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PRESS RELEASE

Mittel returns into the apparel sector by acquiring control of the iconic Ciesse Piumini brand

- **Mittel acquires 90% of Sport Fashion Service S.r.l., the company that owns the Ciesse Piumini brand**
- **The acquired company expects to close 2019 with turnover of over EUR 25 million and an EBITDA margin of approx. 20%**
- **Mittel's return to the urban/lifestyle and outdoor apparel sector is part of an investment strategy focused on the Made in Italy and brands with strong growth prospects**
- **The investment in Ciesse Piumini further broadens the diversification of Mittel Group's investment portfolio, already present in the sectors of high-end bathroom furnishings, nursing homes, and automotive**

Marco Colacicco, Chairman of the Mittel's Executive Committee, noted, "For Ciesse Piumini, we are aiming to significantly increase turnover, consolidating the profit margins already achieved by the company, by strengthening the management team".

Milan, 18 November 2019

Mittel continues its strategy of investing in companies that express Italian excellence by finalising the acquisition of 90% of Sport Fashion Service S.r.l. ("**Ciesse Piumini**"), a company that operates in the informal apparel market and, in particular, in the urban/lifestyle and outdoor segments.

Ciesse Piumini is an iconic brand with a high degree of recognition, which has expanded its experience in technical-sports products over time, including products designed for extreme expeditions, to clothing that is suitable for urban fashion, combining production excellence, comfort and style. In 2019, the company expects to achieve turnover of over EUR 25 million and an EBITDA margin of approx. 20%.

Ciesse Piumini's development strategy involves creating an omni-channel distribution model, through strong brand growth in digital sales and communication channels, additional strengthening in traditional distribution channels, and selective development in international markets.

As part of the transaction, Fabio Primerano was appointed Executive Chairman of Ciesse Piumini. Mr. Primerano has significant experience in managing and directing global companies and in business development, including through the use of digital channels, confirming the increasing importance of this dimension within the apparel sector.

As stated by Marco Colacicco, Chairman of Mittel's Executive Committee, "*The transaction is consistent with our strategic plan and with the value creation project focused on a diversified investment strategy in Made in Italy sectors of excellence.*

In fact, the acquisition of Ciesse Piumini integrates with Mittel's portfolio, which currently has investments in the high-end bathroom furnishings sector, in nursing homes and in the automotive sector. For our companies, we want to be a driving force for development, playing a role that goes beyond financial support with a view to medium/long-term business partnerships.

For Ciesse Piumini, we are aiming to significantly increase turnover, consolidating the profit margins already achieved by the company, by strengthening the management team".

The overall investment by Mittel S.p.A. to acquire 90% of the share capital of Sport Fashion Service S.r.l., entirely financed with equity, amounted to a total of EUR 11.3 million in addition to EUR 4.1 million for taking over the shareholder loan that was outstanding at the closing date. Depending on Ciesse Piumini's results over the next few years, the agreements signed include a potential earn-out to the seller, currently estimated at a maximum of EUR 3.9 million.

Mittel S.p.A. was supported in the transaction by the Pavia e Ansaldo Law Firm as legal advisor, by EY for financial and tax due diligence, and by Long Term Partners for business due diligence.

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This investment constitutes a significant related party transaction, pursuant to Consob Regulation 17221 of 12 March 2010 (and subsequent amendments) and the Procedure for Related Party Transactions adopted by Mittel S.p.A. ("Procedure"), as the selling company is Blue Fashion Group S.p.A., which owns 100% of the share capital of Seconda Navigazione S.r.l., which, in turn, controls Progetto Co-Val S.p.A. through an equity investment of 83.18% of its share capital, with the latter holding a 82.63% stake in Mittel.

The transaction was approved by the Board of Directors of Mittel S.p.A. with the justified positive opinion issued on 13 November 2019 by the Related Party Transaction Committee ("Committee"), pursuant to Article 10 of the Procedure. The Committee, composed of three independent members of the Board of Directors, has unanimously agreed on the interest of Mittel S.p.A. in carrying out the transaction and on the economic advantage and substantial propriety of the relative conditions. The Committee was supported by Deloitte & Touche S.p.A. as an independent expert, who issued an opinion on the fairness of the transaction price.

The information document relating to significant related party transactions will be made available in accordance with the law.

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