



Press Release

GAROFALO HEALTH CARE S.P.A.: SHAREHOLDERS' MEETING 2021 AND BOARD OF DIRECTORS' MOTIONS

MAIN SHAREHOLDERS' MEETING MOTIONS:

2020 SEPARATE FINANCIAL STATEMENTS AND ALLOCATION OF PROFIT FOR THE YEAR APPROVED

SECTION I OF THE 2021 REMUNERATION POLICY AND 2020 REPORT APPROVED

SECTION II OF THE REPORT ALSO APPROVED

BUYBACK PLAN AND LONG-TERM INCENTIVE PLAN ON ECONOMIC-FINANCIAL AND ESG OBJECTIVES (2021-2023 PERFORMANCE SHARE PLAN) APPROVED

NEW BOARD OF DIRECTORS TO REMAIN IN OFFICE FOR THE NEXT THREE YEARS APPOINTED

ALESSANDRO MARIA RINALDI CONFIRMED AS CHAIRMAN OF THE BOARD OF DIRECTORS

NEW BOARD OF STATUTORY AUDITORS APPOINTED

BOARD OF DIRECTORS MOTIONS:

MARIA LAURA GAROFALO CONFIRMED AS CHIEF EXECUTIVE OFFICER OF THE GHC GROUP

DANILO BARLETTA, HEAD OF GROUP ADMINISTRATION AND FINANCIAL STATEMENTS SINCE THE IPO, APPOINTED EXECUTIVE OFFICER FOR FINANCIAL REPORTING

NEW SUPERVISORY BOARD APPOINTED

Alessandro Maria Rinaldi, Chairman of the Board of Directors of GHC, stated: *"I would first like to thank the outgoing Board of Directors, who have made a significant contribution to the considerable growth that GHC has achieved since its IPO. I am certain that the new Board of Directors, which sees the arrival of a group of equally qualified professional figures, and which complies with best practices regarding expertise, composition and gender balance, will enable the Group to continue with its ambitious development project. Its work will be supported by an organisational structure that has been significantly strengthened as a result of the Group's growth, and in preparation for the upcoming and further phase of external expansion. GHC is today a leading company in its sector and keenly aware of its role towards the community and its stakeholders, as confirmed by its recent inclusion among the 150 "Leaders in Sustainability" in the report recently published by IISole24Ore - Statista, as well as the EE- rating it was awarded by Standard Ethics last October."*

Rome, April 30, 2021 – The Shareholders' Meeting of Garofalo Health Care S.p.A. ("**GHC**" or the "**Company**"), listed on the STAR segment of the Italian Stock Exchange, presided by the Chairman Alessandro Maria Rinaldi, met today in single call, and passed the following motions.

Statutory financial statements at December 31, 2020 and allocation of the profit for the year

The Shareholders' Meeting approved the Separate Financial Statements at December 31, 2020 and resolved, on the proposal of the Board of Directors, to allocate the profit for the year, amounting to approx. Euro 1,546 thousand, as follows: approx. Euro 77 thousand to the legal reserve, approx. Euro 15 thousand to the provision as per Article 40 of the By-Laws for scientific and/or charitable purposes, and the remaining portion of approx. Euro 1,453 thousand to the extraordinary reserve.

The Shareholders' Meeting also examined the consolidated financial statements at December 31, 2020, which were impacted by the imposed suspension of all activities except for urgent and non-deferrable interventions by local and national authorities from March to tackle the Covid-19 emergency. The Group reported revenues of Euro 210.8 million in 2020, up 7.3% compared to Euro 196.5 million in 2019 (mainly



due to the M&A transactions carried out in 2019 and 2020), an Operating EBITDA Adjusted⁽¹⁾ of Euro 34.0 million, down 11.0% from Euro 38.2 million in 2019 (mainly due to the suspension of activities imposed as of March, which did not permit the full absorption of fixed costs) and a Net Profit of Euro 11.8 million, down 10.4% compared to Euro 13.1 million in 2019. At December 31, 2020, the Group's Net Financial Position was Euro 97.7 million, with debt of Euro 122.5 million and liquidity of Euro 24.8 million.

2021 Remuneration Policy and 2020 Report

The Shareholders' Meeting approved Section I of the 2021 Remuneration Policy and 2020 Report, which sets out the guidelines for the Company's remuneration policy for members of the Board of Directors, members of the Supervisory Board and the General Manager for the year 2021.

The Shareholders' Meeting also resolved in favour of section II of the aforementioned Report, which sets out the remuneration for the year 2020 individually for the Directors and Statutory Auditors, and jointly for Senior Executives.

Long-term incentive plan ("2021-2023 Performance Share Plan")

The Shareholders' Meeting approved the new long-term incentive plan called the "2021-2023 Performance Share Plan" (the "**Plan**") for the Chief Executive Officer, the General Manager and the key figures of the Company and/or the Group, identified on a case-by-case basis by the Board of Directors. The plan has as its object the free assignment of GHC ordinary shares, which represents a valid tool to incentivise and retain the beneficiaries as well as to align their interests with those of the shareholders.

