



Press Release

GAROFALO HEALTH CARE S.P.A.: BOARD OF DIRECTORS APPROVES 2020 CONSOLIDATED FINANCIAL STATEMENTS AND SEPARATE FINANCIAL STATEMENTS.

THE COMPANY TODAY SUBMITTED THE REQUEST FOR ADMISSION TO THE STAR SEGMENT OF THE ITALIAN STOCK EXCHANGE (BORSA ITALIANA)

2020 REVENUES OF €210.8M, UP 7.3% ON 2019, THANKS TO THE BUSINESS MODEL BASED ON ACQUISITION-LED GROWTH

EXCELLENT PERFORMANCES REGISTERED IN 4Q IN TERMS OF REVENUES (€64.7M, +9.2%) AND OP. EBITDA ADJUSTED (€12.9M, +5.5%), CONFIRMING MAJOR RECOVERY CAPACITY OF THE FACILITIES

M&A MARGIN OF 21.9% OVER 12 MONTHS AND OF 25.9% IN Q4, CONFIRMING THE PROVEN ABILITY TO ACQUIRE FACILITIES WITH EXCELLENT PERFORMANCES OUTPERFORMING THE GROUP AVERAGE

APPROVED BUY BACK PLAN AND LONG-TERM INCENTIVE PLAN ON ECONOMIC-FINANCIAL AND ESG OBJECTIVES TO BE SUBMITTED TO THE SHAREHOLDERS' MEETING OF APRIL 30

KEY 2020 RESULTS

- Revenues of €210.8M, up 7.3% on €196.5M in 2019, despite the impact of the pandemic, thanks to the M&A perimeter contribution
- Operating EBITDA Adjusted⁽¹⁾ of €34.0M (16.1% margin), reducing on €38.2M in 2019, exclusively due to the regulatory measures imposed to tackle the Covid-19 pandemic:
 - M&A perimeter margin of 21.9%, ahead of the Group average
- Net Financial Position of €97.7M, with debt of €122.5M and liquidity of €24.8M:
 - Excluding non-recurring cash outflows, the NFP would be €81.3M, improving €13.4M year on year (€94.7M in 2019)

KEY Q4 2020 RESULTS

- Revenues of €64.7M, up 9.2% on €59.3M in 2019, demonstrating the Group's significant capacity for recovery and the effective rescheduling of activities
- Operating EBITDA Adjusted of €12.9M, up 5.5% on €12.2M in 2019, with a margin of 19.9%:
 - M&A perimeter margin in the quarter of 25.9%, up on Q4 2019 (24.5%)

Rome, March 16, 2021 – Garofalo Health Care S.p.A. (“GHC”), listed on the MTA segment of the Italian Stock Exchange, today approved the 2020 Consolidated and Separate Financial Statements, drawn up as per IAS/IFRS international accounting principles. Following on from that approved by the Board of Directors on January 20, 2021, the Company announces that it has presented to the Italian Stock Exchange (Borsa Italiana) its request for admission to the STAR segment for its ordinary shares.

Ms. Maria Laura Garofalo, Chief Executive Officer of the GHC Group, stated: “I am very pleased with the results presented in the 2020 Annual Accounts, as despite the great difficulties faced during the year, we were able to effectively contain the effects of the suspension of all non-urgent activities from mid-March until beyond mid-May. In fact, I would like to underline that the average monthly turnover of GHC in normal times is approx. Euro 20 million - therefore 2 months would correspond to a lower production of approx. Euro 40 million. Despite this, our revenues have only contracted by Euro 11.7 million on a Pro-Forma basis. This is fundamentally linked to the fact that due to the budgets assigned by the individual Regions to the accredited private operators, the productive capacity of our clinics is under utilised and this is the best indicator for the future organic growth that will surely emerge post-Covid. The significant ability and responsiveness

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

demonstrated by the manager of the operating companies - whose experience and dedication made these results possible - has been an additional key element. I wish to truly thank them and I dedicate to them, as well as to my father Raffaele Garofalo who would have turned 100 years old this year, the forthcoming transfer to the STAR segment and in respect of which today - following the approval of the financial statements by the Board of Directors - we have submitted the application for admission to the Italian Stock Exchange"

2020 CONSOLIDATED FINANCIAL STATEMENTS

GHC Group 2020 consolidated key operating highlights

Consolidated Revenues

In 2020, GHC consolidated revenues totalled €210.8M, up 7.3% on €196.5M in 2019, mainly due to the change in perimeter following M&A's executed in 2019 (which fully contributed to the 2020 results) and 2020 (XRay One, acquired in July).

This increase in 2020 revenues was affected by the imposed suspension of all activities, except for urgent and non-deferrable interventions, following legislation introduced by local and national authorities from March to tackle the Covid-19 emergency and is mitigated by €1.9M for the repayment of the "extra-Covid costs"⁽²⁾ incurred in the year by the Group, as well as by €1.7M relating to the estimate of the Regional Health System's contribution to be set within the renewal of the national collective labour contract ("NCLC") for non-medical employees of private accredited healthcare facilities⁽³⁾.

