



INDUSTRIE CHIMICHE FORESTALI

SIGNED AGREEMENT FOR THE ACQUISITION OF “TESSITURA LANGE' S.r.l.”, ITALIAN BRAND WITH OVER 80 YEARS OF HISTORY IN THE ENNOBLING OF HIGH-END FOOTWEAR AND PACKAGING FABRICS

Through the agreement ICF strengthens its position in the footwear sector by vertically integrating itself and providing the market with increasingly sustainable products

Marcallo con Casone (MI), 09 February 2023

The Board of Directors of Industrie Chimiche Forestali S.p.A. ("ICF") - one of the leading national and international operators in the design, production and marketing of high-tech adhesives and textiles, listed on the Euronext Growth Milan market, organised and managed by Borsa Italiana - announces that, yesterday evening, a preliminary Sale and Purchase Agreement ("SPA") was signed between the same, as purchaser, and Tessitura Langè S.r.l. ("Tessitura Langè"), as seller, concerning the latter's business activities related to the finishing and ennobling of fabrics and trading of yarns, fabrics and textile products (the "Deal").

Purpose of the Deal

Following the successful acquisition of the Morel business unit in July 2021, ICF continues its M&A strategy aimed at consolidating its competitive market positioning and expanding its commercial offer with complementary and highly synergic products. The deal also allows ICF to integrate one of the main suppliers of the textile division and, thanks to its distribution capacity and international presence, to achieve commercial synergies. The transaction will also increase exposure in the footwear, leather goods, apparel and high-end packaging sectors.

Guido Cami, CEO of Industrie Chimiche Forestali, declared:

"I am pleased to announce the agreement between two historic manufacturing companies in Lombardy (Italy) that have been working together for decades with mutual satisfaction. Integrating upstream in the ennobling of fabrics adds inestimable value to Forestali's products in terms of sustainability because it allows the complete production chain to be clearly traced. Furthermore, thanks to the technical and commercial collaboration of the two organisations, further market opportunities in the luxury product packaging sector will open up in synergy. In our opinion Tessitura Langè is a "textile ennobling boutique" equipped with state-of-the-art facilities and a flexible and efficient organisation ready to respond to the requests of the most demanding customers in terms of quality, service and sustainability. A team, led by Massimo Langè, with capable and serious young people and strongly motivated, which has enabled the company over the years to obtain first-class certifications, such as those for the use of organic cottons, of ethical origin and also recycled. The Forestali family is thus also growing numerically with an additional 25 employees, which will be added to the 15 from Morel from 2021! A total team of 165 people highly motivated and oriented towards a sustainable future. Go ahead!"



Business and History of Langé

Founded in 1941, Tessitura Langé produces and sells cotton and blended fabrics that are refined through in-house industrial processes with a strong focus on innovation and sustainability. Based in Robecchetto con Induno (Milan), the company is characterised by the high degree of verticalisation of the production cycle, which allows products to be controlled from creation to sale to guarantee maximum quality.

The focus on sustainability is enhanced using ethically sourced cottons (BCI), made with organic raw material guaranteed by “GOTS” certification and/or recycled with “GRS” certification, as well as by the use of chemical substances in the production processes that comply with the REACH protocol and the SVHC (Substances of Very High Concern) list.

Again, in respect of the environment, all wastewater is conveyed into industrial collector that has as its terminal the Ecologica Naviglio company, a flagship for wastewater disposal, constantly committed to the pursuit of environmental sustainability.

The current majority shareholder and CEO will remain in office as operations manager of the business unit.

Langé Massimo, CEO of Tessitura Langé, declared:

“I’d like to thank Mr. Cami for his esteem for me, my company and my team. Working with a solid group will guarantee us long-term visibility. We are historical suppliers of ICF and our mutual esteem has allowed us to reach this agreement, which will allow Tessitura Langé to work in synergy to grow, expand and improve our business while maintaining the diversification of our extensive customer portfolio”.

Characteristics of the Deal

Tessitura Langé achieved revenues of approximately Euro 10 million in 2022, up approximately 25% from Euro 8 million in 2021, producing over 4 million running metres of fabric. All the activities involved in the deal are estimated to have produced positive margins. The combination plan envisages the exploitation of significant commercial and industrial synergies.

The price to be paid by ICF will be equal to Euro 1.760.431,10, to which must be added the amount of inventories and stock inventories as of the date of execution, all subject to the usual adjustments at the date of execution of the Deal on the basis of the exact composition of the business unit. The payment of the consideration - which will be made using own means - is expected to be made in two instalments: the first, on the execution date and the second, within 12 months from the execution date.

The sale and purchase agreement envisages, inter alia, a set of representations and warranties issued by Tessitura Langé, which are customary in this type of transaction, and the consequent obligation to indemnify ICF.

The Deal, which is not subject to any conditions, will be executed no later than 30 April 2023.

Advisors of the Deal

In the Deal, ICF was assisted by Pedersoli with a team comprised of Francesca Leverone and Elisa Bertoni and, for financial and environmental aspects, by BDO and TAUW, respectively. Tessitura Langé was assisted by the law firm Calcaterra Cozzi, in the person of Paola Calcaterra. The Notary for the Deal is Manuela Agostini of the Agostini - Chibbaro Notary Firm.



This press release is available on the ICF website under www.investors.forestali.it/comunicati-stampa.

Industrie Chimiche Forestali S.p.A. (ICF) is one of the leading international players in design, production and marketing of high-tech adhesives and textiles mainly for footwear & leather goods, automotive and packaging markets. The Group is strongly committed to the values of sustainability and ESG principles that have inspired its business since 1918. The Group is present both nationally and internationally, including through its subsidiary Forestali de Mexico S.A. operating mainly in the Mexican market. The ICF Group (Industrie Chimiche Forestali S.p.A. and Forestali de Mexico S.A.) with approximately 125 employees carries out its production exclusively in Italy at the Marcallo con Casone (MI) plant. The Group has obtained the most important certifications in the chemical and business sectors, in particular ISO 9001, IATF 16949, OHSAS 18001, ISO 14001 and EMAS, as well as adhering since 1997 to the Responsible Care programme with Federchimica; numerous products have received GRS certification, which attests to the high commitment to the use of recycled materials. Industrie Chimiche Forestali S.p.A. produces and markets its products through four separate brands: ABC (Adhesive Based Chemicals), Industrie Chimiche Forestali, Durabond and from 2021 Morel.

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