



Press Release

GAROFALO HEALTH CARE S.P.A.: BOARD OF DIRECTORS APPROVES INTERIM FINANCIAL REPORT AT MARCH 31, 2024

INNOVATION AND OPERATIONAL EFFICIENCY, SUPPORTED BY THE INCREASE IN HEALTHCARE DEMAND, DRIVE THE GROWTH OF RESULTS IN THE FIRST QUARTER OF THE YEAR:

- **REVENUES OF €126.1M VS. €92.3M IN Q1 2023**
- **OP. EBITDA ADJ.⁽¹⁾ OF €25.1M VS. €18.8M IN Q1 2023, WITH A MARGIN OF APPROX. 20%**
- **GROUP NET PROFIT OF €10.1M VS. €8.7M IN Q1 2023**
- **NFP OF €206.8M, WITH FINANCIAL LEVERAGE⁽²⁾ OF 2.7x**

MARGINALITY OF THE AURELIA HOSPITAL GROUP SIGNIFICANTLY IMPROVED COMPARED TO FY2023 WITH EXCELLENT PROSPECTS FOR THE ENTIRE YEAR

BUY BACK PROGRAM LAUNCHED

Rome, May 15, 2024 – Garofalo Health Care S.p.A. (“**GHC**”) today approved the Interim Financial Report at March 31, 2024, prepared in accordance with the art. 82 ter of the Issuers' Regulation adopted with resolution no. 11971 of 14 May 1999 and drawn up according to IAS/IFRS international accounting principles.

Maria Laura Garofalo, Chief Executive Officer of GHC, stated:

“The exceptional results recorded by the GHC Group in the first quarter of 2024, with Revenues growing by +36.7% and EBITDA growing by +33.6%, were determined by several key factors. The structural growth trend of the demand for healthcare services continues to be a significant driver of our results and highlights GHC's ability to adapt to the needs of the market environment. Furthermore, the implementation of the process of integration and optimization of our facilities is contributing significantly to our operational efficiency, improving the Group's margins. We now maintain the focus on the integration and development of the Aurelia Hospital Group, which is bringing important improvements in the structure of the processes and in the margins according to our expectations. Attention to the patient, innovation and operational excellence are the elements on which GHC will continue to focus to maintain and strengthen its leadership in the sector.”

⁽¹⁾ Operating EBITDA Adjusted defined as EBIT + depreciation and amortisation + provisions and write-downs + adjustments (these latter in Q1 2024 negative for approx. €0.02M and mainly concerning M&A costs). The Adjustments in Q1 2023 were positive for €1.0M and principally related to the reimbursements recognised by the Regions to a number of Group facilities for “extra-Covid costs” incurred in 2021 and in Q1 2022.

⁽²⁾ Calculated as the ratio between NFP and Operating EBITDA Adj. for the last 12 months, including the estimate of the contribution for 12 months from the acquisition of Sanatorio Triestino (realized in May 2023) and of the Aurelia Hospital Group (realized in November 2023)



GHC Group Q1 2024 consolidated key operating highlights

The GHC Group's Q1 2024 results, in comparison with the previous year, include the additional contribution of Sanatorio Triestino (acquired in May 2023), and of the Aurelia Hospital Group (acquired on November 16, 2023).

Consolidated Revenues

GHC consolidated Revenues in Q1 2024 totalled €126.1M, up €33.8M on €92.3M in Q1 2023 (+36.7%).

These results include the excellent performances of Sanatorio Triestino (€5.0M) and of the Aurelia Hospital Group (€24.4M), with the latter substantially benefiting from the renewed strategic and operating focus brought by the GHC Group since its acquisition.

Revenues in Euro millions	1Q2024	1Q2023	vs. Q1 23 (€M)	vs. Q1 23 (%)
Total	126.1	92.3	+33.8	+36.7%

At like-for-like perimeter, that is excluding the contribution from Sanatorio Triestino and Aurelia Hospital Group, Revenues were up 4.8% on Q1 2023 (€96.7M vs €92.3M).

