



PRESS RELEASE
19 June 2018

SERVIZI ITALIA: SIGNING OF AN AGREEMENT FOR THE ESTABLISHMENT OF A JOINT VENTURE IN THE ASIA-PACIFIC AREA.

THE AGREEMENT WILL ENABLE SERVIZI ITALIA TO DEVELOP POTENTIAL BUSINESS OPPORTUNITIES IN THE STERILIZATION AND WASH-HIRE SERVICES IN PARTICULAR IN SINGAPORE, INDONESIA, MALAYSIA AND VIETNAM.

Castellina di Soragna (PR), Italy, 19 June 2018

Servizi Italia executed an agreement with the Asian-based IDS Medical Systems Group Ltd. ("*idsMED*") for the establishment of a vehicle company based in Singapore called IdsMED Servizi Pte Ltd ("*NewCo*"). NewCo will operate for identifying and developing new business opportunities in the sterilization and wash-hire services in the Asia-Pacific area.

Leveraging on the commercial network of idsMED and on the know-how of Servizi Italia, the partnership will allow to start scouting for immediate opportunities in Singapore, Indonesia, Malaysia and Vietnam. The agreement involves also Cambodia, China, Philippines, Japan, Hong Kong, Myanmar, South Korea, Taiwan and Thailand.

idsMED Group is a leading medical supply chain solutions company in Asia. It has an extensive Asia Pacific distribution network with access to over 10,000 healthcare institutions and represents over 200 global medical brands in equipment and medical consumables. idsMED has a workforce of 1,600 employees including 700 highly experienced field sales, product and clinical specialists and over 300 professional bio-medical engineers providing installation and maintenance services. The idsMED Group is a member of Fung Investments.

"We are pleased to have started this partnership today with an important operator like idsMED" commented Enea Righi, CEO of Servizi Italia. "This agreement confirms the international growth of our group and it demonstrates the current and potential importance of the services offered by us. We believe that the development of the business pertaining to the joint venture business will be particularly interesting in the medium to long term, given the high level of quality of the know-how provided by Servizi Italia and in consideration of the low level of outsourcing rate of our services in the target countries of the Asia Pacific region".

"This joint venture with Servizi Italia marks yet another milestone in the rapid expansion of idsMED in the Asia-Pacific" commented Ben Chang, CEO of idsMed. "We are delighted to have found the perfect partner in Servizi Italia to together grow our respective businesses into new areas. Our complementary strengths will provide the most compelling edge for us to exploit the huge laundry and sterilization business in the Asia-Pacific."

NewCo will be an holding company 70% owned by idsMED and 30% owned by Servizi Italia and it will control dedicated operating vehicles, to be established from time to time based on development opportunities in the target countries. Moreover, according to the signed agreements, Servizi Italia and idsMED will define a joint working group for identifying opportunities and developing projects.



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Initial share capital of NewCo will be equal to SGD 1.0 million (EUR 638k based on exchange rate as at current date), to be contributed pro-quota by the parties based on their stakes and it has been appraised in order to allow starting scouting activity. Servizi Italia will finance its capital contribution by bank debt.

In negotiating the agreements with idsMED, Servizi Italia was supported by Baker McKenzie law firm.

From today this press release is available on website www.si-servizitalia.com and disclosed by eMarket SDIR/NIS and 1Info Storage (www.1info.it) systems.

Servizi Italia S.p.A., a company based in Castellina in Soragna (PR), listed on the STAR segment of the Italian Stock Exchange, is the leading operator in Italy in the field of integrated services for hire, washing and sterilization of textile materials and surgical instruments for hospitals. With a technologically advanced production platform, articulated in laundry facilities, textile sterilization centers, surgical instruments sterilization centers and many wardrobes, the Company, which together with its Italian and foreign subsidiaries constitute the Servizi Italia Group, turns primarily to companies in public and private healthcare sector of center / northern Italy and the State of S.Paulo, Brazil, Turkey, India, Albania and Morocco with a wide and diversified offer.

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