Revenues in Euro millions	FY2020	FY2019	vs. FY'19 (€M)	vs. FY'19 (%)
Total	210.8	196.5	+14.3	+7.3%

In comparing with 2019 Pro-Forma⁽⁴⁾ results, which includes the full contribution for the period of acquisitions made last year, consolidated 2020 revenues would reduce 5.2%, exclusively due to the mandatory suspension of activities outlined above.

Revenues in Euro millions	FY2020	FY2019 Pro-Forma	vs. FY'19PF (€M)	vs. FY'19PF (%)
Total	210.8	222.5	-11.7	-5.2%

Focus on Consolidated revenues in Q4 2020

In order to highlight the excellent Group performances in the fourth quarter of the year, impacted only partly by the restrictions imposed to tackle the pandemic, revenues compared with 2019 are presented below and indicate an increase of €5.4M in the period (+9.2%), of which €5.5M concerning the M&A perimeter (+30.7%).

Revenues in Euro millions	Q42020	Q42019	vs. Q4'19 (€M)	vs. Q4'19 (%)
Total⁽⁵⁾	64.7	59.3	+5.4	+9.2%
<i>of which M&A</i>	23.5	18.0	+5.5	+30.7%

⁽²⁾ One-off costs incurred by the Group to tackle the Covid-19 emergency and concerning expenses for Personnel Protective Equipment ("PPE"), swabs / tests, the preparation and management of triage areas and the dedicated distancing pathways

⁽³⁾ This renewal of the NCLC, finalised on October 2020, was effective retrospectively from July 2020

⁽⁴⁾ The 2019 Pro-Forma figures include the full contribution of all acquisitions made in 2019. The contribution of XRay One, acquired in July 2020, is however not included. 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

⁽⁵⁾ Q4 2020, compared to 2019, includes (i) the contribution of XRay One (€2.0M) and (ii) the estimate of the Regional Health System's contribution to be set within the renewal of the NCLC for non-medical employees of private accredited healthcare facilities (€1.1M). It is specified that Q4 2019 already includes the full contribution for 3 months of all acquisitions made during 2019

Consolidated Operating EBITDA Adjusted

In terms of margins, Consolidated Operating EBITDA Adjusted was €34.0M, down 11.0% on €38.2M of the previous year. This was mainly due to the enforced suspension of activities from March, which did not permit the full absorption of fixed costs.

EBITDA Adjusted for 2020, in comparison with the previous year, includes: (i) the contribution of XRay One from August (totalling €0.6M) and (ii) the €0.7M impact from the renewal of the NCLC for non-medical employees of private accredited healthcare facilities, as outlined above⁽⁶⁾.

Op. EBITDA Adj. in Euro millions	FY2020	FY2019	vs. FY'19 (€M)	vs. FY'19 (%)
Total	34.0	38.2	-4.2	-11.0%

In 2020, the Group Operating EBITDA Adjusted margin was 16.1% (vs. 19.5% in the preceding period): the M&A perimeter, although impacted by the Covid-19 related suspension of activities, reported a margin of 21.9%, ahead of the Group average.

Op. EBITDA Adj. Margin (%)	FY2020	FY2019
Margin (%)	16.1%	19.5%
M&A margin (%)	21.9%	22.2%

In comparison with the 2019 Pro-Forma results, Operating EBITDA Adjusted would reduce €10.4M (-23.4%), exclusively due to the suspension of activities, as outlined above..

Op. EBITDA Adj. in Euro millions	FY2020	FY2019 Pro-Forma	vs. FY'19PF (€M)	vs. FY'19PF (%)
Total	34.0	44.4	-10.4	-23.4%

Focus on Consolidated Adjusted Operating EBITDA in Q4 2020

The Company also delivered strong performances in Q4 2020 in terms of Op. EBITDA Adjusted, up €0.7M on 2019 (+5.5%), of which €1.7M concerning the M&A perimeter (+38.6%).

Op. EBITDA Adj. in Euro millions	4Q2020	4Q2019	vs. Q4'19 (€M)	vs. Q4'19 (%)
Total⁽⁷⁾	12.9	12.2	+0.7	+5.5%
<i>of which M&A</i>	<i>6.1</i>	<i>4.4</i>	<i>+1.7</i>	<i>+38.6%</i>

The Group's margin in Q4 2020 was 19.9% (20.6% in Q4 2019), increasing on Q4 2019 (20.6%): the M&A perimeter margin was 25.9% - ahead of the Group average and up on the previous year.

Op. EBITDA Adj. Margin (%)	4Q2020	4Q2019
Margin (%)	19.9%	20.6%
M&A margin (%)	25.9%	24.5%

⁽⁶⁾ As a result of the increased costs incurred as at December 31, 2020, totaling €2.4M net of the estimated Regional Health System contribution at the same date for €1.7M

⁽⁷⁾ Q4 2020, compared to 2019, includes (i) the contribution of XRay One (€0.4M) and (ii) the effects of the renewal of the NCLC for non-medical employees of private accredited healthcare facilities. It is specified that Q4 2019 already includes the full contribution for 3 months of all acquisitions made during 2019

Consolidated EBIT Adjusted and Consolidated Adjusted pre-tax profit

EBIT Adjusted⁽⁸⁾ in 2020 was €19.0M, down €5.0M on €24.0M in 2019 (-20.9%). This result reflects amortisation, depreciation and write-downs for €11.8M in the year, increasing €0.2M on 2019, mainly due to the change in perimeter during the period, as well as impairments and other provisions for €3.3M, up €0.6M on 2019.

