



## PRESS RELEASE

### CHANGE OF OWNERSHIP OF ESAOTE: NEW INVESTOR IS A CONSORTIUM OF LEADING CHINESE HEALTHCARE COMPANIES AND FINANCIAL SPONSORS

7 December 2017. **Esaote S.p.A.** (“**Esaote**” or the “**Company**”) announces that a consortium of leading Chinese investors (the “**Consortium**”) entered into definitive agreements to acquire the entire share capital of the Company.

The transaction gives renewed impetus to Esaote’s plans for further growth and provides the Company with enhanced access to the large and rapidly expanding Chinese medical equipment market. In return, the Consortium will benefit from Esaote’s strong R&D capabilities, its globally recognised brand and industry leading product lines, and extensive international distribution network in the medical imaging sector.

Esaote will continue to operate as an independent global medical equipment company, headquartered in Genoa, Italy, with R&D and manufacturing facilities in Italy and the Netherlands. Esaote’s CEO, Karl-Heinz Lumpi, will continue to lead the Company as it embarks on this new exciting phase of global development.

The Consortium acquiring Esaote is composed of leading medical technology and healthcare companies, as well as financial investors with significant experience in the healthcare sector.

The Consortium comprises:

- Shanghai Yunfeng Xinchuang Investment Management Limited (“**YF Capital**”), a leading private equity fund in China, co-founded by Mr. Jack Ma (Founder and Executive Chairman of Alibaba Group) and Mr. David Yu (Former Chairman and President of Focus Media);
- Beijing Wandong Medical Technology Co., Ltd. (SHSE:600055) (“**Wandong**”), China’s largest listed medical imaging equipment manufacturers with the longest history, and one of the largest providers of diagnostic services with over 60 years’ experience and over 100 patents in medical equipment sector, and produced the first X-Ray and cardiovascular systems in China;
- Shanghai FTZ Fund Management Co., Ltd. (“**Shanghai FTZ Fund**”), China’s first Free Trade Zone fund established in 2014 as part of the State Council’s initiative to further reform

and open up the Chinese economy. Shanghai FTZ Fund has made extensive investments in the healthcare sector;

- Shanghai Tianyi Industries Holding (Group) Co., Ltd. (“**Tianyi**”), a leading investment group focused on the healthcare sector with investments in more than 20 companies, including Meinian Onehealth Healthcare Holdings Co., Ltd. (“**Meinian**”, SZSE:002044, the largest listed healthcare services company in China), Wandong, and Ciming Health Checkup Management Group Co., Ltd.;
- Jiangsu Yuyue Science & Technology Development Co., Ltd. (“**Yuyue**”), the holding company of Jiangsu Yuyue Medical Equipment & Supply Co., Ltd. (SZSE:002223) (“**Yuwell**”, the largest homecare medical equipment manufacturer in China) and the largest shareholder of Wandong; and
- Shanghai Kangda Medical Equipment Group Corporation Ltd. (“**Kangda**”), a leading OEM manufacturer and distributor of medical imaging equipment.

The Consortium will leverage the distribution networks of Wandong, Yuwell, Meinian and Kangda to increase Esaote’s penetration in the Chinese medical imaging equipment market. In parallel, Esaote will distribute the Consortium’s relevant medical products in international markets where the Company operates.

The Consortium will acquire 100% of the outstanding shares of Esaote, including all the shares held by Ares Life Sciences, NB Renaissance Partners, Value Italy, Equinox, Carlo Castellano and Carige.

The transaction is subject to the conditions customary to a transaction of this nature and the parties expect a timely closing in early 2018.

Mr. Karl-Heinz Lumpi, CEO of Esaote, said:

*“What we have achieved, with the investment and expertise of our shareholders, has produced important gains for Esaote over these last three years. Now we are ready to embark on an exciting next journey for the Company with the support of our new shareholders, who are highly committed to the healthcare industry and see a great future for Esaote. We look forward to learning from and leveraging their deep knowledge and experience of the Chinese market where the potential for growth is significant, especially considering that the ultrasound sector alone is worth nearly EUR 1.3 billion in China”.*

Mr. David YU, Co-Founder of YF Capital, said:

*“Esaote is a leading global manufacturer of ultrasound and MRI equipment, YF Capital believes that Esaote’s partnership with the Consortium will create a world class medical technology company. Furthermore, YF Capital’s expertise and experience in diagnostic imaging, big data, artificial intelligence and medical device and service sectors will provide significant contributions to this transaction and the strategic partnership”.*

