership between two solid companies with a lot of expertise in the wood business. The family-based company is listed on the stock exchange and is driven by an ambition of sustainable growth;
- The company's commitment to sustainable development includes the use of wood with forest certification, a circular bioeconomic model (zero waste) and the continuous integration of recycled wood into the industrial process;
- The company was a pioneer in the introduction of recycled wood into the industrial process, now incorporating 738,000 tonnes of recycled wood per year into the manufacturing process (around 30% of all the wood used by the company);
- The company also operates in the area of construction systems in wood, a material whose demand has been increasing in this sector as a result of its excellent sustainability and technical properties (wood retains CO₂, it is renewable and it can be recycled and reintroduced into the industrial process);
- Sonae Arauco employs around 3,000 people in 9 countries (Portugal, Spain, Germany, South Africa, the United Kingdom, France, the Netherlands, Switzerland and Morocco), has 23 industrial and commercial units, and markets its products in 80 countries. In 2018, it had a turnover of around 800 million euros;
- In Germany, Sonae Arauco has plants and sales locations in Beeskow, Heusweiler-Eiweiler (as 50/50 JV), Horn-Bad Meinberg, Kaisersesch, Meppen and Nettgau;
- In Portugal, Sonae Arauco has plants in Castelo de Paiva, Mangualde, Oliveira do Hospital and Sines and plays an important role in job creation in the country. It is a company committed to Portuguese economic growth.

FAQ

New Innovus Collection

1. What is Innovus?

Innovus is a well-known decorative product brand by Sonae Arauco, offering attractive patterns and colours and innovative finishes that turn ideas into unique projects. This new collection offers competitive solutions in wood, fantasies and unicolours references, as well as exclusive solutions in laminate.

This new collection was designed based on the most recent trends and developments and its main aim is to provide integrated decorative solutions to meet the needs of an increasingly global, demanding and eclectic target audience. This collection was inspired by our daily lives and the places where we live and work and that become part of who we are.

2. What's new compared to the previous collection?

The New Innovus Collection proposes a set of contemporary decorative products that will assure the development of exclusive, innovative projects. The new collection has a decor renewal rate of around 40%. Moreover, the renewal rate for finishes was around 30% in three years.

The New Innovus Collection has over 200 decors that can be combined with different finishes in 262 different ways. Innovus allows all the decors available in MFC and HPL to be mixed and matched. Furthermore, this new collection has brought with it the possibility of combining unicolours with new finishes, particularly the structured range in whites – a differentiating option that will bring value to our clients.

The collection introduces significant new finishes:

Stucco – with a texture similar to cement and a ceramic feel;

Cosmos – inspired by the texture of real stone and cement, assuring the perfect balance for a deeply structured surface;

Flow – with gentle criss-cross pores, creating subtle waves that give a spontaneous, natural look to the surface;

Fusion – warm and natural to the touch, reminiscent of handcrafted wood;

Spirit – filled with movement and contrasts, conveying the true spirit of wood.

3. What sets the Innovus Collection apart from other solutions available on the market?

The Innovus Collection is extensive and up-to-date and can be used in a multitude of different ways. The new Innovus collection has a high renewal rate for finishes and decors, positioning it in the frontline for innovation and modernity.

We provide a wide range of decors in a variety of shades and finishes, with a clear focus on versatility and innovation. We have over 100 new decors and 5 new finishes. In all, the new Innovus collection assures over 260 combinations of decors and finishes.

4. When was the New Innovus Collection first presented?

After two days on show (4 and 5 April) at Casa da Arquitetura in Matosinhos (Portugal), the New Innovus Collection was officially launched at Interzum, the biggest

international furniture production and interior design trade show, which took place from 21 to 24 May in Cologne, Germany. The collection is available from this date.

5. Which markets is the new collection be available?

All or part of the Innovus collection is available in more than 40 markets where Sonae Arauco operates. We believe that this new collection enable us not only to consolidate our market share in the countries where the brand is available, but also to grow in strategic markets that are attractive for the décor business, such as countries in Northern Europe and in the North of Africa.

6. Which are the main markets and clients for this collection?

Sonae Arauco has a strong global presence. Innovus currently has a strong presence in the Southern markets, but this new collection was also developed to meet the needs of clients and markets in Northern Europe, in order to consolidate its market share. As with the previous collection, Innovus is essentially aimed at the following targets: carpenters, cabinetmakers and small companies served by our Distribution partners and large furniture and construction companies, as well as Architects, Designers and Interior Decorators, who act as decision-makers and influencers for the products on large projects.

Innovus Coloured MDF & New Deep Black

1. What is Innovus Coloured MDF?

The Innovus Coloured MDF range includes versatile and inspiring products. Available in six modern colours, the medium density fibreboard (MDF) especially for unusual projects. Due to their uniform coloration, the selected color pigments offer high color consistency and intensity when exposed to light. The character of the wood is retained by the small, original coloured wood fibres, which give the material its authentic appearance. Whether untreated with a natural look or lacquered - the surface can be designed in many different ways.

Innovus Coloured MDF continues to guarantee easy processing with clean and precise edges. This saves time and resources by avoiding additional finishing steps.