EBIT Adj. in Euro millions	FY2020	FY2019	vs. FY'19 (€M)	vs. FY'19 (%)
Total	19.0	24.0	-5.0	-20.9%

In comparison with the 2019 Pro-Forma results, EBIT Adjusted would reduce €9.7M (-33.8%), exclusively due to the suspension of activities, as outlined above.

EBIT Adj. in Euro millions	FY2020	FY2019 Pro-Forma	vs. FY'19PF (€M)	vs. FY'19PF (%)
Total	19.0	28.7	-9.7	-33.8%

The Adjusted pre-tax profit⁽⁹⁾ in 2020 was €16.5M, down on €22.1M in 2019 (-25.5%). The figure reflects net financial charges of €2.5M, increasing €0.6M on 2019, mainly due to M&A's carried out by the Company in 2019 and 2020 which were partly financed by new financial debt.

Profit before taxes Adjusted in Euro millions	FY2020	FY2019	vs. FY'19 (€M)	vs. FY'19 (%)
Total	16.5	22.1	-5.6	-25.5%

In comparison with 2019 Pro-Forma, the Adjusted Pre-tax Profit reduced €9.9M (-37.5%), exclusively due to the suspension of activities, as outlined above.

Profit before taxes Adjusted in Euro millions	FY2020	FY2019 Pro-Forma	vs. FY'19PF (€M)	vs. FY'19PF (%)
Total	16.5	26.4	-9.9	-37.5%

Consolidated reported net profit

The Group net profit was €11.8M, decreasing €1.3M compared to €13.1M on 2019. This result benefitted from income taxes of just €1.2M, significantly reducing on 2019 (€5.5M) and impacted by the non-core costs outlined above.

Net result in Euro millions	FY2020	FY2019	vs. FY'19 (€M)	vs. FY'19 (%)
Total	11.8	13.1	-1.3	-10.4%

In comparison with the 2019 Pro-Forma, the Net Profit would reduce €4.5M (-27.5%).

Net result in Euro millions	FY2020	FY2019 Pro-Forma	vs. FY'19PF (€M)	vs. FY'19PF (%)
Total	11.8	16.3	-4.5	-27.5%

⁽⁸⁾ EBIT Adjusted defined as EBIT + non-core costs as defined above

⁽⁹⁾ Adjusted Pre-tax Profit defined as the Pre-tax profit + non-core costs as defined above



GHC Group 2020 consolidated balance sheet highlights

Consolidated Net Financial Position

At December 31, 2020, the Net Financial Position (NFP) of GHC was of €97.7M, comprising debt of approx. €122.5M and liquidity of €24.8M.

Net Financial Position in Euro millions	FY2020	FY2019	Change vs. FY2019
Total	97.7	94.7	+3.0

Excluding non-recurring items, the NFP would be €81.3M, improving €13.4M on 2019. The non-recurring items are mainly due to: (i) the acquisition of XRay One (for €16.1M⁽¹⁰⁾), (ii) expansion Capex, costs for M&A's and the treasury share buy-back programme (for a total of €5.2M) and (iii) the benefit from the advances disbursed by the main regions in which the Group operates⁽¹¹⁾ (for €8.0M).

2020 SEPARATE FINANCIAL STATEMENTS

Garofalo Health Care S.p.A. 2020 key operating highlights

Garofalo Health Care S.p.A. is the Parent Company, listed on the main segment of the Italian Stock Exchange since November 2018.

2020 Parent Company revenues were €4.0M (€2.4M in 2019) and related to the partial recharges of Parent Company costs to the subsidiaries for administrative co-ordination, financial, corporate and IT services.

Operating EBITDA reported a loss of €1.9M (loss of €4.4M in 2019) as a result of the costs incurred by the Parent Company during the year for the execution of Holding company core operations and non-core costs relating to M&A's (€0.5M) and the Stock Grant plan (€0.4M). Non-core costs in 2019 of €3.5M concerned M&A and Stock Grant plan costs.

The 2020 net profit was €1.5M, slightly reducing on 2019 (€1.7M), mainly in view of the reduced dividends distributed by the subsidiaries, amounting to €3.5M (from €5.6M in the previous year).

Garofalo Health Care S.p.A. 2020 key consolidated balance sheet highlights

At December 31, 2020, the Net Financial Position (NFP) of the Parent Company was €35.4M, with debt exceeding cash. This indicator increased €4.6M on 2019 (€30.8M).

⁽¹⁰⁾ Of which €12.8M paid as Equity Value and €3.3M concerning the application of IFRS 16

⁽¹¹⁾ In view of the Covid-19 emergency, as previously announced to the market, the Regions granted GHC's clinics a monthly advance of between 80% and 100%, according to each individual case, of the agreed regional and extra-regional production for the previous year or that of the budget agreement



SUBSEQUENT EVENTS

Reserved capital increased through Accelerated Book Building

On January 21, 2021, the Company, following on from the press release published on January 20, 2021, successfully completed the private placement through an accelerated book building ("ABB") procedure of 8,200,000 newly issued ordinary shares, without par value, from the share capital increase with exclusion of pre-emption rights as per Article 2441, paragraph 4, second section, of the Civil Code approved by the Board of Directors on January 20, 2021. The newly issued shares were subscribed at a unit price of Euro 5.10, for a total value, including share premium, of €41,820,000. Upon full subscription of the newly issued shares, the nominal amount of GHC's post-increase share capital is €31,570,000, comprising 90,200,000 ordinary shares with no par value.