This increased production was driven by: (i) the increase in services provided to private and Out-of-Region patients, respectively up approx. by +7% and +10% on Q1 2023, confirming the attractiveness of the Group's facilities and the increasing demand for healthcare services, in addition to (ii) the increased services provided to Regional patients under the agreement with the NHS, also due to the extra-budgets assigned by a number of Regions finalized to reduce the waiting lists.

Like-for-like Revenues in Euro millions	1Q2024	1Q2023	vs. Q1 23 (€M)	vs. Q1 23 (%)
<i>Total at LFL perimeter</i>	<i>96.7</i>	<i>92.3</i>	<i>+4.4</i>	<i>+4.8%</i>

Consolidated Operating EBITDA Adjusted

Consolidated Operating EBITDA Adjusted in Q1 2024 totalled €25.1M, up €6.3M on €18.8M in the previous year (+33.6%), with a 19.9% margin.

These results benefited from the increased production volumes and include the satisfying performances of Sanatorio Triestino (€1.0M) and of the Aurelia Hospital Group (€2.5M), with this latter benefiting from the decisive streamlining and reorganisation measures introduced by GHC following the acquisition.

Op. EBITDA Adj. in Euro millions	1Q2024	1Q2023	vs. Q1 23 (€M)	vs. Q1 23 (%)
Total	25.1	18.8	+6.3	+33.6%

At like-for-like perimeter, Operating EBITDA Adjusted was up 13.4% on Q1 2023 (€21.5M vs. €18.8M), with a 22.3% margin.

Op. EBITDA Adj. Like-for Like in Euro millions	1Q2024	1Q2023	vs. Q1 23 (€M)	vs. Q1 23 (%)
<i>Total at LFL perimeter</i>	<i>21.5</i>	<i>18.8</i>	<i>+2.7</i>	<i>+13.4%</i>

Consolidated EBIT

Q1 2024 EBIT was €17.6M, up €3.6M on €14.0M in Q1 2023 (+26.0%).

This result reflects: (i) amortisation, depreciation and write-downs of €6.0M, increasing €1.0M on €5.0M in Q1 2023 mainly due to the change in the perimeter and (ii) Impairments and other provisions for €1.5M, increasing €0.7M on €0.8M in Q1 2023, although in line with historic trends in terms of percentage of Revenues.



We highlight that, in the comparison with Q1 2023, the previous year – unlike the current one - benefited from positive adjustments for €1.0M related to the reimbursements recognized by the Regions to a number of Group facilities for “extra-Covid costs” incurred in previous years.

EBIT in Euro millions	1Q2024	1Q2023	vs. Q1 23 (€M)	vs. Q1 23 (%)
Total	17.6	14.0	+3.6	+26.0%

Consolidated Net Profit

The Group Net Profit was €10.1M, increasing €1.4M on €8.7M in Q1 2023 (+15.8%). This amount reflects net financial charges of €3.5M (vs. €2.2M in Q1 2023) and income taxes of €4.0M, increasing on €3.1M in Q1 2023, mainly due to the higher profit before taxes.

Net Profit in Euro millions	1Q2024	1Q2023	vs. Q1 23 (€M)	vs. Q1 23 (%)
Total	10.1	8.7	+1.4	+15.8%

GHC Group consolidated balance sheet highlights

Consolidated Net Financial Position

At March 31, 2024, the Net Financial Position (NFP) of GHC was €206.8M, comprising liquidity of €24.0M and financial debt of €230.8M.

Net Financial Position in Euro millions	1Q2024	FY2023	Change vs. FY2023
Total	206.8	205.7	+1.1
Financial leverage (x) ⁽³⁾	2.7x	2.8x	-0.1x

The NFP at March 31, 2024 - as was the case in the first quarter of the previous year - reflects the normal and temporary increase of trade receivables as a result of the increased production in Q1 2024 and the receivables not yet collected regarding a portion of the Out-of-Region production in 2023. It should be noted that these receivables are expected to be collected during Q2 2024, with a resulting positive impact on Net Operating Working Capital.

