

PRESS RELEASE

**KOS: CONTRACT SIGNED FOR THE ACQUISITION OF THE
CHARLESTON HOLDING IN GERMANY FROM EQT**

The investment by KOS, the company in which F2i has a stake, amounts to approximately € 90 million

The number of facilities managed by KOS will rise from 85 to 132, giving a total of over 12,000 beds

Milan, July 31 2019 – KOS, the healthcare group owned by CIR (59.5%) and F2i (40.5%) has signed today an agreement, subject to customary antitrust approvals, for the acquisition from EQT Infrastructure II Fund of 100% of the capital of Charleston Holding GmbH (“Charleston”).

Active in the supply of residential services for the non self-sufficient elderly and ancillary services for elderly patients and those with a high degree of disability, Charleston manages 47 nursing homes with a total of 4,050 beds and in 2018 generated revenues of approximately € 152 million.

The enterprise value of the deal is approximately € 90 million but does not include Charleston’s real estate portfolio. The transaction will be funded by credit facilities already available to the company and is expected to close by the end of October 2019.

Charleston, which is among the top ten providers in the western part of Germany, is a company of a significant size that is structured with a view to growing further in the German market. With around 880 thousand nursing-home beds, of which some 40% are managed by private operators, Germany is today one of the main markets in Europe and, thanks to its demographics and the solidity of its financing system, has interesting prospects in terms of stability and growth.

KOS is one of the top Italian operators in the social healthcare sector. It was founded in 2002 by the CIR Group, which holds 59.5% of the company’s capital, and in 2016 the infrastructure fund F2i acquired a 40.5% shareholding interest. The KOS Group operates in Italy in the field of functional rehabilitation with ‘Santo Stefano Riabilitazione’, nursing homes for the elderly with the ‘Anni Azzurri’ brand, psychiatric rehabilitation with ‘Neomesia’, diagnostic imaging and oncology treatments with ‘Medipass’ and hospital management with the ‘Ospedale di Suzzara’. The Group also operates in the UK and in India through its subsidiary ‘Medipass’ and, again in India, through the joint venture ‘ApoKos’ in the supply of rehabilitation services.

With the acquisition of Charleston, the number of facilities managed by KOS will increase from 85 to 132 giving a total of over 12,000 beds and around 11,200 employees. The joint revenues for 2018 of the two groups came to approximately € 700 million.

The Chief Executive Officer of KOS Giuseppe Vailati Venturi made the following statement: *“The acquisition of Charleston is a significant step forward in KOS’s process of internationalization and will enable the company to accelerate its development. The German market offers many opportunities both for business combinations and for opening new nursing homes. The know-how developed by the KOS Group in Italy in the field of rehabilitation and healthcare will be an important lever for improving the growth potential of Charleston.”*

Carlo Michelini, Chairman of KOS, commented as follows: *“With this deal KOS will be introducing in Germany the growth model that has characterized its success in Italy: the acquisition of a platform that will function as a driver for the combination and consolidation of new facilities, with the aim of creating excellence on a European scale in the social healthcare sector”*.

The KOS Group was assisted for this deal by BNP Paribas as financial advisor, SKW Schwarz and Carnelutti Studio Legale Associato as legal advisors and by Deloitte, Candestic, and Perner Architekten for the due diligence for the acquisition.

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