

Press Release - 16 December 2020

Ergon invests in Millbo and BioNaturals, a leading natural ingredients Group offering clean label solutions to industrial bakeries worldwide

Today, Ergon Capital Partners IV SCSP (“Ergon”) announced the closing of the acquisition of a majority stake in Millbo, BioNaturals International and BioNaturals Europe (together “Millbo-BioNaturals” or the “Group”). The Group is a leading manufacturer of natural ingredients for the bakery sector across Europe, the US and Asia-Pacific. The sellers will reinvest alongside Ergon in the transaction.

Millbo-BioNaturals offers “clean label” solutions to industrial bakeries, replacing additives, preservatives and colorants with natural shelf life extenders and other ingredients for improving the flavour, taste and nutritional values of bread and bakery products. Innovation and flexibility to create tailor-made products have been the key to the Group’s success.

The simultaneous acquisition of Millbo and BioNaturals allows the creation of a global player with multiple venues of growth and value creation based on: (i) a diversified geographic footprint encompassing Europe, the US and Asia-Pacific; (ii) a complementary product offering and blue-chip customer base, (iii) meaningful commercial and operational synergies and cross-selling opportunities, and (iv) a fragmented market prone to a buy & build strategy aimed at improving the route to market in selected regions, expanding the product offering and entering new high-potential geographic markets.

The Group will be managed by Alessandro Boggiani as CEO, who will remain as a key investor in the Group alongside Ergon and BioNaturals’ shareholders.

“The partnership with Ergon allows the creation of a global player focused on the production of natural ingredients for the bakery industry worldwide. In Ergon, we found the best partner to write a new chapter in our family business story, able to guarantee the Group’s growth and further sustain our effort to innovate in baking and milling. We share with Ergon the same entrepreneurial values and the same vision for the development of the Group. I’m convinced that through its expertise, extensive network and financial means, Ergon will enable the Group to further accelerate its growth trajectory, also through add-on acquisitions in a highly fragmented market”, says Alessandro Boggiani, CEO.

Riccardo Collini, Partner at Ergon, comments on the transaction: *“We are delighted with the upcoming collaboration with Alessandro. We are impressed by the Group’s outstanding innovation capabilities, historical development and future growth potential. We look forward to supporting the whole Millbo-BioNaturals management team in realizing their ambitious goals”.*

Emanuele Lembo, Senior Partner at Ergon, complements: *“We are proud to add Millbo-BioNaturals to Ergon’s portfolio, strengthening our presence in the wider and attractive food-related market and enhancing our exposure to companies that contribute to a healthier and more sustainable global food supply chain”.*

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About Millbo-BioNaturals

Millbo was founded in 1991 by the Boggiani family in Trecate (Piedmont, Italy), where it operates a R&D centre and a production plant that is currently being expanded to more than double its capacity. Next to its sales to BioNaturals, Millbo has predominantly developed its commercial reach in Europe. Established in 2003 in Virginia (US), BioNaturals serves clients located in Northern America and Australia. As such, Millbo-BioNaturals will offer a complete range of bakery ingredients (including natural shelf life extenders, active and dried sourdough, mixes, tailor-made improvers and enzymes specialties) to a complementary and global customer base encompassing industrial blue-chip bakeries, improvers, distributors and mills. Fermented flour is the Group's main product, a natural anti-mold solution used for the replacement of synthetic propionate to increase the shelf life of packaged bread. Furthermore, the Group has recently launched a new exclusive and unique natural alternative to chemical preservatives for sweet products, that will open a new way into the large confectionery market.

For more information on Millbo and BioNaturals visit Millbo.com and Bionaturals.net.

About Ergon

Ergon is a mid-market investment company with over €1.0 billion of assets under management from select European institutional investors and families. Ergon is a disciplined and discreet value investor, which provides "patient and friendly capital" to entrepreneurs and managers, who need capital, industrial or technological solutions to accelerate the development of their companies. Ergon makes equity investments in leading companies with a sustainable competitive position in attractive niche markets located in Italy, Benelux, France, Germany and Iberia. Ergon is advised by Ergon Capital Advisors which has offices in Milan, Brussels, Paris, Munich and Madrid.

Since its inception in 2005, over successive investment programs, Ergon has raised approximately €2 billion, invested in 29 companies (of which 9 in the Benelux, 9 in Italy, 4 in France, 4 in Germany and 3 in Spain) and completed approximately 60 add-on acquisitions for a total aggregate transaction value of over €4.5 billion. Ergon's current portfolio consists of 15 companies across its target sectors.

For more information on Ergon visit ergoncapital.com.