Capex

The Group in Q1 2024 invested a total of €5.4M, of which €3.2M for maintenance and €2.2M for expansion and development. Among these, we highlight the acquisition by GHC Real Estate of the property which houses the headquarters of the subsidiary Aesculapio.

SUBSEQUENT EVENTS TO PERIOD-END

There were no subsequent events to quarter-end.

OUTLOOK

The sharp increase in private "out-of-pocket" activity recorded by the Group during both 2023 and early 2024 is clear confirmation of exponentially growing healthcare needs.

In this context, the Group will continue to fully execute its accredited activity, also including the increased resources which have already been partly allocated to reduce the waiting lists and also particularly

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strengthening and developing its private "out-of-pocket" patient activities.

With reference to the Aurelia Hospital Group, the actions undertaken by the GHC Group enabled in Q1 2024 an improved performance on 2023, which was considerably affected by the liquidation process that arose due to irreconcilable disagreements among shareholders. For the remainder of 2024, GHC expects the efficiency and reorganisation activities to yield the expected benefits by further improving the margins of the acquired facilities. In this regard, it should also be noted that the Lazio Region, with a resolution of December 28, 2023, recognised an extra-budget of €1.6M in favour of Aurelia Hospital starting from 2024, with the allocation of additional 16 authorised and accredited General Medicine beds, to date already in full occupancy.

Finally, GHC confirms its medium-term objective in relation to the new acquired companies, which envisages the achievement - progressively over the next few years - of a margin aligned with that expressed by the other complex hospital facilities of the Group.

CONFERENCE CALL OUTLINING THE Q1 2024 RESULTS

The company announces that this afternoon, May 15, 2024, at 4PM (CET) a conference call shall be held for investors and analysts to provide an overview of the key Q1 2024 results.

The Group's Chief Executive Officer Ms. Maria Laura Garofalo, together with the top management, will take part in the conference call.

The call shall be held in Italian. A transcript of the call shall be made available also in English on the company website (www.garofalohealthcare.com, Investor Relations / Presentations section).

Registration via the link below is required to participate in the conference call. It is specified that once you have registered (by accessing the link below), you will receive a registration notification by email with which you will be notified of your personal Passcode and PIN, which must be used to directly and uniquely access the conference call:

<https://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=8676874&linkSecurityString=11e193ebbe>

OTHER BOARD OF DIRECTORS MOTIONS

Launch of the Buy-Back Plan

The Board of Directors, in execution of the authorisation approved by the Ordinary Shareholders' Meeting of April 29, 2024, today approved the launch of the Plan for the purchase and disposal of treasury shares (Buy-Back) made so as to: (i) set up a "securities reserve" to be allocated, if necessary, to serve share incentive plans, including of a long-term nature, to be reserved for Directors and/or managers of the Company or its subsidiaries; (ii) intervene, in compliance with current regulations and through intermediaries, to stabilise the stock price and to regularise trading and price trends, against distortions linked to excessive volatility or poor trading liquidity; and (iii) set up a "securities reserve" to be allocated, if necessary, to serve the execution of corporate transactions involving the utilisation of treasury shares (including for consideration) for the purpose of the undertaking of holdings by institutional or qualifying investors or, in any case, commercial, financial or strategic partners.

For any further details, please refer to the resolutions of the Ordinary Shareholders' Meeting of 29 April 2024, as well as to the relevant Explanatory Report of the Board of Directors, available on the Company's website in the Governance / Shareholders' Meeting section.

EQUITA SIM S.p.A. has been appointed as the intermediary to execute the plan.

Any subsequent changes to what was resolved by the Board of Directors today will be promptly communicated by the Company.



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The Interim Financial Report at March 31, 2024 is available to the public on the website www.garofalohealthcare.com, Financial Statements and Reports Section and on the eMarket Storage authorised storage mechanism (www.emarketstorage.com).

