

Entangled Capital SGR and Capital Dynamics

Acquire SM Pack

MILAN, Italy and ZUG, Switzerland – September 24, 2020 -- EC I, the fund managed by Entangled Capital SGR, today announced its acquisition of a majority position in SM Pack S.p.A., an Italian company active in the production of glass vials and bottles used in the pharmaceutical and cosmetics/perfume industries.

Capital Dynamics, an independent global private asset management firm, has participated in the transaction via the strategic small capitalization program of its long-established private equity co-investment business.

“We are enthusiastic about EC I’s first portfolio company”, said Roberto Giudici, Entangled Capital’s CEO and co-founding partner. “SM Pack has all the elements we seek in a target company. The business enjoys a leading market position and offers strong growth potential, both organically and through bolt-on acquisitions. Capital Dynamics’ participation will enhance our efforts to implement a more professional approach to the growth of the company, aligned with international standards from economic, financial and responsible investment perspectives, also contributing to firepower for add-on acquisitions”, adds Giudici.

SM Pack, founded in 1964 as Soffieria Mezzadri, is today an Italian champion in the transformation of tubular glass into vials, bottles and sample containers for the pharmaceutical and cosmetics/perfume industries. With three production plants (two in Italy and one in Spain), 130 employees, 40 production lines with a total capacity of over 500 million pieces/year and a new, state-of-the-art sterilization facility, the company serves more than 230 customers and is considered a reliable, trusted partner in the industry.

During the first half of 2020, SM Pack demonstrated considerable resilience in the face of the healthcare emergency induced by COVID-19, posting strong year-on-year revenue growth, largely due to the inherent flexibility provided by its three discrete production sites coupled with the breadth of its offering and focus on clients’ specific needs. SM Pack earned Euro 15 million in revenues in 2019.

The involvement of Capital Dynamics as co-investor confirms Entangled Capital's role as a reliable partner for Italian and foreign institutional investors who value the attractiveness of Italy’s SMEs and their development potential in terms of professionalization, growth and increasing global reach.

David Smith, Capital Dynamics’ Senior Managing Director, states: “The SM Pack transaction concluded by our strategic small capitalization programme represents a valuable SME co-investment opportunity where the important contribution of professional investors such as Entangled Capital can really make a difference. We are delighted to have formed what we hope will be an enduring partnership with Entangled Capital and SM Pack’s professional CEO.”

Claudio Baratta, SM Pack’s CEO comments: “We are excited to have found in Entangled Capital and Capital Dynamics new partners that will allow us to continue and enhance SM Pack’s growth trajectory, certain that we will have, in addition to economic and financial support, the organizational and strategic tools to make SM Pack a strong Italian champion on a global stage.”

Legance – Avvocati Associati, PwC, Studio Russo De Rosa and ERM acted as legal, financial, due diligence and ESG advisors to Entangled Capital SGR. King & Wood Mallesons served as primary legal counsel for Capital

Dynamics on the acquisition. Pirola Corporate Finance and Mignoli law firm served as advisors to the Mezzadri family.

About Entangled Capital SGR

Entangled Capital SGR was established in 2019 by Roberto Giudici and Anna Guglielmi to promote and manage a private equity fund with a more operative approach focusing on Italian SMEs in the industrial, manufacturing and technology sectors. The team is supported by a group of Operating Partners, entrepreneurs and managers who are involved in the initial evaluation phase of potential new investments. The first Fund, named EC I, was approved and launched in December 2019 with a target size of Euro 100 million (hard cap Euro 150 million) and it's collecting commitments for about Euro 50 million.

EC I will invest in profitable Italian SMEs with annual revenues of between Euro 10 million and Euro 50 million, generally commanding annual EBITDA of between Euro 2 million and 6 million. The Team aims to support portfolio companies in their process of dimensional and professional growth in order to create value and, therefore, attractive risk-adjusted returns for the fund's investors.

Co-founders Roberto Giudici and Anna Guglielmi have worked together, sharing professional experience in another SGR, since 2012, managing two private equity funds with total AUM of Euro 380 million. In August 2020 Entangled Capital SGR was listed as PRI signatory.

For more information, please visit: www.entangledcapital.com.

About Capital Dynamics

Capital Dynamics is an independent global asset management firm focusing on private assets including private equity, private credit, and clean energy infrastructure. Capital Dynamics offers a diversified range of tailored offerings and customized solutions for a broad, global client base, including corporations, family offices, foundations and endowments, high net worth individuals, pension funds and others. The firm oversees more than USD 17 billion in assets under management and advisement¹. Capital Dynamics is distinguished by its deep and sustained partnerships with clients, a culture that attracts entrepreneurial thought leaders and a commitment to providing innovative ideas and solutions for its clients.

Capital Dynamics' roots go back to 1988, the year our predecessor (Westport Private Equity) was founded in the UK. Our headquarters were established in Zug, Switzerland in 1999. The firm employs approximately 160 professionals globally and maintains offices in New York, London, Tokyo, Hong Kong, San Francisco, Munich, Milan, Birmingham, Dubai and Seoul.

In 2020, Capital Dynamics was awarded the highest rating (A+) from the UN-supported Principles for Responsible Investment for (i) Strategy & Corporate Governance, (ii) private equity strategy, and (iii) clean energy infrastructure strategy.

For more information, please visit: www.capdyn.com.

¹ As of June 30, 2020

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