

Press Release - 20 October 2021

Fremman acquires Palex from Ergon and Corpfin. The management team, Ergon and Corpfin will remain as minority shareholders alongside Fremman.

Today, Fremman 1 MM SCSp (“Fremman”), Ergon Capital Partners IV SCSp (“Ergon”) and Corpfin Capital (“Corpfin”) announced the acquisition by Fremman of a majority stake in Palex (or the “Company”), the leading distributor of high value-added MedTech equipment and solutions.

Headquartered in Barcelona (Spain) and founded in 1955 by the Knuth family, Palex is the leading distributor of high value-added MedTech equipment and solutions for public and private hospitals and laboratories in Spain and Portugal. The Company leverages on a unique business model offering a wide product portfolio with over 130,000 references from +550 blue-chip suppliers, primarily distributed under exclusivity contracts, to more than 1,500 public and private clients.

The Company is led by the CEO Xavier Carbonell who, together with the rest of the management team, have been successful over the years in consolidating the healthcare distribution sector in Iberia with a continued inorganic strategy on top of organic growth, building Palex as the reference partner for public and private hospitals.

Xavier Carbonell, CEO of Palex, commented on the transaction: *“Since 2007, when the current management team joined the Company, we have relentlessly focused on delivering best-in-class service for the broad healthcare community, continuously bringing new solutions and entering into innovative therapeutic areas. Furthermore, we are proud to have integrated more than 10 acquisitions since 2016. We are very grateful and happy with the uncompromised support we have had from Ergon and Corpfin and thrilled about the next phase with Fremman as majority shareholder, where we will continue to further pursue growth opportunities in Iberia and abroad.”*

Ricardo de Serdio, Founding Partner and CEO of Fremman said *“We are very excited to partner with Palex, its outstanding management team, Ergon and Corpfin and to be part of its ambitious growth story. Xavier and his team have consistently outperformed the market and delivered excellent results across all areas. In this next stage, we are confident that Fremman’s sector expertise, consolidation experience, pan-European network, hands-on approach, and ESG focus will further enhance Palex’s potential and will help management take the Company to the next level.”*

Pablo Álvarez Couso, Director at Ergon, remarked that *“it has been a privilege to support Xavier Carbonell and the outstanding Palex management team during our tenure as majority shareholder. The Company has overperformed in every aspect of its strategic plan, delivering excellent service to the broad healthcare community. We are delighted to continue alongside Fremman in the Company’s next phase of growth.”* Emanuele Lembo, Senior Partner at Ergon, concluded: *“Relying on its unique business model, Palex has been able over the years to combine remarkable organic growth while at the same time becoming the reference consolidation platform in the sector. We are convinced Palex will succeed in its further national and international expansion and believe Fremman is an excellent partner for the Company’s next stage.”*

Alberto Curto, Managing Partner of Corpfín, highlighted the extraordinary ability of the management team, *“with whom we have had the honour of partnering up for more than five years now, and expect to continue contributing to this new stage of the Company’s development.”*

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About Palex

Palex, founded in 1955 by the Knuth family, is a company focused on the marketing, sales and distribution of high value-added MedTech equipment and solutions in the Spanish and Portuguese markets. The Company has a strong reputation for innovation, quality and service and offers a wide product portfolio (+130,000 references) from world-leading Tier-1 manufacturers (+550 partnerships) and own products across numerous therapeutic areas. Palex counts with ~625 employees and is headquartered in Sant Cugat del Vallés (Barcelona, Spain).

For more information on Palex visit palexmedical.com.

About Fremman

Founded in 2020, Fremman is a pan-European, independent mid-market investment firm with offices in London, Madrid, Munich, and Paris. The firm is an established multi-geography platform consisting of c.30 professionals that operates as one team. It is supported by a highly experienced Board of Advisors of 16 individuals that provide unique sector expertise and insights. The firm focuses on investments in four core sectors, including healthcare, business & tech services, consumer goods & distribution, industrials & sustainability. Utilising our reputation as trusted advisors, Fremman looks to partner with companies' management teams to deploy multiple growth strategies, transforming businesses from national to multinational sustainable leaders. Palex will be the third investment for Fremman in 2021, after the acquisition of The Natural Fruit Company and Veritas Petroleum Systems. After Palex, the expected total equity invested by Fremman and co-investors across these three deals is circa €500m.

For more information on Fremman, visit fremman.com.

About Ergon

Ergon is a mid-market investment company with over €2.0 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 know-how 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 the Benelux, France, Germany, Iberia and Italy. Ergon is advised by Ergon Capital Advisors which has offices in Brussels, Paris, Munich, Madrid and Milan. Since its inception in 2005, over successive investment programs, Ergon has raised over €2.5 billion, invested in 31 companies (of which 10 in the Benelux, 9 in Italy, 4 in France, 5 in Germany and 3 in Spain) and completed 76 add-on acquisitions for a total aggregate transaction value of over €5.0 billion. Ergon's current portfolio consists of 17 companies across its target sectors.

For more information on Ergon visit ergoncapital.com.

About Corpfin

Founded in 1990, Corpfin Capital is an independent Private Equity fund manager, specialized in driving growth and transformation in medium-sized companies in the Iberian Peninsula. Corpfin Capital identifies business projects where there is potential for sustainable value creation and consolidation and contributes to their expansion and professionalization jointly with the company's founding partners and management teams. Since its foundation, Corpfin Capital has managed five consecutive funds with combined funds of c.1 billion euros mainly from top quality European institutional

investors. Corpfín Capital has led more than 50 business projects in a wide variety of sectors and has fully divested from 39. Corpfín Capital is led by Alberto Curto, Álvaro Olivares, Fernando Trueba and Gorka García.

For more information on Corpfín Capital visit corpfincapital.com.