Acquisition of Clinica S. Francesco di Verona

On February 24, 2021, GHC signed binding agreements for the acquisition of Clinica S. Francesco di Verona, a top international clinic and a National Healthcare System accredited leading European robotic orthopaedic surgery centre. The Clinic, highly synergetic with other Group clinics, strengthens the major technological development undertaken by GHC. The acquisition includes a Diagnostic Center with latest generation equipment and all the instrumental real estate assets. The Clinic reported revenues of approx. €32M in 2019 and pre-synergy adjusted EBITDA of approx. €7M, with margin of 22% - higher than Group average. The Enterprise Value of the transaction was €59.5M, with an Equity Value of €46.6M.

Resignation of the Chief Financial Officer and strengthening of the organisation

On February 2, 2021, the Company announced to the market that the Chief Financial Officer Mr. Fabio Tomassini would leave the position at the end of a three-year cycle at the Group, to embark on a new professional path. Mr Fabio Tomassini will maintain his duties and responsibilities as Chief Financial Officer and as GHC's Executive Officer for Financial Reporting until the Shareholders' Meeting scheduled for April 30, 2021 for the approval of the Separate Financial Statements and the presentation of the Consolidated Financial Statements at December 31, 2020.

On March 1, 2021, the Company therefore announced the new organisational and governance structure, ahead of further growth through M&A's and the upcoming transition to the Italian Stock Exchange's STAR segment. This new structure that establishes, inter alia, the appointment of a General Manager in the person of Mr. Umberto Suriani, shall be applicable from the effective date of the resignation of Mr. Fabio Tomassini, who shall maintain his position and duties until the Shareholders' Meeting scheduled for April 30, 2021. The new organisational structure, based on professionals with an extensive knowledge of the Group and a solid entrepreneurial, managerial and professional track record, was created in line with the succession plan reviewed by the Appointments and Remuneration Committee last year and further strengthens GHC's focus on organic growth and M&A strategies, also in view of the upcoming move to the STAR segment.

Change in total amount of voting rights following waiver by controlling shareholder of accrued multi-votes rights

As per the press releases published on January 21 and 26, 2021, on March 1, 2021, the Company announced that it had received from the majority shareholder Ms. Maria Laura Garofalo communication of her waiver of the multi-vote rights accruing to her. As a result of this communication, GHC's free float exceeded 35% for both shares and voting rights.



OUTLOOK

The excellent results delivered by the Group facilities following the easing of the restrictions - confirmed by significantly improved Revenues and Op. EBITDA Adjusted from July against the previous year - highlight the Group's capacity to react quickly, through efficient management and the full use of the facilities' production capacity, which generally are only partly expressed in view of the budget limits.

In January and February 2021 the Company reported Revenues in line with the same period of 2019, a year which was not affected by the Covid emergency, despite the still uncertain general operating environment. The outlook for the coming months depends on which restrictions may be introduced by governments in the fight against the pandemic, which are currently uncertain in terms of extension and duration.

Looking beyond specific short-term issues, however, the Company remains positive on its growth outlook both in terms of revenues and margins in view of the unchanged sector fundamentals, the growing demand for hospital and dependency care services, in addition to its strong market positioning and capacity for execution - both within growth cycles and in more challenging environments, as is currently the case.

OTHER BOARD OF DIRECTORS' MOTIONS

Proposal for the allocation of the result

The Board of Directors of GHC shall propose to the Shareholders' Meeting, called for April 30, 2021, as detailed in subsequent sections, to allocate the net profit of approx. Euro 1,546 thousand as follows: Euro 77 thousand to the legal reserve, Euro 15 thousand to the provision as per Article 40 of the By-Laws and the remaining Euro 1,453 thousand to the extraordinary reserve.

Approval of the 2020 Corporate Governance and Ownership Structure Report and 2021 Remuneration Policy and 2020 Report

The Board of Directors approved the Corporate Governance and Ownership Structure Report for 2020 prepared by the Company in accordance with Article 123-bis of the CFA. The Board of Directors also approved the 2021 Remuneration Policy and 2020 Report in accordance with Article 123-ter of the CFA and Article 84-quater and Annex 3A, Scheme 7-bis of Consob Regulation No. 11971/1999, as subsequently amended (the "Issuers' Regulation"). This report shall be made available to the public, in accordance with law, at the registered office of the Company, in Rome, Piazzale delle Belle Arti n. 6, on the company website www.garofalohealthcare.com, Governance/Shareholders' Meeting section, and on the eMarket Storage (www.emarketstorage.com) authorised storage mechanism.