The maximum total number of shares allocated to the Plan is not specified, since the total number of Rights (and of the corresponding Shares) for the Cycles following the first will be notified pursuant to Article 84-*bis*, paragraph 5 of the Issuers' Regulation.

For more information on the Plan, reference should be made to the disclosure document prepared in accordance with Article 114-*bis* of the CFA and Article 84-*bis* of the Issuers' Regulation, which is made available to the public on the Company website at www.garofalohealthcare.com, in the Governance / Shareholders' Meetings section, and on the eMarket Storage authorised storage mechanism (www.emarketstorage.com).

Authorisation to purchase and dispose of treasury shares (buyback)

The Shareholders' Meeting approved a proposal for a new buyback plan which seeks to provide an opportunity to: (i) establish a "securities stock" to be allocated where needed to any other share incentive plans, including of a long-term nature, reserved for Directors and/or managers of the Company or its subsidiaries; and (ii) take action, in compliance with the applicable provisions and through intermediaries, to stabilise the share price and ensure normal trading and share prices, countering distortions related to excessive volatility or scarcity of shares.

The plan approved today establishes that the unitary price for the purchase of the shares is set on a case-by-case basis for each transaction but which may not in any case be 10% lower or higher than the share price recorded in the trading session before each individual transaction.

The new authorisation was requested for a period of 18 months starting from the date of the Shareholders' Meeting and is designed to allow the Company to purchase a total number of treasury shares not exceeding n. 1,353,000 shares, representing 1.5% of GHC's share capital at today's date, including the treasury shares already held by the Company and totalling 389,136 (equal to 0.43% of the share capital).

⁽¹⁾ Operating EBITDA Adjusted defined as EBIT + depreciation and amortisation + provisions and write-downs + non-core costs (these latter in 2020 totalling Euro 3.5 million, of which approx. Euro 2.6 million due to "extra-Covid costs", approx. Euro 0.5 million due to M&A costs and approx. Euro 0.4 million due to the Stock Grant plan. Non-core costs in 2019, equal to Euro 3.5 million, relate to M&A costs incurred for acquisitions made in the previous year and costs connected to the Stock Grant Plan



Appointment of the new Board of Directors

The Shareholders' Meeting resolved on the appointment of the Board of Directors, which will comprise 11 (eleven) members, the majority of whom are female and which will remain in office for the next three years, i.e. until the Shareholders' Meeting called to approve the Financial Statements at December 31, 2023.

Alessandro Maria Rinaldi was confirmed in the role of Chairman.

The number of Independent Directors was increased by one member, from three to four, among which Franca Brusco that was elected to the role from the slate submitted by a group of minority shareholders. There are four newly appointed Directors: Giancarla Branda and Nicoletta Mincato, Independent Directors; Guido Dalla Rosa Prati, Chief Executive Officer of Poliambulatorio Dalla Rosa Prati in Parma and Chairman of Hesperia Hospital in Modena and Ospedali Privati Riuniti in Bologna, a leading figure in the healthcare sector in the Emilia-Romagna Region; and Javier De La Rica, co-founder and member of the Board of Peninsula Capital.

In particular, the following Directors were appointed as members of the Board of Directors:

1. Alessandro Maria Rinaldi (Chairman)
2. Maria Laura Garofalo (Chief Executive Officer)
3. Alessandra Rinaldi Garofalo
4. Claudia Garofalo
5. Giuseppe Giannasio
6. Guido Dalla Rosa Prati
7. Javier de La Rica
8. Federico Ferro-Luzzi
9. Nicoletta Mincato
10. Giancarla Branda

drawn from slate No. 1, submitted by the majority shareholders Larama98 S.p.A., Maria Laura Garofalo and An.Rama S.p.A., owners of a total stake of 64.3% of GHC's share capital and voted by 89.458% of the voting rights represented at the Shareholders' Meeting, and the Director:

11. Franca Brusco

drawn from slate No. 2, submitted by a group of minority shareholders owning 5.24086% of GHC's share capital and voted by 10.542% of the voting rights represented at the Shareholders' Meeting.

The appointment of the **Chief Executive Officer in the person of Ms. Maria Laura Garofalo** was approved by the Board of Directors meeting held after today's Shareholders' Meeting, which granted her all the powers and functional proxies necessary to carry out her office.

The Board of Directors also verified the integrity requirements for all Directors and the independence requirements for the Directors Giancarla Branda, Franca Brusco, Federico Ferro-Luzzi and Nicoletta Mincato on the basis of the information provided by them, with reference to both the provisions of Article 148, paragraph 3 of the CFA (as referred to in Article 147-ter, paragraph 4 of the CFA) and the provisions of the Corporate Governance Code issued by Borsa Italiana. In doing so, it considered the quantitative and qualitative criteria designed to assess the significance of any relationships that may compromise the independence of the Directors, as identified by the Board of Directors. The Board therefore noted that four of the eleven Directors qualify as independent as per the above provisions.

