

PRESS RELEASE

ITALMATCH CHEMICALS and BIOLAB ARABIA signed a joint venture agreement for the incorporation of ITALMATCH BIOLAB INDUSTRIAL, located in the Kingdom of Saudi Arabia.

Italmatch Biolab Industrial will use Italmatch's raw materials and technology and Biolab's local manufacturing infrastructure to produce and sell additives and final solutions for Industrial Water & Process Treatment in the Gulf Region with strong focus on Desalination and O&G local markets.

Genoa – December 23rd, 2020 – **Italmatch Chemicals Group**, a leading global specialty chemical group focused on the production and marketing of performance additives for water and process treatment, oil & gas, industrial lubricants and plastics, and **Biolab Arabia Ltd**, who is also a leading manufacturing and service provider in the region that is part of Al-Hejailan Group based in Saudi Arabia, have signed a joint venture agreement to incorporate in the Kingdom of Saudi Arabia, **Italmatch Biolab Industrial LCC** with Italmatch holding 60%. The two chemical companies join forces to create a new regional Saudi leading player focused on local manufacturing, to produce and sell ready-to-use specialty chemicals and solutions for Industrial Water & Process Treatment with a focus on Desalination (thermal and membrane based) applications in the Gulf Region as well as on Oil & Gas.

Italmatch Chemicals Group has been working in the Kingdom of Saudi Arabia for several years. Through its engagement in the Kingdom, in addition to the present Biolab JV and including the incorporation of Saudiphos with local partner SADIG, Italmatch Group is strengthening its presence in the local market by establishing a full integrated phosphorus chemistry in KSA and consolidating its leadership in Desalination solutions through local production.

Italmatch Chemicals Group's CEO, Sergio Iorio, said: *"We know Biolab Arabia since many years of close cooperation, and we highly regard Biolab as the best possible Partner in Downstream local production for the Water & Oil markets: this joint venture represents the opportunity to have local production and marketing in the Kingdom of Saudi Arabia. Italmatch is already creating and investing in a wide project on P-based chemistries full value chain, in line with the Kingdom's 'Vision 2030' program. Our project represents best-in-class chemical chain, non-existing in KSA so far. The aim is to develop and complete a full manufacturing chain starting from Maaden's Phosphate Rock to final Downstream additives for industrial water & process end market applications in Jubail area and this JV perfectly close the full value chain of supply"*.

Biolab Arabia Ltd., which is part of Al-Hejailan Group currently has two manufacturing units in the same plant producing under license from global leading technology providers with a combined production capacity of over 80,000 metric tons annually. Considered one of the leading Saudi Arabian petrochemical innovators in the water treatment and emulsion polymers field, operating world class facilities.

Faisal J. Al-Hejailan said, *"We at Al-Hejailan Group though our company Biolab Arabia are thrilled to announce this new milestone in our relationship. Our group's overall strategy is geared towards the development of our downstream chemical manufacturing capabilities in the Kingdom through partnering up with world leading technology providers and reinforce our commitment towards localizing the production, which falls in line with the Vision 2030 program"*

About Italmatch Group: Founded in 1997, Italmatch Chemicals, is a leading innovative chemical group, specialized in flame retardants and performance additives for water treatment, oil & gas, and lubricants and plastics, and boasts a wide product range able to fulfil the requirements of the most demanding applications, including personal care.

The group generates approximately 600 million Euros in sales revenue and operates through seven manufacturing plants in Europe (Italy, Spain, Germany and UK), five in Asia Pacific (China, Japan and India), six in North America (USA) and sales/distribution subsidiaries in Brazil, Belgium, Poland, Singapore. It employs approx. 1,000 workers. Bain Capital Private Equity, a leading global private investment firm, acquired the majority of Italmatch Chemicals together with the management in October 2018. www.italmatch.com

About Al-Hejailan Group: Al-Hejailan Group was founded in 1980 as an engineering and contracting firm. The Kingdom's industrialization program in this period opened avenues for the group to venture into other sectors of the economy, thus evolving into a well-diversified business house over a period of time. Today Al-Hejailan Group maintains a strong presence in areas such as Industry with a focus in the manufacturing of chemicals, the production of stainless-steel pipes and metal works along with Oil & Gas Engineering design and supervision, construction management, trading, logistics support and telecommunications. In the local and international business arena, Al-Hejailan thrives on the principle of mutual trust and integrity. More information about Al-Hejailan can be found at www.hejailan.com.

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This announcement contains statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as "forward-looking statements". A number of risks and uncertainties could cause our actual results to differ materially from current projections, forecasts, estimates and expectations relating to us. Any or all of these forward- looking statements may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and other factors, many of which are beyond our control.

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