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## **EPS ANNOUNCES FULL ACQUISITION OF INDUSTRIE CHIMICHE FORESTALI S.P.A. (“ICF”), A LEADING COMPANY IN THE PRODUCTION AND DISTRIBUTION OF ADHESIVES AND TECHNICAL FABRICS**

**Subject to the approval of the Business Combination, ICF will be listed on the AIM Italia.**

**Milan, January 19, 2018** – Today, the Board of Directors of EPS Equita PEP SPAC S.p.A. (“**EPS**”), an Italian SPAC (Special Purpose Acquisition Company) listed on the AIM Italia, approved the business combination (the “Transaction”) between EPS and Industrie Chimiche Forestali S.p.A. (“**ICF**”), a leading Italian producer of fabrics for toe puffs and counters and adhesives for the footwear, leather goods, automotive, packaging and furniture sectors. The contracts governing the Transaction were signed today following the Board approval.

The Board of Directors of EPS also called the Ordinary and Extraordinary Shareholders’ Meeting for February 26 to approve the Transaction as a whole and also its individual constituent phases.

### **COMPANIES INVOLVED**

**EPS** is a special purpose acquisition company (SPAC) whose financial instruments (ordinary shares and warrants) were listed on the AIM Italia on August 1, 2017. EPS was incorporated and promoted by Equita PEP Holding S.r.l., an equal joint venture between Equita Group S.p.A. and Private Equity Partners S.p.A. (“**PEP**”), Fabio Sattin, Giovanni Campolo, Stefano Lustig and Rossano Rufini. EPS combines the expertise of both Equita and PEP, respectively bringing over 40 years of investment selection and market listing experience and approximately 30 years of experience in the acquisition and development of Italian industrial enterprises.

**ICF** is a leading Italian producer of fabrics for toe puffs and counters and adhesives for the footwear, leather goods, automotive and furniture sectors. ICF exports approximately 70% of production across the globe, from the Americas to the Far East and from Russia to South Africa. With a consistent key focus on the product and the support of customers for new project development, ICF has become the go-to solution for the leading brands manufacturing footwear and handbags, and also for the automotive and flexible packaging sectors.

ICF is currently held by Cantarellus SA (51%), Progressio SGR S.p.A. (39.28%), PEP (4.17%), the Chief Executive Officer Guido Cami (4.17%) and by other small shareholders.

ICF reports for the first eleven months of 2017 revenues of approximately Euro 72.9 million, EBITDA of approximately Euro 9 million, an adjusted net profit of approximately Euro 4.4 million (due to the amortisation of goodwill) and a net debt of approx. Euro 15.3 million.

**Guido Cami, Chief Executive Officer of ICF, stated:** *“I have been leading the Group since the beginning of 2010 and I am thrilled to have witnessed consistent and almost two-fold growth thanks to the tremendous commitment of the entire team. This team of highly motivated individuals have driven the company’s*

*development in Italy and overseas, seeing ICF become the go-to solution for the world most prestigious brands manufacturing footwear and handbags, and also for the automotive and flexible packaging sectors. This transaction will facilitate further growth, allowing us to establish ourselves as a platform to bring together other excellent companies to become even more of a global force together. The enterprise's expansion and business culture development shall evolve under the continued stewardship of managers with consolidated sector experience investing directly in ICF's future".*

## **KEY TERMS OF THE TRANSACTION**

In summary, the Transaction shall consist of the following steps:

- (i) the partial and proportional spin-off of EPS in favour of EPS Equita PEP SPAC2 S.p.A. ("**EPS2**"), a joint-stock company incorporated by EPS on January 12, 2018 and today wholly-owned by the latter, whose shares shall be listed on the AIM Italia and which will be endowed with EPS assets remaining after the completion of the acquisition, net of any payments by EPS to acquire treasury shares for which the right to withdrawal has been exercised by EPS shareholders not in agreement with the Transaction (as outlined below) (the "**Spin-off**");
- (ii) as soon as possible subsequent to the Spin-off efficacy date, the acquisition by EPS of the entire ownership of ICF from the current shareholders for total consideration of Euro 69,075,000, not subject to adjustment (the "**Acquisition**");
- (iii) subject to conclusion of the Acquisition, the entry of an additional 11 ICF managers, together with reinvestment by the Chief Executive Officer Guido Cami and by PEP in EPS, through subscribing to a reserved paid-in share capital increase, with exclusion of option rights in accordance with Article 2441, fifth paragraph of the Civil Code, for a maximum Euro 5,124,780, of which Euro 2,836,412 as share capital and the allocation of the remainder to the share premium reserve, at a subscription price of Euro 10 per newly issued share (the "**Share Capital Increase**"). PEP in subscribing to the reserved Share Capital Increase shall reinvest the entirety of the consideration received from the sale of the ICF shares, while Mr. Guido Cami shall reinvest a majority. On full uptake of the Share Capital Increase, PEP and the ICF managers shall overall hold 512,478 ordinary shares (6.8%) of EPS;
- (iv) subject to subscription by the individual ICF managers to their respective reserved Share Capital Increase allocations, their acquisition of the special EPS shares currently held by Equita PEP Holding S.r.l., by Equita SIM S.p.A., by Stefano Lustig and by Rossano Rufini, that in this regard shall transfer a total 36,522 special shares, in proportion to the number of special shares held by each, at a price of Euro 10 per special share (the "**Special Share Sale**"). On full uptake of the Special Share Sale, the ICF managers will overall hold 20% of the EPS post Spin-off special shares.

