

Press Release

**GREEN ARROW CAPITAL SGR THIRD BUYOUT FUND
EXECUTED THE FIRST ADD-ON ACQUISITION FOR THE PORTFOLIO COMPANY TFM
The fund drawdown the 40% of the capital in 24 months thanks to this new deal**

Milan, June 28th 2018 - Green Arrow Capital SGR, on behalf of **Private Equity Fund 3** executes today the first add-on for the portfolio company TFM Automotive & Industry S.p.A, **acquiring the 100% of Spiral Ingranaggi Srl.**

The company, specialized in the production of small and medium-sized gears, both cylindrical and conical, with straight, helical and spiral toothing used for adaptors, machinery and transmissions, represents the perfect fit for TFM Group, one of the main European producers active in manufacturing high precision machined components for the Automotive, Cycle and Oil & Gas sectors.

Spiral, founded in 1994 by the engineer Massimo Ronconi in Pernumia (Padua), has distinguished itself, in the production of small and medium-small gears, thanks to some distinctive features such as product know-how and co-design, production experience, quality and reputation.

The company, in one production site with about 40 employees, achieved in 2017 a turnover of approximately € 9.3 million, with a significant marginality which has stimulated the interest of the Private Equity 3 Fund and TFM as the perfect counterparty with which to create productive and commercial synergies and an incremental sector diversification, maintaining the quality and performance standards for which the two companies are well known in their markets.

The acquisition of 100% of Spiral Ingranaggi S.R.L. required **a total investment for the Fund of € 3.0 million**, in addition to the € 20 million invested in October 2017 for the purchase of 60% of TFM. With this new deal, **the Fund drawdown 40% of the capital in 24 months.**

Daniele Camponeschi, Founding Partner and CIO of Green Arrow Capital comments: *“This new deal well represents the Green Arrow Private Equity Fund investment strategy. As already executed in Fine PCB, the first portfolio company, the Fund aims to increase the company’s value also through a buy & built approach to accelerate their growth and improve their margins thanks to synergies”.*

Nicola Pietralunga, Investment Director of the Private Equity area of Green Arrow Capital SGR and **Roberto Giudici, Senior Investment Manager** of Green Arrow Capital SGR are very satisfied for the

acquisition of Spiral Ingranaggi in the TFM Group: *"This add-on represents the first step in the portfolio company strategic plan to create value that focuses on three pillars: strengthening tier 1 position, entering new geographical areas and developing new production technologies"*.

Green Arrow Capital has been assisted by PwC for the business side, by Legance law firm and by the Russo De Rosa Associati tax office. The seller has been assisted by law firm Gitti and Partners.

Green Arrow Capital SGR

Green Arrow Capital SGR is one of the leading independent Italian firm in the alternative investments, with assets under management of approximately € 1.3 billion and an experience of over 15 years in the market. To date, more than 200 investors have invested in the Group's funds, of which 90% are institutional investors such as Banks, Sovereign Funds, Funds of Funds, Bank Foundations, Pension Funds, Pension Funds and Insurance, and 30% are international.

The SGR today is active in three different investment strategies - Private Equity, Private Debt and Energy & Infrastructure, - with dedicated and independent teams, and plans to expand its business with a fund dedicated to Credit Recovery and one to Infrastructural projects of medium-sized, to continue investing in the Italian real economy.

At present, the SGR is finalizing the fundraising of the third Private Equity fund dedicated to acquisition of majority stake in Italian SMEs that have a leadership position in their niche sectors. The Fund target is € 250 million and to date over € 220 million has been already been secured.

The SGR is also proceeding with the fund raised of its first Private Debt fund, authorized by the Bank of Italy for direct lending deals on medium-sized Italian companies. The fund has a target of € 250 million and to date, the Fund raised already € 125 million. The fund that has been active since the beginning of 2017 has already completed 5 financing operations and is continuing to scout and to evaluate investment opportunities.

For additional info:

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