

For immediate release

Koehler Group Prepares to Enter the Market for Sustainable Functional Fillers

- **Sustainable REFORCE® functional filler made from lignin as substitute for carbon black**
- **Significant improvement of the carbon footprint for rubber products**
- **Preparation for investment in industrial production at the Koehler Kehl site**
- **XILLIX founded for Marketing & Sales**

Oberkirch, Germany, 6/17/2021 – Koehler Group is continuing to develop its business in the field of renewable functional filler materials and is preparing an investment decision for an industrial production facility at the Koehler Kehl site in Germany. The planned facility is set to produce approx. 15,000 tons of the new product, made from lignin, each year. Alongside cellulose, lignin is the second most abundant biopolymer in the world and is today primarily energetically used. REFORCE® is a new product that is primarily intended to be used in rubber products in the automotive industry and will therefore contribute toward meeting sustainability targets in this sector. Carbon black is so far the predominant functional filler in the rubber industry and produced from petrochemical heavy aromatic oils.

The sustainable filler material REFORCE®, made from lignin, is produced using SunCoal technology and is marketed by XILLIX

Wood is composed of approximately 30% lignin, which predominantly occurs in cellulose production. The technology developed by Brandenburg-based partner company SunCoal Industries (www.suncoal.com) allows lignin to be used to produce a renewable functional filler material, which can achieve the same functionality in rubber compounds as that currently achieved by carbon black originating from fossil fuels. Koehler has now founded its own marketing organization, XILLIX (www.xillix.eu), to market REFORCE®.

Industrial production planned for the Koehler Kehl site with an annual output of approx. 15,000 tonnes

Koehler Group operates its largest paper mill at its Kehl site, Germany. Here, four ultra-modern paper machines produce thermal, decorative and flexible packaging papers. Over 500 employees are employed at the site, which opened in 1988. Kai M. Furler, CEO of Koehler Group, is pleased with the planned expansion of the group's business areas: "Koehler will use its existing infrastructure to build a new production plant. An industrial-scale production plant is planned with the aim of producing around 15,000 tons of REFORCE® functional fillers per year." Basic Engineering of the new production facility started in May 2021 as a key element of the actual investment proposal. The actual investment decision is planned for the end of 2021/start of 2022. The market entry with first deliveries will be expected in 2024.

Koehler Holding SE & Co. KG

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Lineo® by Stora Enso used as lignin feedstock

Alongside technological expertise, the supply of the feedstock lignin is also essential for Koehler to carry out production at industrial scale. As key player of the bioeconomy, Stora Enso is a worldwide provider of renewable solutions for the packaging, biomaterials, wooden construction, and paper sectors. Koehler has closed a supply and off-take agreement for Stora Enso's Lineo lignin to safeguard long-term feedstock supply for the planned production facility. Stora Enso will supply lignin to Koehler's Kehl site from its plant in Sunila, Finland.

XILLIX as for Marketing & Sales

For Marketing & Sales of REFORCE® production, initially from the planned production plant in Kehl, Koehler has created XILLIX as separate brand and entity highlighting the performance driven and application oriented approach with a focus on the automotive as target industry.

About the Koehler Group

The Koehler Group was founded in 1807 and has been family-run from that moment to the present day. The group's core business activity lies in the development and production of high-quality specialty paper. This includes—among others—thermal paper, playing card board, drinks coasters, fine paper, carbonless paper, recycled paper, decor paper, wood pulp board, sublimation paper, and also innovative specialty paper for the packaging industry since 2019. In Germany, the Koehler Group employs over 2,000 people across five production sites, with three additional sites in the USA. The group operates internationally, with an export ratio of over 70% in 2020 and an annual turnover of 770 million euros.

As an energy-intensive company, Koehler invests in renewable energy projects such as wind energy, hydropower, and biomass. The Koehler Group has set itself the goal of producing more energy from renewable sources than is required for its paper production by 2030.

Find more information at: <https://www.koehler.com> and <https://www.xillix.eu>

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