2. Why is Innovus Coloured MDF particularly environmentally friendly?

Innovus Coloured MDF was developed for environmentally friendly use, by the use of glues without formaldehyde (NAF). The products are therefore listed under the new ECOBOARD label.

This excludes the reference Innovus Coloured MDF Deep Black, which is classified according to CARB2 / TSCA.

3. Is Innovus Coloured MDF also available with fire retardant properties?

Yes, Innovus Coloured MDF Black Fire X is available with improved fire retardant properties and helps to reduce the risk of flames spreading in the event of a fire. It meets the requirements of the DIN4102 (B1) standard and the EU standard EN13501-1 (B-S2, d0).

4. When did the New Innovus Coloured MDF New Deep Black become available?

The new Deep Black reference will be presented for the first time at EuroShop 2020.

5. What is special about the Deep Black?

In contrast to the previous Black, the product convinces with a significantly richer black and even finer wood fibres. In addition, the Deep Black scores with an optimized technical performance and improved deep milling properties.

FAQ

Corporate

1. What is Sonae Arauco?

Sonae Arauco is one of the largest companies in the world for wood-based solutions. It has a very industrial soul, as well as a long-term business vision. It is the result of a partnership between two companies that are in the market to stay: Sonae Indústria and Arauco, which are companies that share the same ambition of taking wood further.

2. How many people does Sonae Arauco employ?

Sonae Arauco employs around 3,000 people of 25 different nationalities in 9 countries (Portugal, Spain, Germany, South Africa, the United Kingdom, France, the Netherlands, Switzerland and Morocco) and has a total of 23 industrial and commercial units.

3. What was the company's turnover

The turnover in 2018 was around €800m.

4. What are Sonae Arauco's main markets?

Germany and the Iberian Peninsula are Sonae Arauco's main markets. Outside of Europe, South Africa is the most relevant market.

5. Are there plans to reach other markets?

Sonae Arauco now has a global presence, selling its products in over 80 countries. Rather than reaching new markets, our challenge is related more to consolidating our presence in the key markets and increasing our share in the others.

6. What is the company's strategy for the coming years?

We are focused on adding more value for our clients, whether through innovative products that set them apart or through integrated support in all aspects (product, logistics, quality, business intelligence), always with a long-term partnership strategy. In 2017, Sonae Arauco defined a new business approach strategy aimed at positioning ourselves as the preferred company for our clients, employees and suppliers, as well as for all the entities we are involved with.

Therefore, we are implementing a very significant investment plan in several areas of operation: in the optimisation of our industrial assets (investments in the plants, in logistics, in new equipment, in improving existing systems) and in staff training, new talent recruitment and in the improvement of our IT systems and processes.

The launch of the new collection is a very important moment for Sonae Arauco and an intrinsic part of the company's strategy. The collection has a diverse, versatile portfolio with innovative features that set our product apart from those of our competitors, and is perfectly in line with the needs of the different markets we operate in.

7. What are the main business challenges?

Our focus is on working closely with our clients and suppliers in long-term partnerships, helping to develop and improve the value chain for the good of all. This means we must always be attentive to the needs of the markets and our partners and keep up with their changes with increasingly shorter deadlines. Doing this at the same time as the

significant investment and transformation we are undertaking is a daily challenge that motivates us to always do better.

8. What significant investments does Sonae Arauco have planned for this year?

In 2019, Sonae Arauco planned a series of investments of more than €100m. There is an overall plan to invest 42 million euros in the Mangualde plant. Throughout the year, around 14 million will be invested in new equipment and in environmental investments. This means we will be able to increase our exports and reduce imports (contributing to the Portuguese Economy), while at the same time optimising resource management and reducing the emissions associated with the industrial processes. Outside of Portugal, we have an investment of 12 million euros in a production line at the White River plant in South Africa.

Over 50 million euros are currently being invested in a new particleboard production facility at the Beeskow plant. It is one of Sonae Arauco's five plants and sales locations in Germany.

9. The Sonae Group is undergoing a period of transformation. Will these changes have an impact on Sonae Arauco?

The Sonae Group has a long history filled with success and periods of transformation which are natural in any group. And that is what Sonae Arauco itself is – an example of the capacity for transformation of a company in the Sonae Group, Sonae Indústria, which teamed up with another important player in the sector: Arauco.

This joint venture was also the result of a long-standing relationship between the two companies. We are also known for having a close relationship with our partners, which enhances our capacity for transformation.

10. In a country ravaged by wildfires, which you fell victim to, what is Sonae Arauco's position on forest management?

Our focus in terms of forest management has been on risk management, which, while important, is not enough. The Common Agricultural Policy for 2021-2027 represents one last opportunity for specific, reinforced funding aimed at these policies and approaches. The involvement of the Portuguese State Budget will also have to be clearly reinforced. It is only with a clear and consistent focus on forestry, with both public and private investment, that we will increase our water availability, reinforce rural economies in the interior of Portugal, increase exports and mitigate climate change.

Forests are the greatest natural asset we have and they provide a growing and diverse set of opportunities for the development of a sustainable circular bioeconomy. Let us take advantage of this competitive advantage so that our forest resources can become the driver of the Portuguese economy of the future.