



PRESS RELEASE

SOL Group enters China market, enhancing its strong and growing international presence in medical gases and healthcare services sectors.

Finalized the acquisition, for about Euro 18.8 million, of:

- **70% of “Shanghai Shenwei Medical Gas co. LTD”,**
- **70% of “Shanghai Mu Kang Medical Device Distribution Service co. LTD.”,**
- **30% of “Shanghai Jiawei Medical Gas co. LTD”,**

three companies controlled by Mr SUN Aiqun, a Chinese entrepreneur.

SOL S.p.A. (“**SOL**”) announces the acquisition of stakes in three companies founded by Mr. SUN Aiqun active in the Chinese medical gases and healthcare services sector headquartered and operating in the Greater Shanghai region. Airsol S.r.l. (100% controlled by SOL) has completed the purchase of equity shares equal to 70% ownership in Shanghai Shenwei Medical Gas co. LTD (“**Shanghai Shenwei**”), 70% in Shanghai Mu Kang Medical Device Distribution Service co. LTD. (“**Shanghai Mu Kang**”) and 30% in Shanghai Jiawei Medical Gas co. LTD (“**Shanghai Jiawei**”). Following the acquisition, Mr. SUN Aiqun will become a partner of SOL in the three acquired companies and has been appointed CEO of each of the three companies, by their respective board of directors.

For the purchase of the stakes in the three companies acquired, Airsol S.r.l. paid a total price of 142.5 million Renminbi (approximately Euro 18.8 million) which was divided as follows: (i) 127.0 million Renminbi (approximately Euro 16,7 million) for the acquisition of the equity investments in Shanghai Shenwei; (ii) 11.4 million Renminbi (approximately Euro 1.5 million) for the acquisition of the equity investments in Shanghai Mu Kang; and (iii) 4.0 million Renminbi (approximately Euro 0.6 million) for the acquisition of equity investments in Shanghai Jiawei.

Shanghai Shenwei markets medical and specialty gases, provides integrated services to hospitals, and designs and manufactures medical systems for hospitals throughout greater Shanghai. Shanghai Shenwei also provides engineering designs, procurement and construction services for medical gas systems to hospitals throughout China. Shanghai Jiawei operates in the home oxygen therapy sector in the Municipality of Shanghai. Both companies hold leadership positions in the medical gases and healthcare services sector in the Shanghai area.

The acquisition of the majority shares in Shanghai Mu Kang is complementary to the business activity of both Shanghai Shenwei and Shanghai Jiawei, as the company manages a logistics platform for the distribution of Shanghai Shenwei and Shanghai Jiawei products.

With these acquisitions, SOL Group enters the dynamic Chinese industrial and medical gas market which is the second largest in the world and with one of the highest growth rates. The acquisitions combine the 25 years of experience, know-how and capability of Shanghai Shenwei and Shanghai Jiawei in the medical gases and healthcare services sectors with the expertise and technology of SOL Group to create new growth and value creating opportunities for the respective shareholders. It also provides new services and technology to hospitals and patients to enable the continued advancement of medical care and outcomes.

In the financial year ended December 31, 2020, the three companies Shanghai Shenwei, Shanghai Mu Kang and Shanghai Jiawei achieved total consolidated revenues exceeding 98 million Renminbi (approximately Euro 12.8 million) with a total recurring net profit of 13.8 million

Renminbi (approximately Euro 1.8 million). The three companies acquired employ a total of 153 experienced, capable and motivated employees.

The operation obtained all the necessary authorizations from the local authorities and its execution was financed with the available cash. As part of the transaction, Airsol S.r.l. also obtained an option to acquire the remaining 30% of Shanghai Shenwei and Shanghai Mu Kang within 42 months, and 70% of Shanghai Jiawei within 72 months.

Aldo Fumagalli Romario, SOL Chairman and Managing Director, commented: *"The partnership with Mr. SUN Aiqun represents our first step in China, combining the experience, technology and strength of our Group with those of the dynamic and highly successful Chinese entrepreneur of Mr. SUN. This very important partnership makes it possible to leverage the technological skills and innovative solution capability of SOL and VIVISOL in the medical sector along with the important hospital and home healthcare references along with the experience and success of the Shanghai Shenwei group. We believe together we can further develop the medical sector in Shanghai and over time in China. This sector is already registering a phase of significant growth and is expected to have solid growth rates in the medium term due to the rapid aging of a population that has reached a widespread degree of well-being in an economy that is continuing a high rate of development".*

Mr. SUN Aiqun, Founder of Shanghai Shenwei's Group, added: *"I am happy and proud to join, along with my team, SOL Group and, with our experience and capability, to accelerate our development of the Shanghai healthcare market. In these months of negotiations, made difficult by the Covid 19 pandemic and necessary controls, I appreciate the SOL Group's ability to build a strong and growing relationship, listen to our issues and proposals, create an atmosphere of mutual respect and trust, and develop solutions that meet our respective needs in the interest of achieving a common goal".*

*"We are pleased – said **Marco Annoni, SOL S.p.A. Vice Chairman and Managing Director** - to welcome the management team and all the colleagues in the Shanghai Shenwei, Jiawei and Mu Kang companies, who will create, together with SOL and VIVISOL, a unique platform to offer the highest quality products and services to hospitals and patients in Shanghai and China. This new partnership is part of SOL's strategy to continue to identify and act on opportunities for further growth and value creation through acquisitions and partnerships and increases our Group's commitment to expand into global markets, including outside Europe, led by our strong expertise in the medical and healthcare field".*

SOL is an Italian multinational Group, operating in Europe, Brazil, Morocco, India and Turkey in two main areas: production, applied research and distribution of technical, pure and medicinal gases (Technical Gases Area), and home care (Home Care Area).

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