Approval of the Consolidated Non-Financial Statement for 2020 prepared as per Legislative Decree No. 254/2016

The Board of Directors approved the Consolidated Non-Financial Statement at December 31, 2020 prepared by the Company in accordance with Legislative Decree 254/2016. This Report shall be made available to the public, according to the same timeline for the Annual Financial Report of Garofalo Health Care S.p.A. in accordance with law, at the registered office of the Company in Rome, Piazzale delle Belle Arti n. 6, on the company website www.garofalohealthcare.com, Governance / Shareholders' Meeting section, and on the eMarket Storage (www.emarketstorage.com) authorised storage mechanism.

This document, which provides an opportunity to communicate progress on sustainability matters to all the Company stakeholders, outlines its performances, results and the impact in terms of environmental, social, personnel, human rights and anti-active and passive corruption aspects.

Verification of the independence of the Directors and Statutory Auditors

The Board of Directors verified the continued independence in accordance with Articles 147-ter, paragraph 4 and 148, paragraph 3 of the CFA, of Article 25 of the By-Laws and Recommendation No. 6 of the Corporate Governance Code of Borsa Italiana of the Independent Directors Grazia Bonante, Franca Brusco and Federico Ferro-Luzzi. In addition, the Board verified the outcome of the independence checks as per Article 148, paragraph 3 of the CFA regarding the statutory auditors, which the Board of Statutory Auditors, in accordance with Recommendation No. 9 of the Corporate Governance Code, carried out on March 2, 2021.



Buy Back Plan

At today's meeting, the Board of Directors approved, pursuant to and for the purposes of Articles 2357 et seq. of the Civil Code, 132 of the CFA, 73 and 144-bis of the Issuers' Regulation, 5 of Regulation (EU) No. 596/2014 on market abuse ("MAR"), and 3 and 4 of Delegated Regulation (EU) 2016/1052, to submit to the upcoming Ordinary Shareholders' Meeting a proposal to authorise a new plan for the purchase and disposal of treasury shares.

The new authorisation is 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).

This proposal seeks to provide an opportunity to: (a) establish a "securities stock" to be allocated, where needed, to share incentive plans, including of a long-term nature, reserved for Directors and/or managers of the company or its subsidiaries, which may be approved in the future by the Shareholders' Meeting of the Company, and (b) 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.

Subject to the fact that the purchases of treasury shares shall be made in compliance with the terms, conditions and requirements established by the applicable regulation and, where applicable, market practice, the Board of Directors proposes that the unitary price for the purchase of the shares is set on a case by case basis for each transaction and however may not be 10% lower or 10% higher than the share price recorded in the trading session before each individual transaction.

For any other information concerning the proposal, reference should be made to the Illustrative Report of the Board of Directors to the Shareholders' Meeting prepared pursuant to Article 73 of the Issuers' Regulation, which will be made available within the terms set out by law.

2021-2023 Performance Share Plan

Today the Board of Directors approved, upon the proposal of the Appointments and Remuneration Committee and after having heard the opinion of the Board of Statutory Auditors, a new incentive plan concerning the free assignment of GHC ordinary shares named "Performance Shares Plan 2021-2023" (the "Plan"), reserved for the Chief Executive Officer, the General Manager and key company personnel and/or of the Group, as identified on a case-by-case basis by the Board of Directors, to be submitted for the approval of the called Shareholders' Meeting.

The Plan is therefore considered of "particular relevance" in accordance with Article 84-*bis*, paragraph 2 of the Issuers' Regulation.

The Plan is a valuable tool for incentivising and retaining Beneficiaries and aligning their interests with those of the shareholders. The Plan Regulations do not identify the Beneficiaries by name, who will be identified by the Board of Directors in accordance with the terms and conditions of the Plan Regulations. The names of the Beneficiaries and the other information required by paragraph 1 of Schedule 7 of Annex 3A to the Issuers' Regulations shall be provided in accordance with the terms and conditions set out in Article 84-*bis*, paragraph 5 of the Issuers' Regulations.

The Plan has a multi-year duration and is divided into 3 (three) rolling allocation cycles (the "Vesting Periods"), each lasting three years, at the end of each of which the shares will be allocated, subject to verification of the achievement of certain performance targets (three-year weighted average Pro-Forma Operating EBITDA Adjusted margin, Relative Total Shareholder Return and ESG Targets), at the terms and conditions set out in the regulations.

The maximum number of shares is not determined, as the number of shares that will actually be awarded to each Beneficiary will be determined at the end of each Vesting Period by the Board of Directors based on the achievement of performance goals.

The right to receive shares shall be allocated on a personal basis to each Beneficiary and may not be transferred between living persons in any form. With a view to greater retention, the plan establishes that 30%



of the shares vested at the end of each Vesting Period shall be subject to a deferral of two years, and the Chief Executive Officer and other members of the Board of Directors must retain 25% of the shares granted, remaining following the sell-to-cover procedure, until the end of the current term of office.

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' Regulations, which will be made available to the public in accordance with the terms and conditions set out by law on the Company website at www.garofalohealthcare.com, in the Governance / Shareholders' Meetings section, and on the eMarket Storage (www.emarketstorage.com) authorised storage mechanism.