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The Executive Officer for Financial Reporting, Luigi Celentano, states in accordance with paragraph 2, Article 154-*bis* of the Consolidated Finance Act that the accounting information in this press release corresponds to the underlying accounting documents, records and entries. The data in this press release has not been audited.

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The GHC Group

The GHC Group, listed on the Euronext STAR segment of the Italian Stock Exchange, is an Italian accredited private healthcare leader operating through 37 healthcare clinics demonstrating excellence, located in Italy's strongest regions and offering a comprehensive range of services covering all areas of healthcare thanks to diversified specialties, the use of cutting-edge technologies and highly-qualified personnel. The Group in fact operates across eight regions in Northern and Central Italy (Piedmont, Lombardy, Veneto, Friuli-Venezia Giulia, Emilia Romagna, Liguria, Tuscany and Lazio), covering in the hospital sector acute admissions, long-term care, post-acute rehabilitations and outpatient services (the "Hospital Sector"), and in the social services and dependency care sector covering residential admissions and district outpatient services (the "Social Services and Dependency Care Sector").

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FOR FURTHER DETAILS:

Garofalo Health Care S.p.A.

Mimmo Nesi - Investor Relator

Tel. +39 06 68489231 - ir@garofalohealthcare.com

Website: www.garofalohealthcare.com

Press Office

Barabino & Partners

Massimiliano Parboni - m.parboni@barabino.it

Tel. +39 335 8304078

Giuseppe Fresa - g.fresa@barabino.it

Tel. +39 348 5703197

Q1 2024 Consolidated Income Statement of the GHC Group

<i>In Euro thousands</i>	Q1 2024	Q1 2023
Revenues from services	124,265	89,568
Other revenues	1,871	2,717
TOTAL REVENUES	126,136	92,285
Raw materials and consumables	19,077	12,515
Service costs	47,815	36,925
Personnel costs	28,291	19,084
Other operating expenses	5,903	3,959
TOTAL OPERATING COSTS	101,085	72,483
TOTAL EBITDA	25,051	19,802
Amortisation, depreciation and impairments	5,969	5,004
Impairments and other provisions	1,481	833
TOTAL AMORTISATION, DEPRECIATION, WRITE-DOWNS, PROVISIONS AND OTHER ADJUSTMENTS	7,450	5,838
EBIT	17,601	13,965
Financial income	45	6
Financial charges	(3,535)	(2,221)
TOTAL FINANCIAL INCOME AND CHARGES	(3,490)	(2,215)
PROFIT BEFORE TAXES	14,111	11,749
Income taxes	(4,022)	(3,060)
NET PROFIT FOR THE YEAR	10,089	8,690
Group	10,059	8,689
Minority interests	30	1

Consolidated Balance Sheet of the GHC Group at March 31, 2024

ASSETS <i>In Euro thousands</i>	31/03/2024	31/12/2023
Goodwill	156,010	156,007
Other intangible assets	219,658	219,258
Property, plant and equipment	252,126	252,989
Investment property	836	846
Equity investments	1,386	1,386
Other non-current financial assets	1,010	3,368
Other non-current assets	1,635	2,238
Deferred tax assets	14,080	14,850
TOTAL NON-CURRENT ASSETS	646,741	650,942
Inventories	5,935	5,583
Trade receivables	124,741	100,994
Tax receivables	6,410	7,939
Other receivables and current assets	8,659	7,652
Other current financial assets	390	409
Cash and cash equivalents	23,597	22,684
TOTAL CURRENT ASSETS	169,731	145,260
TOTAL ASSETS	816,472	796,202