Mr. WU Guangming, Chairman of Yuyue and Wandong, said:

*“The cooperation between Esaote, Yuyue Group is a landmark and a highly synergic transaction in the global medical image equipment industry. It combines not only the two companies’ complementary market reaches in international markets and in China, but also the complementary product lines and remarkable talents. The unification of our resources and experiences between Esaote management and the Chinese consortium will build Esaote into a truly global enterprise and one of the most competitive medical technology companies”.*

Mr. WU Jianping, General Manager of Shanghai FTZ Fund, said:

*“Leveraging on the policy benefits of Shanghai Free Trade Zone, Shanghai FTZ Fund is fully committed to support Esaote and the Consortium in their business endeavours in China”.*

Mr. YU Rong, the Chairman of Tianyi and Meinian, who is also a major shareholder of Wandong, said:

*“The transaction represents the unique opportunity connecting China’s exponential demand for quality healthcare services and a leading global medical imaging technology company. The vast Chinese market will bring tremendous growth prospect to Esaote”.*

Mr. GUO Yongyang, Founder and Chairman of Kangda, said:

*“Kangda is excited to see the great potential of China’s market to fuel Esaote’s growth in the future”.*

Moelis & Company acted as the exclusive financial advisor to the Consortium. Freshfields Bruckhaus Deringer acted as the legal advisor to the Consortium.

The shareholders of Esaote have been assisted by Rothschild as the financial advisor, whilst Ares Life Sciences, as main shareholder of Esaote, has been assisted by Legance – Avvocati Associati as legal advisor.

Esaote has been assisted by Bonelli Erede as legal advisor.

## **For further information:**

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### **Esaote**

With a consolidated revenue of EUR 270 million in 2016, Esaote is a leader in the biomedical equipment sector, in particular the areas of ultrasound, dedicated MRI and software for managing the diagnostic process. The Company currently employs 1,200 people. With its own production and research units in Italy and the Netherlands, Esaote is recognised as one of the top 10 diagnostic imaging companies in the world.

### **YF Capital**

YF Capital is a leading private equity fund in China, co-founded by Mr. Jack MA (Founder and Executive Chairman of Alibaba Group) and Mr. David YU (Former Chairman and President of Focus Media). It has invested in Alibaba Health Technology Information, (pharmaceutical e-commerce, intelligent medicine, and product tracking platform), Wuxi PharmaTech (pharmaceutical and biotechnology company), and Guangzhou Baiyunshan Pharmaceutical Holdings Company (pharmaceutical company) among other 60 portfolio companies.

### **Wandong**

Wandong, founded in 1955, listed in Shanghai Stock Exchange, is China's largest listed medical imaging equipment manufacturers with the longest history, and one of the largest providers of diagnostic services with over 60 years of experience and over 100 patents in medical equipment sector, and they produced the first X-Ray and cardiovascular systems in China. It provides medical X-ray equipment, MRI, X-CT, cardiac intervention imaging systems, digital mammography imaging system, PACS, and remote diagnose for medical image.

### **Shanghai FTZ Fund**

Shanghai FTZ Fund is China's first Free Trade Zone fund established in 2014 with EUR 610 million of assets under management. It was set up as part of the State Council's initiatives to further open up the Chinese economy. Co-founded by Shanghai Lujiazui (Group) Co., Ltd., Shanghai Waigaoqiao (Group) Co., Ltd., Shanghai Airport Authority, China Cinda Asset Management Co., Ltd. and China Orient Asset Management Corporation, Shanghai FTZ Fund invests in several areas including healthcare.

### **Tianyi**

Tianyi is a leading investment group focused on the healthcare sector with investments in more than 20 companies, including Meinian Onehealth Healthcare Holdings Co., Ltd. ("**Meinian**", SZSE:002044, the largest listed healthcare services company in China), Wandong, and Ciming Health Checkup Management Group Co., Ltd.

### **Yuyue**

Yuyue was founded in 2007 by WU Guangming, Yuyue is one of the largest medical device holding companies in China that controls and invests in 3 Chinese publicly traded companies and has over 10 portfolio companies in the medical device industry. In 2017, Yuyue acquired Metrax GmbH, a Germany-based manufacturer of professional and automatic defibrillators

### **Kangda**

Kangda, headquartered in Shanghai, is the largest supplier of general radiation service equipment and MRI equipment and the second largest supplier of ultrasound equipment in China.