CALLING OF THE SHAREHOLDERS' MEETING

The Board of Directors meeting today approved the calling of the Shareholders' Meeting of Garofalo Health Care S.p.A. in ordinary session for April 30, 2021, in single call, to discuss and vote upon the following

Agenda

- 1. Financial Statements of Garofalo Health Care S.p.A. at December 31, 2020. 2020 Directors' Report. Report of the Board of Statutory Auditors and of the Independent Audit Firm. Presentation of the Consolidated Financial Statements at December 31, 2020 and of the 2020 Consolidated Non-Financial Statement pursuant to Legislative Decree No. 254 of December 30, 2016. Resolutions thereon.**
- 2. Allocation of the net profit. Resolutions thereon.**
- 3. Resolutions on the Remuneration Policy and Report in accordance with Article 123-ter of Legislative Decree 58/1998 (CFA) and Article 84-quater of Consob Regulation No. 11971/1999 (Issuers' Regulation):**
 - 3.1 binding vote on the remuneration policy for 2021 set out in the first section of the Report. Resolutions thereon;**
 - 3.2 consultation on the second section of the report regarding compensation paid in or relating to 2020. Resolutions thereon.**
- 4. Long-term incentive plan "2021-2023 Performance Share Plan". Resolutions thereon.**
- 5. Authorisation to purchase and dispose of treasury shares (buy back) pursuant to and for the purposes of Articles 2357 *et seq.* of the Civil Code, 132 of the CFA, 73 and 144-*bis* of the Issuers' Regulations, 5 of EU Regulation no. 596/2014 (MAR), 3 and 4 of Delegated Regulation (EU) no. 2016/1052. Resolutions thereon.**
- 6. Appointment of the Board of Directors:**
 - 6.1. Establishment of the number of Board members.**
 - 6.2. Duration of office of the appointed Board of Directors.**
 - 6.3. Appointment of the Board of Directors.**
 - 6.4. Appointment of the Chairman of the Board of Directors.**
 - 6.5. Establishment of the remuneration of the members of the Board of Directors. Resolutions thereon.**
- 7. Appointment of the Board of Statutory Auditors:**
 - 7.1 Appointment of the Statutory Auditors and Alternate Auditors**
 - 7.2 Appointment of the Chairperson of the Board of Statutory Auditors.**
 - 7.3 Establishment of the relative remuneration. Resolutions thereon.**

In order to minimise the risks related to the ongoing health emergency, the Company has decided to utilise the option established by Article 106 of Decree Law No. 18 of March 17, 2020 (converted with amendments by Law no. 27 of April 24, 2020 as last amended by Decree Law No. 183 of December 31, 2020, converted with amendments by Law No. 21 of February 26, 2021, the "Italian Healthcare Decree"), providing - also as an exception to the By-Laws - that the participation of shareholders at the Shareholders' Meeting will take place exclusively through the Designated Agent appointed pursuant to Article 135-undecies of the CFA, without physical attendance by shareholders, according to the procedures that will be indicated in the call notice.

The call notice, accompanied by all of the information required by Article 125-bis of the CFA, in addition to all the documentation which shall be submitted to the Shareholders' Meeting in accordance with Articles 125-ter and 125-quater of the CFA, shall be made available to the public, in accordance with law, at the registered office of the Company in Rome, Piazzale delle Belle Arti n. 6 and on the Company website www.garofalohealthcare.com, Governance / Shareholders' Meeting section and on the eMarket Storage (www.emarketstorage.com) authorised storage mechanism.



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The Separate Financial Statements and the Consolidated Financial Statements for the year ended December 31, 2020 will be available to the public, as required by law, at the Company's registered office, on the Company's website www.garofalohealthcare.com, Governance / Shareholders' Meeting section and on the eMarket Storage (www.emarketstorage.com) authorised storage mechanism.

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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 25 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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GHC Group 2020 Consolidated Income Statement

<i>In thousands of Euro</i>	2020	of which related parties	2019	of which related parties
Revenues from services	206,778		194,361	
Other revenues	4,068		2,177	
TOTAL REVENUES	210,846		196,538	
Raw materials and consumables	28,528		26,012	
Services	88,229	2,167	79,436	4,144
<i>of which non-recurring charges</i>	-		-	
Personnel costs	52,797		46,960	
Other operating costs	10,724		9,354	
Amortisation, depreciation and write-downs	11,807		11,579	
Impairments and other provisions	3,270		2,695	
TOTAL OPERATING COSTS	195,356		176,036	
EBIT	15,489		20,502	
Financial income	64		77	
Financial charges	(2,758)	(64)	(2,230)	(337)
Results of investments at equity	227		311	
TOTAL FINANCIAL INCOME AND CHARGES	(2,467)		(1,842)	
PRE-TAX PROFIT	13,022		18,660	
Income taxes	1,238		5,507	
NET PROFIT FOR THE YEAR	11,784		13,153	
Group	11,781		13,142	
Minority interests	3		11	

