



Press Release

GAROFALO HEALTH CARE S.P.A.: 2019 FINANCIAL STATEMENTS APPROVED

Shareholders' Meeting of GHC:

- viewed the consolidated financial statements of the GHC Group at December 31, 2019, which reported revenues of Euro 196.5m, up Euro 40.9m (+26.3%) compared to Euro 155.6m in FY2018 and Operating EBITDA Adjusted⁽¹⁾ of Euro 38.2m, up Euro 8.4m (+28.3%) compared to Euro 29.8m in FY2018, with a revenue margin of 19.5% (19.1% in FY2018). On a Pro-Forma basis⁽²⁾, revenues totalled Euro 222.5m, up Euro 66.9m (+42.9%) compared to FY2018, with Operating EBITDA Adjusted of Euro 44.4m, up Euro 14.6m (+49.1%) compared to FY2018, with a revenue margin of 20.0%;
- approved the separate financial statements at December 31, 2019 and the proposal to allocate the relative net profit of approx. Euro 1,673 thousand, as follows: Euro 83.66 thousand to the legal reserve, Euro 16.73 thousand to the provision as per Article 40 of the By-Laws (to be allocated for scientific and/or benefit purposes) and Euro 1,572.76 thousand to the extraordinary reserve;
- appointed three members of the Board of Directors as per Article 2386 of the Civil Code, establishing the relative remuneration;
- approved the Remuneration Policy and Report.

Rome, April 29, 2020 – The Shareholders' Meeting (the “Shareholders' Meeting”) of Garofalo Health Care S.p.A. (“GHC”), listed on the MTA segment of the Italian Stock Exchange, chaired by the Chairman Alessandro Maria Rinaldi, met today in single call.

Maria Laura Garofalo, Chief Executive Officer of GHC, stated: *“We are particularly proud of the results of the 2019 financial statements approved today by the Shareholders' meeting. In fact, they reflect the strength of the choices taken by GHC during the year, with all the objectives set at the time of IPO fully delivered. In such difficult days for our country, we are also proud of the commitment that all our facilities are putting in place to support the public system in coping with the devastating effects of the pandemic. In fact, we have opened wards to treat Covid patients, post-Covid patients not yet discharged, while opening, on behalf of the local USL's (Local Health Authorities), wards to surgically treat patients not infected and in need of surgery that cannot be postponed and to be performed in safe environments; a virtuous example of how public and accredited private healthcare can create valuable partnerships quickly and effectively, even in an emergency situation like that currently experienced”.*

Separate financial statements at December 31, 2019 and allocation of the net profit for the year

At the Shareholders' Meeting, where several of the major Italian and overseas investment funds and institutional investors were represented, the GHC Group's consolidated financial statements at December 31, 2019 were presented which, as announced on March 23, 2020, reported revenues of Euro 196.5m, up Euro 40.9m (+26.3%) compared to Euro 155.6m in FY2018 and Operating EBITDA Adjusted of Euro 38.2m,

⁽¹⁾ Operating EBITDA Adjusted defined as EBIT + depreciation & amortisation + provisions and write-downs + non-core costs (approx. Euro 3.5 million) for M&A's (incurred for the acquisitions) and those for the Stock Grant plan. Non-core costs in 2018 of Euro 4.0 million however concern the IPO costs incurred in 2018 and expensed to the income statement

⁽²⁾ The 2019 Pro-Forma figures retrospectively reflect at January 1, 2019 the acquisitions made by GHC during the year. These Pro-Forma statements are drawn up on a voluntary basis and according to procedures agreed with the independent audit firm as per the International Standard of Related Services (“ISRS”) 4400 issued by the IAASB



up Euro 8.4m (+28.3%) compared to Euro 29.8m in FY2018, with a revenue margin of 19.5% (19.1% in FY2018). On a Pro-Forma basis, revenues totalled Euro 222.5m, up Euro 66.9m (+42.9%) compared to FY2018, with Operating EBITDA Adjusted of Euro 44.4m, up Euro 14.6m (+49.1%) compared to FY2018, with a revenue margin of 20.0%.