Consolidated Balance Sheet of the GHC Group at March 31, 2024

<i>LIABILITIES</i> <i>In Euro thousands</i>	31/03/2024	31/12/2023
Share capital	31,570	31,570
Legal reserve	614	614
Other reserves	268,642	245,903
Group result for the period	10,059	20,799
TOTAL GROUP SHAREHOLDERS' EQUITY	310,885	298,886
Minority interest capital and reserves	2,020	1,929
Minority interest result	30	74
TOTAL SHAREHOLDERS' EQUITY	312,935	300,889
Employee benefits	16,413	19,505
Provisions for risks and charges	27,906	28,251
Non-current financial payables	161,551	164,200
Other non-current liabilities	4,007	4,182
Deferred tax liabilities	74,749	74,770
TOTAL NON-CURRENT LIABILITIES	284,626	290,908
Trade payables	92,906	87,853
Current financial payables	69,206	64,637
Tax payables	7,516	4,475
Other current liabilities	49,284	47,442
TOTAL CURRENT LIABILITIES	218,912	204,406
TOTAL LIABILITIES	503,538	495,313
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	816,472	796,202

Consolidated Cash Flow Statement of the GHC Group at March 31, 2024

<i>In Euro thousands</i>	31/03/2024	31/03/2023
OPERATING ACTIVITIES		
Net Profit for the period	10,089	8,690
<i>Adjustments for:</i>		
- <i>Amortisation and depreciation</i>	5,890	4,840
- <i>Provisions for employee benefit liabilities</i>	109	179
- <i>Provisions net of releases for risks and charges</i>	1,481	833
- <i>Provisions net of releases for doubtful debt provision</i>	80	164
- <i>Interest from discounting</i>	283	319
- <i>Other non-cash adjustments</i>	2,610	1,628
- <i>Change in other non-current assets and liabilities</i>	487	(187)
- <i>Net change in deferred tax assets and liabilities</i>	107	217
- <i>Payments for employee benefits</i>	(637)	(281)
- <i>Payments for provisions for risks and charges</i>	(1,826)	(603)
<i>Changes in operating assets and liabilities:</i>		
<i>(Increase) decrease in trade and other receivables</i>	(23,827)	(17,140)
<i>(Increase) decrease in inventories</i>	(352)	(196)
<i>Increase (decrease) in trade and other payables</i>	5,053	1,436
<i>Other current assets and liabilities</i>	4,723	2,723
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	4,268	2,621
CASH FLOW FROM INVESTING ACTIVITIES		
<i>Investments in intangible assets</i>	(306)	(360)
<i>Investments in tangible assets</i>	(4,472)	(3,365)
<i>(Investments)/disposals in financial assets</i>	2,300	(21)
<i>Sale of tangible assets</i>	8	13
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(2,470)	(3,733)
CASH FLOW FROM FINANCING ACTIVITIES		
<i>Repayment of medium/long-term loans</i>	(784)	(153)
<i>Issue/(repayment) of short-term loans</i>	1,542	4,480

<i>In Euro thousands</i>	31/03/2024	31/03/2023
<i>Changes in other financial payables</i>	(1,565)	(1,438)
<i>(Acquisition) treasury shares</i>	(77)	(450)
NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)	(885)	2,439
TOTAL CASH FLOWS (D=A+B+C)	913	1,327
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD (E)	22,684	31,382
CASH & CASH EQUIVALENTS AT END OF PERIOD (F=D+E)	23,597	32,709
Additional information:		
Interest paid		
Income taxes paid		

Consolidated Net Financial Position of the GHC Group at March 31, 2024

<i>In Euro thousands</i>	31/03/2024	31/12/2023
A Available liquidity	23,597	22,684
B Cash equivalents		
C Other current financial assets	390	409
D Liquidity	23,986	23,093
E Current financial debt	31,103	28,436
F Current portion of non-current financial debt	38,103	36,201
G Current financial debt	69,206	64,637
H Net current financial debt (G - D)	45,220	41,543
I Non-current financial debt	161,551	164,200
J Debt instruments		
K Trade payables and other non-current payables		
L Non-current financial debt (I + J + K)	161,551	164,200
M Total financial debt (H + L)	206,771	205,743