SWM International Recommended Cash Offer for UK-based Scapa Group PLC Receives Scapa Shareholder Approval

March 18, 2021

Proposed Acquisition Moves Forward in Accordance with UK Takeover Code Requirements

Alpharetta, GA, March 18, 2021 (GLOBE NEWSWIRE) -- SWM International (NYSE: SWM) announces that the recommended cash offer (made by SWM's wholly owned indirect subsidiary) for the entire share capital of Scapa, a UK-based innovation, design, and manufacturing solutions provider for healthcare and industrial markets, has received approval from the requisite majority of Scapa shareholders. This approval marks an important milestone in the acquisition process, with remaining steps expected to take place early in Q2 2021.

"We are very pleased with the results of the Scapa shareholder vote," commented SWM CEO Dr. Jeffrey Kramer. "We remain convinced that the combination of Scapa's robust product portfolio, well-recognized brands, and significant capabilities in healthcare and industrial markets with SWM's extensive portfolio of performance materials will result in a well-positioned global business. We look forward to the completion of this process and beginning our shared journey as a newly combined company."

The expected timetable of events for the implementation of the proposed agreement and other relevant materials and documents are available on the SWM International website at https://ir.swmintl.com/update-disclaimer.

Investor Materials

For more information on the transaction, please visit https://ir.swmintl.com/update-disclaimer to access the Rule 2.7 Announcement made in accordance with applicable UK regulations in connection with transaction (which includes the key information that is included in this announcement) and a presentation with additional details about Scapa's products and capabilities and strategic rationale for the acquisition. The presentation is also attached as an exhibit to the 8-K filed in conjunction with this release. We strongly encourage you to read the Rule 2.7 Announcement; this announcement is not a summary of the Rule 2.7 Announcement and should not be regarded as a substitute for reading the Rule 2.7 Announcement in full.

Advisers

J.P. Morgan Securities LLC and its affiliate J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove, is serving as financial adviser and King & Spalding International LLP is acting as the legal adviser to SWM. Jefferies International Limited is acting as financial adviser and DLA Piper UK LLP is acting as legal adviser to Scapa.

Other
Capitalised terms used in this announcement have the meaning given to them in the Rule 2.7 Announcement. Any person interested in securities of SWM or Scapa is encouraged to consult their professional advisors.

About SWM

SWM is a leading global performance materials company. Our highly engineered films, nets, nonwovens and papers are designed and manufactured using resins, polymers, and natural fibers for a variety of industries and applications. We provide our customers with essential components that enhance the performance of their products. End markets served include filtration, transportation, infrastructure and construction, medical, industrial, tobacco, energy, food services and home décor. SWM and its subsidiaries manufacture on four continents, conduct business in over 80 countries and employ approximately 3,700 people worldwide. For further information, please visit SWM's website at www.swmintl.com.

About Scapa

Scapa is listed on AIM and is the parent company of a diversified Healthcare and Industrial group focused on bringing best-in-class innovation, design and manufacturing solutions to its customers.

Healthcare
Scapa Healthcare is a trusted strategic partner to many of the world's leading companies in Advanced Wound Care, Consumer Wellness and Medical Device Fixation. Scapa Healthcare has significant capabilities and scale in skin technology for healthcare companies. Its products are typically disposables and consumables which are stand-alone products or components of a medical device system. For further information, please visit www.scapahealthcare.com

Industrial
Scapa Industrial adhesive based innovative bonding solutions are designed with specific technical requirements to differentiate technologies and positions in core markets, primarily: Construction, Consumer, Cable, Automotive and Specialty.
For further information, please visit www.scapaindustrial.com

Forward-Looking Statements –
This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, federal securities laws, and other applicable laws, that are subject to the safe harbor created by such laws and other legal protections. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements include, without limitation, those regarding 2020 guidance and future performance, sales and volume trends, growth prospects, diversification efforts of our AMS segment, future

results of AMS operations, and other statements generally identified by words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "aim", "will", "may", "hope", "continue", "would", "could" or "should" or other words of similar meaning or the negative thereof.

