

PREMIUM Equity partners acquires majority stake in Freqcon GmbH

Succession solution and growth financing for the provider of storage solutions and frequency converters for renewable energy

Rethem and Frankfurt am Main, July 4th, 2023.

Funds advised by PREMIUM Equity Partners, Frankfurt am Main, have acquired a majority stake in Freqcon GmbH, based in Rethem, Lower Saxony, from the founder Mr Norbert Hennchen.

Freqcon is a fast-growing hidden champion and pioneer in energy storage solutions and converter technologies for renewable energy sources. The energy transformation resulting from the expanding diversification of energy sources such as gas, wind, solar, biomass, and others, along with the progressing electrification (electric vehicles, heat pumps, etc.), imposes an increasing load on power grids. For companies, this means an increased risk in terms of security of supply. Freqcon's systems enable industry and energy sector customers to ensure a stable, uninterruptible power supply, reduce electricity costs and control different power sources.

PREMIUM's entry will enable a succession solution and provide the company with growth capital. In addition, PREMIUM will support Freqcon in implementing its growth strategy through its network of renewable energy industry experts. Mr Hennchen will remain involved as a minority shareholder and will continue to manage the company operationally during a transitional phase.

Norbert Hennchen: "As the founder, I am pleased to have found the right partner in PREMIUM Equity Partners so that the successful development of Freqcon can continue as an independent company. The professional and trustful cooperation with PREMIUM, including industry expertise, has convinced me that in this partnership, the company can be further developed optimally. Therefore, I am also looking forward to a close cooperation in the future."

Marcel van Wijk, Managing Partner of PREMIUM, adds: "As a medium-sized company, Freqcon is optimally positioned to realize the enormous growth potential in frequency stabilization. With its innovative, customer-specific and solution-oriented systems, Freqcon precisely meets its customers' needs and positively contributes to the energy transformation."

The transaction was supported on the sell-side by the consulting team Jörn Greve and Axel Bergmann from KERN Unternehmensnachfolge: "We experienced the cooperation with PREMIUM as extremely professional, trustful and mutually very appreciative. From the very beginning, PREMIUM was very eager to bring the transaction to a close quickly and in a target-oriented manner, which was achieved long before the exclusivity period expired."

About PREMIUM Equity Partners

PREMIUM Equity Partners is an investment company founded in 2011 focusing on strong niche companies in the DACH region with revenues between EUR 10 Mio. and EUR 50 Mio. PREMIUM invests capital in growth financing, succession solutions and spin-offs. For each investment, PREMIUM combines its many years of transaction and financing experience with the industry know-how of its industry partners. Freqcon is PREMIUM's tenth transaction. The investment by PREMIUM Mittelstand Fund II GmbH & Co. KG benefits from the financial support of the European Union under the European Fund for Strategic

Investments ("EFSI"). The purpose of the EFSI is to support the financing and implementation of economically viable investments in the European Union and to ensure improved access to financing.

About Freqcon

Freqcon (founded in 1988) is a pioneer in modern converter technology, having established the first full-scale converters for wind turbines on the market in the early 1990s. With its 94 employees, Freqcon develops and manufactures converters and control systems that allow efficient and reliable grid integration of renewable (wind, solar) and traditional energy sources. Freqcon's integrated energy storage solutions also offer customers the opportunity to benefit from fluctuating energy prices and significantly reduce their electricity costs. Freqcon has a strong focus on research and development and cooperates with several universities and research institutes so that state-of-the-art technologies and systems are continuously developed.

About KERN Unternehmensnachfolge

KERN Unternehmensnachfolge specializes in advising medium-sized family businesses on company sales, succession solutions and company acquisitions. The KERN Group is internationally active and has received several awards for its consulting services, currently as Top Consultant 2023.

More information at www.freqcon.com and www.premium-equity.de

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