The composition of the Board of Directors also complies with current legislation on gender balance.

Finally, the Board of Directors, whose members will be paid fees in line with the motions passed by today's Shareholders' Meeting, approved the establishment and composition of the following internal Board Committees:

- **Control, Risks and Sustainability Committee:** Franca Brusco, Federico Ferro-Luzzi and Nicoletta Mincato;
- **Appointments and Remuneration Committee:** Federico Ferro-Luzzi, Giancarla Branda and Franca Brusco.



Each Committee will appoint a Chairperson at its first meeting.

CVs for each member of the Board of Directors, as well as information regarding the Board of Directors and the internal Board Committees, are available in the Governance section of the website www.garofalohealthcare.com.

Appointment of the new Board of Statutory Auditors

The Shareholders' Meeting also appointed the Board of Statutory Auditors, which will be in office for the financial years 2021-2023 and is composed as follows:

- Sonia Peron, as Chairperson, elected from slate No. 2, submitted by a group of minority shareholders and voted by 10.455% of the voting rights represented at the Shareholders' Meeting;
- Alessandro Musaiò and Francesca di Donato as Statutory Auditors, elected from slate No. 1, submitted by the majority shareholders Larama98 S.p.A., Maria Laura Garofalo and An.Rama S.p.A. and voted by 89.458% of the voting rights represented at the Shareholders' Meeting;
- Andrea Bonelli and Marco Salvatore, as Alternate Auditors, elected from the Majority and Minority slates respectively.

The Chairperson of the Board of Statutory Auditors, Sonia Peron, and the Standing Auditors Alessandro Musaiò and Francesca di Donato declared that they comply with the independence requirements set out in Article 148, paragraph 3 of the CFA and in the Corporate Governance Code issued by Borsa Italiana.

The Board of Statutory Auditors, held today after the Shareholders' Meeting, positively assessed the existence for each member of the Board of Statutory Auditors of the independence requirements provided for by the legislation and the Corporate Governance Code.

The composition of the Board of Statutory Auditors also complies with current legislation on gender balance.

The Shareholders' Meeting also determined the remuneration of the Board of Statutory Auditors, setting a gross annual fee of Euro 38,000 for the Chairperson and Euro 28,000 for each Statutory Auditor.

CVs for each member of the Board of Statutory Auditors are available in the Governance section of the website www.garofalohealthcare.com.

OTHER BOARD OF DIRECTORS MOTIONS

Appointment of the Executive Officer for Financial Reporting

Further to the information communicated to the market on March 1, 2021, in its meeting following the Shareholders' Meeting and after hearing the positive opinion of the Board of Statutory Auditors, pursuant to Article 38 of the By-Laws the newly formed Board of Directors appointed Mr. Danilo Barletta as the Executive Officer for Financial Reporting pursuant to Article 154-*bis* of Legislative Decree No. 58/98.

Mr. Danilo Barletta graduated in Economics and Business from the University of Rome La Sapienza and is registered as a certified public accountant and auditor. He has gained significant experience in the administrative, accounting and financial field having worked for approximately seven years at a leading auditing firm and approximately four years at Metro c Scpa (Astaldi Group), where he held the position of Financial Statements and Reporting Manager.

Mr. Danilo Barletta has worked at Garofalo Healthcare Group since 2014, holding roles of increasing responsibility up to that of Group Head of Administration and Financial Statements.

In compliance with the Instructions to the Regulations of Markets organised and managed by Borsa Italiana, it is communicated that Mr. Barletta holds 3,750 GHC shares as of today.

This appointment further strengthens GHC's new organisational structure which, as previously communicated to the market on March 1, 2021, will become operational as of next May 1. It will include the new figures of General Manager, in the person of Mr. Umberto Suriani, former CEO of Fides Group and Executive Director of GHC, Luigi Celentano (former Control and Risks Planning manager), as the new Group CFO, and finally Mimmo Nesi in the role of Chief Sustainability Officer.



Appointment of the Supervisory Board

The Board of Directors also today appointed a new Supervisory Board, constituted for the first time in collegial form, identifying as its members Maurizio Bortolotto (external member acting as Chairman), Francesca di Donato (external member, member of the Board of Statutory Auditors of GHC) and Alessandra Maurelli (internal member, Head of Internal Audit of GHC).

The new model further aligns the Company with best practice and is intended to further strengthen GHC's Internal Control and Risk Management System, an area to which the Company has always been committed.

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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, Danilo Barletta, 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 STAR segment of the Italian Stock Exchange, is an Italian accredited private healthcare leader operating through 26 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 "Dependency Care Sector").

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FOR FURTHER DETAILS:

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