The Shareholders' Meeting, in ordinary session, then reviewed and approved the separate financial statements at December 31, 2019 and approved, as per the Board of Director's proposal, the allocation of the net profit of approx. Euro 1,673 thousand, as follows: Euro 83.66 thousand to the legal reserve, Euro 16.73 thousand to the provision as per Article 40 of the By-Laws (to be allocated for scientific and/or benefit purposes) and the remainder of Euro 1,572.76 thousand to the extraordinary reserve.

The consolidated non-financial report for 2019 was also presented at the Shareholders' Meeting, in accordance with Legislative Decree No. 254 of December 30, 2016.

Appointment of three members of the Board of Directors

The Shareholders' Meeting approved, in accordance with Article 2386 of the Civil Code and as per the relative proposal presented by the Board of Directors, the appointment as Company Directors of Ms. Franca Brusco (indicated by the Managers Committee of Assogestioni on co-option, on the express request of the Company, and ahead of the natural conclusion of mandate), Mr. Federico Ferro-Luzzi and Ms. Grazia Bonante, who shall remain in office until the conclusion of the current board's mandate, i.e. until the Shareholders' Meeting called to approve the 2020 Annual Accounts.

In particular, Ms. Franca Brusco, as previously announced on April 14, 2020, was nominated for the position of Company director, also by shareholders overall possessing a holding of 4.10767% of the share capital of the Company (Institutional Investors), in accordance with Article 126-bis of Legislative Decree No. 58 of February 24, 1998 ("CFA").

The Shareholders' Meeting also approved the recognition to each of the above Directors of a gross annual emolument of Euro 20 thousand, equivalent to that recognised to the other members of the Board of Directors.

The Board of Directors of the Company, meeting today at the end of the Shareholders' Meeting, according to the declarations of the appointed Directors, the documentation produced and the information available to the Company, declared the good standing of these Directors, as per the regulation of the Ministry for Justice, as per Article 148, paragraph 4 of the CFA, in addition to the independence requirements under the combined provisions of Articles 147-ter, paragraph 4, and 148, paragraph 3 of the CFA and Article 3 of the Self-Governance Code of Borsa Italiana.

In addition, on the basis of the information available to the Company, the above Directors do not hold Company shares.

The Board therefore noted that three of the eleven directors qualify as independent within the meaning of the above provisions.

At the same meeting, the Board of Directors appointed the internal committees, as follows:

- **Control, Risks and Sustainability Committee (also acting as the Related Party Transactions Committee):** Grazia Bonante, Franca Brusco, Federico Ferro-Luzzi;
- **Appointments and Remuneration Committee:** Grazia Bonante, Franca Brusco, Federico Ferro-Luzzi.

The curriculum vitae of the appointed Directors is available on the company website www.garofalohealthcare.com in the *Governance / Board of Directors* section.

Remuneration Policy and Report

The Shareholders' Meeting approved, through a binding motion, section I of the Remuneration Policy and Report, which describes the Company's policy on the remuneration of members of the Board of Directors, of General Managers and of Senior Executives for 2020, and, without prejudice to Article 2402 of the Civil Code, of the members of the control boards, as well as the procedures utilised for the adoption and implementation of this policy.



In addition, the Shareholders' Meeting approved, through a non-binding motion, section II of the Remuneration Policy and Report, which provides an adequate description of each of the items that make up remuneration and illustrates analytically the remuneration paid during 2019.

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The minutes of the Shareholders' Meeting held today shall be made available to the public, according to the legal terms, at the registered office of the company (Piazzale delle Belle Arti n. 6 – 00196 Rome), on the eMarketSTORAGE (www.emarketstorage.com) authorised storage mechanism and on the company website (www.garofalohealthcare.com, *Governance / Shareholders' Meeting* section).

The summary of voting shall be made available on the company website, in accordance with Article 125-quater, paragraph 2, of the CFA, in accordance with law.

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The Executive Officer for Financial Reporting, Fabio Tomassini, 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.

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The GHC Group

The GHC Group, listed on the Milan Stock Exchange, is an Italian accredited private healthcare leader operating through 24 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 seven regions in Northern and Central Italy (Piedmont, Veneto, Friuli-Venezia Giulia, Emilia Romagna, Liguria, Tuscany and Lazio), covering in the hospital sector acute admissions, long hospitalization, post-acute rehabilitations and outpatient services (the "Hospital Sector"), and in the regional and social-care sector covering residential admissions and district outpatient services (the "Dependency Care Sector").

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FOR FURTHER DETAILS:

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