

GPI: COMPETITIVE PROCESS FOR THE DIVESTMENT OF ARGENTEA S.R.L.

Trento, 23 November 2023

Following the announcement made on 29 September 2023 regarding the start of a competitive process aimed at divesting the subsidiary Argentea S.r.l. (Argentea), Gpi SpA (the Company) announces that the Company's Board of Directors, which met today, following a careful evaluation of the non-binding letters of intent received to date, submitted by leading national and international investors, has selected a limited number of counterparties to be admitted to the second phase of the process.

The divestment of Argentea constitutes a further step in the execution of the Group's strategy, which entails an increasing focus on the core business (the development of software and IT services for healthcare digital transformation in Italy and abroad), combined a material strengthening of the balance sheet.

The second phase, as is market practice for this type of transaction, involves the performance by potential investors, also through their advisors, of due diligence on data and information concerning the subsidiary Argentea. At the end of the due diligence process, the potential investors will then be asked to submit binding offers, which will in turn be subject to evaluation by the Company's Board of Directors, with the aim of starting negotiations with one or more potential investors and, if conditions are met, finalising the transaction.

Argentea, a company with thirty years of experience, is today a benchmark in the development of high-tech solutions and digital payment services and meal vouchers. Argentea stands out from the competition by offering independent software solutions to over 900 customers in three sectors (retail, public administration and healthcare) supported by a team of 40 employees and an extensive distribution network.

Argentea has recorded significant growth rates over the last five years, both in terms of revenues and EBITDA, with a strongly increasing margins and solid cash generation (*see table below*).

EUR millions ¹	2018	2019	2020	2021	2022	CAGR '18-'22
Revenue²	3.4	6.0	8.9	11.7	14.3	44%
Gross operating profit	0.3	1.2	2.9	4.6	5.9	107%
EBITDA margin	9.5%	19.5%	33.0%	39.4%	41.1%	
Net cash³ 31.12	-1.5	-0.1	3.0	5.8	7.4	

The payments industry is undergoing a transformation driven by significant technological innovations and changes in consumer habits that see the increasing adoption of alternative payment methods to cash. The Italian market, in which Argentea operates, appears particularly attractive, with 2022 turnover of approx. 400 billion and expected growth rates higher than in the rest of the European Union, where digital payments are more widespread. The market for meal vouchers is also expected to see solid growth, fuelled by the prospect of their increasing use as corporate welfare and a greater use of digital systems than paper-based ones.

Against this market backdrop, Argentea will be able to continue its sustained growth path in the years to come, thanks to targeted initiatives based on the expansion of its commercial offering, target customers, and penetration into new market segments. The forecast, prepared by Argentea's management with the support of the industrial advisor, shows a revenues growth with a CAGR '22-'26 exceeding 10%, reaching approximately EUR 22 million in 2026, a 2026 EBITDA of about EUR 9.5 million and a cash conversion rate on EBITDA close to 70%, high and consistent throughout the entire plan.

As part of the Argentea divestment process, the Company is assisted by Equita as financial advisor, EY-Parthenon as industrial advisor, and Studio Legale Pavia e Ansaldo as legal advisor.

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This press release contains forward-looking statements prepared by Argentea's management, which does not constitute an exhaustive analysis and has not been independently verified by any third party.

The Company assumes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable law.

¹ Financial statement data referring to Argentea S.r.l. and prepared on the basis of Italian accounting standards.

² Item related to revenue from sales and services (excluding items related to increases in fixed assets for internal work and other revenue and income).

³ Includes financial receivables from the parent company Gpi.

GPI GROUP

GPI is the partner of choice for software, technologies and services for healthcare, social services and the public administration. Founded more than 30 years ago in Trento, GPI has grown through significant investments in M&A (in Italy and abroad) and in R&D, carried out in partnership with leading Italian universities and research centres to transfer scientific, technological, functional and process knowledge into the e-health, e-welfare, and well-being sectors.

Also drawing on the solutions and know-how gained from the companies that have joined its ecosystem, the Group has masterfully translated the needs of the healthcare industry into cutting-edge high-tech solutions and new service models that optimise prevention, diagnosis and care processes, improving people's lives.

The offer combines specialised IT expertise with advisory and design capabilities enabling it to operate in a range of business areas: Software, Care, Automation, ICT and Payment services.

The Company reported consolidated revenues of €360.2 million in 2022, with over 7,100 employees at year end, and more than 3,000 customers in over 70 countries.

GPI was listed on Borsa Italiana in 2016 (AIM segment) and moved to the MTA (now EXM) market in 2018. In 2023 becomes part of Euronext Tech Leaders, the initiative of Borsa Italiana dedicated to high-growth and leading Tech Companies.

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Press release available at www.gpigroup.com and www.1info.it

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