GHC Group 2020 Consolidated Balance Sheet

ASSETS <i>In thousands of Euro</i>	31/12/2020	of which related parties	31/12/2019	of which related parties
Goodwill	54,438		53,809	
Other intangible assets	140,128		122,826	
Property, plant and equipment	159,169		155,226	
Investment property	963		1,002	
Equity investments	928		1,009	
Other non-current financial assets	236		112	
Other non-current assets	1,199		1,007	
Deferred tax assets	5,140		4,661	
TOTAL NON-CURRENT ASSETS	362,200		339,653	
Inventories	3,487		2,939	
Trade receivables	61,411		54,396	
Tax receivables	4,995		3,564	
Other receivables and current assets	2,822	1	3,327	633
Other current financial assets	129		42	2
Cash and cash equivalents	24,810		27,763	
TOTAL CURRENT ASSETS	97,654		92,031	
TOTAL ASSETS	459,855		431,684	

GHC Group 2020 Consolidated Balance Sheet

<i>LIABILITIES</i> <i>In thousands of Euro</i>	31/12/2020	of which related parties	31/12/2019	of which related parties
Share capital	28,700		28,700	
Legal reserve	394		310	
Other reserves	162,280		149,790	
Group result for the year	11,781		13,142	
TOTAL GROUP SHAREHOLDERS' EQUITY	203,155		191,932	
Minority interest capital and reserves	63		82	
Minority interest result	3		12	
TOTAL SHAREHOLDERS' EQUITY	203,221		192,025	
Employee benefits	11,054		10,503	
Provisions for risks and charges	12,045		9,964	
Non-current financial payables	89,522	2,099	92,346	4,336
Other non-current liabilities	360		-	
Deferred tax liabilities	47,787		45,458	
Derivative financial instrument liabilities - non-current	326		36	
TOTAL NON-CURRENT LIABILITIES	161,094		158,307	
Trade payables	35,857		33,358	
Current financial payables	32,782		30,101	
Tax payables	1,403		1,854	
Other current liabilities	25,498	87	16,039	3,208
TOTAL CURRENT LIABILITIES	95,540		81,352	
TOTAL LIABILITIES	256,634		239,659	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	459,855		431,684	

GHC Group 2020 Consolidated Cash Flow Statement

<i>In thousands of Euro</i>	31/12/2020	31/12/2019
OPERATING ACTIVITIES		
Profit for the year	11,784	13,154
<i>Adjustments for:</i>		
- <i>Amortisation and depreciation</i>	11,588	10,329
- <i>Provisions for employee benefit liabilities</i>	653	503
- <i>Provisions for risks and charges</i>	3,270	2,695
- <i>Doubtful debt provision</i>	220	1,250
- <i>Change in investments in associates valued under the equity method</i>	(227)	(311)
- <i>Change in other non-current assets and liabilities</i>	44	41
- <i>Net change in deferred tax assets and liabilities</i>	(2,518)	(138)
- <i>Change in fair value of derivative instruments</i>	-	24
- <i>Payments for employee benefits</i>	(1,241)	(1,261)
- <i>Payments for provisions for risks and charges</i>	(380)	(1,260)
<i>Changes in operating assets and liabilities:</i>		
(Increase) decrease in trade and other receivables	(6,508)	(7,670)
(Increase) decrease in inventories	(422)	80
Increase (decrease) in trade and other payables	(99)	1,567
<i>Other current assets and liabilities</i>	6,802	(81)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	22,963	18,922
CASH FLOW FROM INVESTING ACTIVITIES		
<i>Investments in intangible assets</i>	(1,145)	(415)
<i>Investments in tangible assets</i>	(10,995)	(8,811)
<i>(Investments)/disposals in financial assets</i>	-	3,051
<i>Sale of tangible assets</i>	595	84
<i>Dividends from associates</i>	308	200
<i>Acquisition of Ospedali Privati Riuniti, net of cash acquired</i>	-	(52,741)
<i>Acquisition of Poliambulatorio Dalla Rosa Prati, net of cash acquired and net of payments on account</i>	-	(17,487)
<i>Acquisition of Centro Medico San Biagio e Bimar, net of cash acquired</i>	-	(41,661)
<i>Acquisition of Centro Medico Centro Medico Università Castrense, net of cash acquired</i>	-	(4,751)
<i>Acquisition of Aesculapio, net of cash acquired</i>	-	(1,656)
<i>Acquisition of XRay One, net of cash acquired</i>	(12,001)	-
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(23,238)	(124,187)

<i>In thousands of Euro</i>	31/12/2020	31/12/2019
CASH FLOW FROM FINANCING ACTIVITIES		
<i>Issue of medium/long term loans</i>	14,270	54,300
<i>Repayment of medium/long-term loans</i>	(11,625)	(5,878)
<i>Issue/(repayment) of short-term loans</i>	(2,498)	2,144
<i>Change in other non-current financial payables</i>	(2,301)	(2,699)
<i>Use of Reserve as per Article 40</i>	(40)	-
<i>(Acquisition) minority interests</i>	(21)	(5,866)
<i>(Acquisition) treasury shares</i>	(463)	(1,260)
NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)	(2,678)	40,741
TOTAL CASH FLOWS (D=A+B+C)	(2,953)	(64,524)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR (E)	27,763	92,287
CASH & CASH EQUIVALENTS AT END OF YEAR (F=D+E)	24,810	27,763
Additional information:		
Interest paid	1,282	998
Income taxes paid	4,161	5,362