These forward-looking statements are made only as of the date of this press release. They are prospective in nature and note based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which our business shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. No assurance can be given that such expectations will prove to have been correct and persons reading this announcement are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this press release. We undertake no obligation, nor have any intention, except as may be required by law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
In addition, forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties (some of which are beyond the Company's control) and assumptions that may cause actual results to differ materially from our expectations as of the date of this release. These risks include, among other things, those set forth in Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2019, which can be found at the SEC's website www.sec.gov, as well as the following factors:

- The integration of Scapa with SWM may not be successful or anticipated benefits from the transaction may not be realized
- The effect of the announcement of the Transaction on our business relationships, operating results and business generally
- The occurrence of any event or other circumstances that could give rise to the termination of the Transaction, or the failure to satisfy conditions to completion of the Transaction, including the receipt of all required regulatory approvals
- Risks associated with the implementation of our strategic growth initiatives, including diversification, and the Company's understanding of, and entry into, new industries and technologies;
- Changes in the source and intensity of competition in our market segments;
- Increases in input costs and lack of availability of such materials could impact the sales and profitability of our products;
- Adverse changes in the market sectors Scapa serves impacting key AMS segment customers;
- Changes in the discount rates, revenue growth, cash flow growth rates or other assumptions used by the Company in its assessment for impairment of assets and adverse economic conditions or other factors that would result in significant impairment charges;
- The failure of one or more material suppliers to supply materials as needed to maintain our product plans and cost structure;
- Risks associated with acquisitions or other strategic transactions, including acquired liabilities and restrictions, retaining customers from businesses acquired, achieving any expected results or synergies from acquired businesses, complying with new regulatory frameworks, difficulties in integrating acquired businesses or implementing strategic transactions generally and risks associated with international acquisition transactions, including in countries where we do not currently have a material presence; and
- Other factors described elsewhere in this document and from time to time in documents that we file with the SEC.

Non-GAAP Financial Measures

Financial information relating to Scapa included in this press release has been or will have been prepared in accordance with IFRS and may not therefore be comparable to the financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

Certain financial measures and comments contained in this press release exclude restructuring and impairment expenses, certain purchase accounting adjustments related to AMS segment acquisitions, interest expense, the effect of income tax provisions and other tax impacts, capital spending, capitalized software costs, loss from discontinued operations, and depreciation and amortization. This press release also provides certain information regarding the Company's financial results excluding currency impacts. This information estimates the impact of changes in foreign currency rates on the translation of the Company's current financial results as compared to the applicable comparable period and is derived by translating the current local currency results into U.S. Dollars based upon the foreign currency exchange rates for the applicable comparable period. Financial measures which exclude or include these items have not been determined in accordance with accounting principles generally accepted in the United States (GAAP) and are therefore "non-GAAP" financial measures. Reconciliations of these non-GAAP financial measures to the most closely analogous measure determined in accordance with GAAP are included in the financial schedules attached to this release.

The Company believes that the presentation of non-GAAP financial measures in addition to the related GAAP measures provides investors with greater transparency on the information used by the Company's management in its financial and operational decision-making. Management also believes that the non-GAAP financial measures provide additional insight for analysts and investors in evaluating the Company's financial and operational performance in the same way that management evaluates the Company's financial performance. Management believes that providing this information enables investors to better understand the Company's operating performance and financial condition. These non-GAAP financial measures are not calculated or presented in accordance with, and are not intended to be considered in isolation or as alternatives or substitutes for, or superior to, financial measures prepared and presented in accordance with GAAP, and should be read only in conjunction with the Company's financial measures prepared and presented in accordance with GAAP. The non-GAAP financial measures used in this release may be different from the measures used by other companies.

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Source: Schweitzer-Mauduit International, Inc.