



## **G.M. LEATHER enters into an agreement to acquire a minority stake in CHIORINO TECHNOLOGY with the aim of developing industrial and commercial synergies**

Arzignano (VI), 14 November 2023

**G.M. LEATHER** (GML:IM), a group based in Arzignano, Italy listed on Euronext Growth Milan and strategic partner of leading brands in the luxury (leather goods and footwear) and lifestyle (medium and high-end furniture) sectors, has entered into a binding investment agreement with Arcadia SGR S.p.A. and Marco Toscano (the “CT Partners”) for the acquisition of 18.92% of CHIORINO TECHNOLOGY S.p.A., a manufacturing company founded in the early 1980s by Lorenzo Chiorino in Biella, Italy (in 2018 acquired by ARCADIA, a leading private equity fund management company operating in the Italian SME segment), specialising in leather processing for the luxury and fashion sectors, focusing in particular on the processing of split leather, a material derived from the industrial process of splitting grain leather.

CHIORINO TECHNOLOGY’s customers include international brands in the fashion industry, active in particular in the luxury leather goods and footwear segments.

**Simone Voltolin, MD of G.M. LEATHER:** *“We continue our growth path with conviction through entry into the share capital of CHIORINO TECHNOLOGY as an Industrial Partner. The goal shared with ARCADIA, CHIORINO TECHNOLOGY’s current majority stakeholder, is to relaunch the company developing all the potentials and industrial and commercial synergies that collaboration with our Group can bring. This operation is to be considered important from a forward-looking perspective and represents an opportunity for diversification and further consolidation of our presence in the luxury market segment, which for us is strategic.”*

The investment will allow important commercial and industrial synergies with G.M. Leather, in particular the signing of commercial agreements regarding the supply by the GM Group of leathers used in the production process of CHIORINO TECHNOLOGY, use of the sales network and showroom in Tuscany for the sale of GM Group products, and joint participation in trade fairs and industry events, with the aim of further strengthening the presence of GM Group in the luxury segment.

The agreement signed with the CT Partners specifies that by 31 December 2023 the Shareholders’ Meeting of CHIORINO TECHNOLOGY will approve a capital increase of 1,850,000 euros, including share premium, to be subscribed by the CT Partners for 1,500,000 euros and by G.M. Leather for 350,000 euros by 31 January 2024. After subscribing the increase in capital, G.M. Leather will hold 18.92% of the share capital of CHIORINO TECHNOLOGY.

As at 31 December 2022, the sales revenue of CHIORINO TECHNOLOGY was 14.7 million euros (15.2 million euros in 2021) and it had a negative EBITDA of 0.5 million euros (in 2021 negative by around 0.4 million euros). The net financial debt as at 31 December 2022 was 9.1 million euros (8.6 million euros in 2021).



It is specified that the operation is not deemed significant pursuant to Article 12 of the Euronext Growth Milan Issuer Regulation.

**G.M. LEATHER** (GML:IM; IT0005498610) is a company established in 2011 and is the parent company of the G.M. Group (“The Group”), founded in 1976 by the Marcigaglia Family through the establishment of the companies SNAM di Marcigaglia Antonio & C S.r.l. (“Snam”) and subsequently of Genesi S.r.l. (“Genesi”), currently both wholly owned by the Issuer. The Group has been active for over 45 years based in Arzignano (Vicenza) in Italy’s largest tanning district, and is a manufacturing company that fully represents Made in Italy through the high value-added processing of leathers destined for the manufacture of products for the luxury (leather goods and footwear) and lifestyle (medium and high-end furniture) sectors. It operates through 3 sites covering a total indoor area of 25,000 m<sup>2</sup>, with a production capacity in excess of 3 million m<sup>2</sup> of leather as full-cycle finished product. Activities for the procurement of raw materials (raw bovine hides and semi-processed hides) are carried out by the Issuer and its subsidiary Snam, while the high value-added processing activities are entrusted to the subsidiary Genesi.

Press release available on [www.gmleatherspa.com](http://www.gmleatherspa.com) and [www.1info.it](http://www.1info.it)

**G.M. LEATHER**

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