GHC Group 2020 Consolidated Net Financial Position

<i>In thousands of Euro</i>	31/12/2020	31/12/2019
A Cash	140	210
B Cash and cash equivalents	24,670	27,553
C Securities held-for-trading	41	-
D Liquidity (A) + (B) + (C)	24,851	27,763
E Current financial receivables	88	42
F Current bank payables	12,179	14,638
G Current portion of non-current debt	16,894	12,231
H Other current financial payables	3,709	3,231
I Current debt (F)+(G)+(H)	32,782	30,101
J Net current financial debt (I) - (E) - (D)	7,843	2,296
K Non-current bank payables	68,067	68,988
L Bonds issued	-	-
M Other non-current payables	21,456	23,358
N Derivative financial instrument liabilities - non-current	326	36
O Non-current financial debt (K) + (L) + (M) + (N)	89,848	92,381
P Net financial debt (J) + (O)	97,691	94,677

Garofalo Health Care S.p.A. 2020 Separate Income Statement

<i>In thousands of Euro</i>	2020	of which related parties	2019	of which related parties
Revenues from services	3,800	3,800	2,400	2,400
Other revenues	202	172	33	
TOTAL REVENUES	4,002		2,433	
Raw materials and consumables	34		24	
Services	3,333	1,517	3,588	2,286
Personnel costs	1,974	91	2,503	
Other operating costs	605		732	
Amortisation, depreciation and write-downs	244		182	
TOTAL OPERATING COSTS	6,190		7,029	
EBIT	(2,189)		(4,595)	
Financial income	3,899	3,899	5,660	5,658
Financial charges	(746)	(350)	(919)	(733)
Results of investments at equity	-		(34)	
TOTAL FINANCIAL INCOME AND CHARGES	3,153		4,706	
PRE-TAX PROFIT	964		111	
Income taxes	582		1,562	
NET PROFIT FOR THE YEAR	1,546		1,673	

Garofalo Health Care S.p.A. 2020 Separate Balance Sheet

ASSETS <i>In thousands of Euro</i>	31/12/2020	of which related parties	31/12/2019	of which related parties
Other intangible assets	73		97	
Property, plant and equipment	5,381		5,145	
Equity investments	163,567		124,459	
Other non-current financial assets	8,649	8,649	44,213	44,213
Deferred tax assets	41		25	
TOTAL NON-CURRENT ASSETS	177,712		173,938	
Trade receivables	1,682	1,682	932	919
Tax receivables	1,532		1,635	
Other receivables and current assets	3,006	2,606	1,793	1,356
Other current financial assets	4,109	4,109	3,472	3,472
Cash and cash equivalents	983		7,344	
TOTAL CURRENT ASSETS	11,312		15,176	
TOTAL ASSETS	189,024		189,114	

Garofalo Health Care S.p.A. 2020 Separate Balance Sheet

<i>LIABILITIES</i> <i>In thousands of Euro</i>	31/12/2020	of which related parties	31/12/2019	of which related parties
Share capital	28,700		28,700	
Legal reserve	394		310	
Other reserves	115,604		114,107	
Net profit for the year	1,546		1,673	
TOTAL SHAREHOLDERS' EQUITY	146,243		144,790	
Employee benefits	80		67	
Non-current financial payables	14,135	2,098	17,104	4,336
Deferred tax liabilities	1		17	
TOTAL NON-CURRENT LIABILITIES	14,215		17,189	
Trade payables	570	20	641	
Current financial payables	26,405	23,204	24,523	21,615
Tax payables	1,186		-	
Other current liabilities	404	18	1,971	1,514
TOTAL CURRENT LIABILITIES	28,565		27,135	
TOTAL LIABILITIES	42,781		44,324	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	189,024		189,114	

Garofalo Health Care S.p.A. 2020 Separate Cash Flow Statement

<i>In thousands of Euro</i>	31/12/2020	31/12/2019
OPERATING ACTIVITIES		
Profit for the year	1,546	1,673
Adjustments for:		
- Amortisation and depreciation	244	182
- Provisions for employee benefit liabilities	23	25
- Change in other non-current assets and liabilities	(2,697)	(35,184)
- Net change in deferred tax assets and liabilities	(32)	293
- Payments for employee benefits	(8)	(5)
Changes in operating assets and liabilities:		
(Increase) decrease in trade and other receivables	(750)	238
Increase (decrease) in trade and other payables	(218)	(15)
Other current assets and liabilities	(1,715)	(2,818)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(3,606)	(35,611)
Investments in intangible assets	(1)	(117)
Investments in tangible assets	(411)	(3,688)
(Investments)/disposals in financial assets	(821)	(49,407)
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(1,233)	(53,212)
Issue of medium/long term loans	2,477	14,300
Issue/(repayment) of short-term loans	(2,846)	(77)
Change in other non-current financial payables	(649)	18,095
Use of Reserve as per Article 40	(40)	0
Dividend approved	3,500	4,499
Dividends received	(3,500)	(4,499)
(Acquisition) treasury shares	(463)	(1,260)
NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)	(1,522)	31,058
TOTAL CASH FLOWS (D=A+B+C)	(6,360)	(57,765)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR (E)	7,344	65,109
CASH & CASH EQUIVALENTS AT END OF YEAR (F=D+E)	983	7,344
Interest paid	351	118