

## COMPANY ANNOUNCEMENT AND PRESS RELEASE

Gabriel Holding A/S

### **Gabriel signs Letter of Intent concerning the acquisition of the share capital in the Mexican furniture manufacturer Grupo RYL, S. A. de C. V.**

The subsidiary Gabriel North America Inc. in the US established in 2016 a FurnMaster production unit in Grand Rapids Michigan, US. As potentials have been identified and developed, the possibilities for establishing a similar unit in Mexico have been investigated.

These investigations have led to Gabriel North America Inc. signing a Letter of Intent concerning the acquisition of the share capital in the Mexican furniture manufacturer Grupo RYL, S. A. de C. V. (RYL). RYL is well established as a development and production unit, acting as a subcontractor to the furniture industry in the US. The company, which employs approx. 170 employees, had in 2018 a revenue of USD 8 million, where the profit before tax amounted to USD -1.2 million.

The purchase price is agreed at USD 4.0 million, which can be adjusted in connection with results in the Due Diligence and according to the development in the company's balance sheet.

The expected purchase of the share capital in the Mexican company is to support the Group's growth in the Group's FurnMaster activities in North America.

If the transaction is carried out in accordance with the signed Letter of Intent, the acquisition is expected to contribute a turnover of the order of USD 5 million in the current financial year and a profit contribution before tax of the order of +/- 0.