

Press Release

PROGRESSIO RAISES EURO 185 MILLION WITH ITS FUND PROGRESSIO INVESTIMENTI III AND AIMS TO EXCEED THE EURO 225 MILLION TARGET

Milan, February 6th 2019. Progressio SGR's Board of Directors approved today the fourth closing of the Fund Progressio Investimenti III, having collected commitments for approximately Euro 185 million.

The initiative has attracted the interest of over 50 subscribers so far. Although subscribers are mostly institutional (68% of the commitment), there was an important contribution also from other investors (in particular family offices and entrepreneurs); the management team has subscribed about 5% of the total commitment. The Foreign subscribers share (21%) is higher than the one recorded at the end of the previous fund's collection, demonstrating a growing appreciation at international level for the work performed by the Asset Management firm.

The initial target of the third Fund was set at Euro 225 million (with a hard cap of Euro 250 million) and the management team is confident that it will exceed this goal by the final closing, scheduled for July 2019.

The investment strategy is focused on Italian SMEs, with particular attention to companies operating in sectors where Italy expresses excellence at global level: mechanical engineering, fashion & luxury, pharma & chemical, food & beverage. The key factor for value creation is management: over the years, Progressio has set up a wide network of managers, among which it has selected about 100 professionals with many years of experience in various sectors. Progressio involves the most suitable ones since the early stages in the analysis of new investment opportunities, with the objective - in case the target is acquired - to include them in the management of the company as leader or as support for the growth.

Progressio's search for "hidden champions" is supported by a deep knowledge of the territory: the origination deal derives not only from typical channels (M&A advisors, international or boutiques) but also from local professionals and sometimes by the same managers with whom Progressio has established a relationship over the years. In 2018, more than 250 possible deals were analyzed, reaching the closing on 3 occasions (one direct investment and two add-ons).

Value creation is fostered by the industrial approach of Progressio: the managerial strengthening empowers a growth that derives from the core business consolidation, from

the expansion of the commercial offer and from a process of internationalization, all of them reachable organically or through acquisitions.

Progressio management team has so far managed funds for around Euro 500 million, and has completed 22 investments, to which it has added 11 add-ons; 17 of these investments have already been realized. Some examples of investments that have been realized are Moncler (luxury sportswear), Chromavis (cosmetics), Italcimici (pharmaceutical products), Diplomatic (hydraulic components) and Forest Chemical Industries (adhesives), which won the "Claudio Dematté Awards - Private Equity of the Year" in 2018.

The Fund Progressio Investimenti III has already made two investments: Save The Duck (animal free sportswear) in March 2018 and Gampack (machinery for secondary packaging) announced a few days ago.

"The fundraising success is the recognition of the quality work done by the whole team in the last years" declared Filippo Gaggini, Managing Partner of the SGR. "The principle that inspires our activity - Passion for Growth - is valid at every level: we strongly believe in a coordinated team work with clear targets. Investors recognize in us an industrial approach and a great ability to intercept and evaluate most of the opportunities that the Italian market offers, even the most hidden ones. Considering the interest and appreciation shown by potential investors that are currently evaluating the subscription of Fund III, I am confident in exceeding the fixed target".

Progressio has Cebile Capital as placement agent for its third Fund and hired the law firms Legance - Avvocati Associati for legal matters and Studio Di Tanno e Associati for tax matters.

Progressio SGR

Progressio SGR S.p.A., established in 2005, is a private equity firm focused on Italian SMEs. It is an independent company, entirely owned by the management team that includes Filippo Gaggini (Managing Partner), Angelo Piero La Runa (Senior Partner), Nino Mascellaro (Senior Partner), Alessandro d'Arco (Partner) and Alessandro Petraccia (Partner). The investment strategy aims to invest in "hidden champions" in market niches where Made in Italy is a competitive advantage in terms of know-how and market positioning. The goal is to support the portfolio companies in a value creation path through organic growth, M&A strategy and meanwhile strengthening the management organization.

Progressio managed funds for around Euro 500 million and completed 22 investments - to which it added 11 add-ons - of which 17 have already been realized.

After Save The Duck, a company that operates in the animal free sportswear sector, Gampack is the second investment of Progressio Investimenti III Fund, currently in advanced fundraising with a Euro 225 million target and a final close expected by July 2019.

For further information: www.progressiosgr.it

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