



Acrotec Group

Press release

The Acrotec Group agrees to acquire Axial Medical

Acquisition to strengthen Acrotec's Medtech division

Develier, Switzerland, 10 January 2023 – Acrotec, a leading independent contract manufacturer of high precision machined applications to the Watchmaking, Medtech and Precision High-Tech industries, today announces it has agreed to acquire Axial Medical ("Axial"). The financial details of the transaction were not disclosed.

Headquartered in Pennsylvania, United States, Axial is a leading manufacturer of high-precision components for the medical industry. Founded in 2014, the family-owned company operates a custom-built 40,000 square foot manufacturing facility in Warminster, PA, with over 60 5-axis CNC machines. It is focused on the high-volume production of orthopedic implants for spine, trauma, and extremity treatments, and is an approved supplier for a wide range of Medtech OEMs globally.

In February 2021, global investment firm Carlyle (NASDAQ: CG) acquired Acrotec to support the company's growth plan through the development of its existing platform and through acquisitions, including those intended to broaden Acrotec's Medtech business with expansion into new services and geographies in Europe, Asia and North America.

"When Carlyle invested in Acrotec," said François Billig, CEO of the Acrotec Group, "we knew we had an ambitious investor and partner who would support our growth objectives, which included the expansion of our business into the large and growing Medtech sector. Axial provides the perfect entry point for Acrotec in the US-market, and we are delighted that such a high quality and complementary business is joining our family. This deal will significantly strengthen our Medtech division and open up new opportunities for further bolt-on M&A in the US."

"We are pleased to be joining Acrotec," said Vince Visco, CEO of Axial Medical. "In doing so, we believe we will be able to accelerate Axial's ultimate goal of becoming an industry leading CMO. Importantly, in Acrotec we recognize a business which shares both our ambitions and values. This is a critical step for Axial, and we look forward to working with François and the Acrotec team on building our position as a leading manufacturer of medical components."

Jonathan Zafrani, Co-Head of the Carlyle Europe Partners advisory team, and Simon Pex, Director in the Carlyle Europe Partners advisory team, said: *"This acquisition represents another significant milestone in our partnership with Acrotec. Since we started working together in 2021, the team has delivered seven acquisitions with the objective of growing Acrotec's presence and*

capturing expansion opportunities in new markets. Axial is an excellent business offering access to the attractive US Medtech sector while also being an ideal fit for Acrotec's federated business model, enabling Vince and his team to continue growing the business."

Middle Branch Partners acted as general advisor of the transaction. Greenberg Variations Capital acted as financial advisor and Fox Rothschild acted as legal advisor to Axial. Latham & Watkins acted as legal advisor to Acrotec and The Carlyle Group.

For more information, please contact:

M. Stephan Post - Ph.: +41 (0)22 308 62 34 - Email: spo@dynamicsgroup.ch

About the Acrotec Group:

Acrotec is an independent group created by micromechanics professionals. Its main objective is to be a reference subcontractor, offering a wide range of manufacturing processes for precision components. Its strategy is to provide "Swiss-made" quality products to the entire watch and jewelry industry, the medical industry, as well as to the automotive, electronics and aeronautical sectors. Acrotec is distinguished by its extensive expertise, cooperatively, in precision machining (CNC turning, CNC multi-spindle turning, cam turning, 3 & 5-axis milling, micro-turning, transfer and machining of precious metals), by supporting processes (surface treatment, cutting, assembly, heat treatment, finishing and laser engraving) and by specific processes (UV-Liga component production, wire erosion/sinking, synthetic stone machining, rolling, spring forming, machine and tool production and silicon engraving - DRIE). The Group currently employs over 2,500 people. www.acrotec.ch/en

About Axial Medical:

Axial Medical's 40,000 square foot manufacturing headquarters is located just outside of Philadelphia, Pennsylvania. It was custom built for medical device manufacturing and houses over 60 5-axis CNC machines. Axial is an ambitious team solely focused on becoming an industry leading CMO. It specializes in the high-volume production of the most complex implants on the market for joint replacement, spine, sports medicine, and trauma. Its main products are expandable spacers, anatomic bone plates, cannulated screws and other fracture-care implants including intramedullary nails. www.axial-medical.com