The above corporate transactions (Spin-off, Acquisition, Share Capital Increase and Special Share Sale) shall jointly constitute the Transaction to be submitted to the EPS Ordinary Shareholders' Meeting called to authorise execution as per Article 10 of the By-Laws.

Since the Transaction's execution shall result in changes to EPS' By-Laws, including particularly the alteration of the corporate scope - substantially to match that of ICF - and the extension of the company's duration, the shareholders not agreeing with the Transaction may withdraw from the company in accordance with Article 2437 of the Civil Code. In this regard, the Board of Directors of EPS fixed the withdrawal price at Euro 10.00 per share on the basis of the criteria for its calculation set out in the By-Laws.

The Shareholders' Meeting approval of the Transaction is conditional upon the number of shares subject to the exercise of exit rights represents no more than 30% of the SPAC ordinary share capital.

The consideration for the Acquisition of Euro 69,075,000 sets the following implied ratios calculated on the basis of ICF's 2016 Adjusted results, which consider the amortisation of goodwill and non-recurring charges:

EV/EBITDA 6.7x and Adjusted PE 9.0x. ICF's revenues continued to grow in the first 11 months of 2017, although the margin contracted due to rising raw material costs.

The Acquisition is considered a related party transaction according to EPS' related party transactions policy as Fabio Sattin, Chairman of the Board of Directors of EPS, and Giovanni Campolo, an EPS Director, directly and indirectly jointly own 100% of the share capital of PEP, the company acting as vendor - although with a minority holding - for the Acquisition and whose funds from the sale shall be entirely reinvested by PEP in the new transaction. In this regard, the Board of Directors received today the favourable opinion of the independent directors' committee with respect to EPS' interest in completing the Transaction, as per the related party transactions policy.

The Acquisition constitutes a "reverse take-over" as per Article 14 of the AIM Italia Issuers' Regulation. A prospectus containing detailed information upon the Transaction in general and on the Acquisition and ICF's operations in particular was therefore drawn up.

The prospectus, published today on the Business Combination section of EPS' website, among other matters presents the pro-forma financial results of the combination for the first eleven months of 2017 and for the full-year 2016, in addition to the information specifically required under the AIM Italia regulation for related party transactions.

Detailed information on the Spin-off and the Share Capital Increase is also presented in the respective Directors' Reports to be published on the [www.epspac.it](http://www.epspac.it) website in accordance with the law.

EPS shall be supported by the BonelliErede Legal Firm and EY. Mediobanca - Banca di Credito Finanziario S.p.A acted as Nominated Adviser.

**Additional information:**

In accordance with Article 14 of the AIM Italia Issuers' Regulation, the company and Mediobanca S.p.A., as Nomad, communicated to Borsa Italia on January 19, 2018 the relative declarations (Form 7 - Part I, AIM Italia Issuers' Regulation and Form 4, Part I, AIM Italia Issuers' Regulation).

## **EPS EQUITA PEP SPAC (“EPS”)**

*EPS Equita-PEP SPAC S.p.A. (“EPS”) is the first joint initiative of the equal Joint Venture between Equita and PEP called “Equita PEP Holding Srl”, set up for the development of private capital sector projects. Listed on Borsa Italiana’s AIM Italia on August 1, 2017, EPS is led by two institutional investors of proven experience and focused on mid-sized Italian enterprises of great industrial potential targeting international expansion. The dual objective of the company is to offer a solid investment to institutional investors and access to the capital markets for enterprises with tangible growth opportunities. EPS unites the expertise developed by Equita and PEP, respectively bringing over 40 years of investment selection and market listing experience and approximately 30 years in the acquisition, management and development of Italian industrial enterprises. The company is a SPAC employing best market practice in terms of investor returns, offering attractive remuneration for innovative promoters through the long-term success of investments and share price growth. EPS’ Board of Directors comprises: **Fabio Sattin (Chairman), Stefano Lustig (Vice Chairman), Giovanni Campolo and Rossano Rufini (Chief Executive Officers) and, as independent directors, Mr. Stefano Caselli, Mr. Fabio Buttignon and Ms. Paola Giannotti De Ponti. Mr. Filippo Annunziata is Chairman of the Board of Statutory Auditors.***

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