



Press Release

GAROFALO HEALTH CARE S.P.A.: BOARD OF DIRECTORS APPROVES 2021 CONSOLIDATED FINANCIAL STATEMENTS AND SEPARATE FINANCIAL STATEMENTS

2021 REVENUES OF €283.7M, UP 34.5% ON 2020 AND UP 27.5% ON 2019

RECORD PERFORMANCE IN Q4 2021 - BEST QUARTERLY RESULT SINCE IPO, EVEN AT LIKE-FOR-LIKE PERIMETER

NET PROFIT OF €18.8M, UP NEARLY 60% ON 2020

NET FINANCIAL POSITION OF €142.4M, WITH LIQUIDITY OF €41.4M

EXTENSION OF THE BUY BACK PLAN UP TO 2% OF THE SHARE CAPITAL APPROVED, TO BE SUBMITTED TO SHAREHOLDERS' MEETING CALLED FOR NEXT APRIL 29

KEY FY 2021 RESULTS

- Revenues of €283.7M, up 34.5% vs. €210.8M in FY 2020⁽¹⁾ (+15.0% at like-for-like perimeter, i.e. excluding the contribution from M&A's undertaken in 2020 and 2021), also thanks to the budget increases recognized over the final months of the year in order to cut waiting lists and reduce out-of-region patient flows:
 - Compared to the pre-pandemic figure for 2019 Pro-Forma⁽²⁾ (€222.5M), Revenues were up 27.5% (+7.4% at like-for-like perimeter);
- Operating EBITDA Adjusted⁽³⁾ of €53.1M, up 56.0% on €34.0M for FY 2020 (+36.6% at like-for-like perimeter). Margin of 18.7% vs. 16.1% for FY 2020:
 - Compared to the 2019 Pro-Forma figure (€44.4M), Op. EBITDA Adjusted was up 19.6% (+2.9% at like-for-like perimeter, a particularly satisfying result as the 2021 performances were still shaped by the support activities provided by the facilities to the public healthcare system to tackle the pandemic);
- Net profit of €18.8M, increasing approx. 60% over €11.8M in FY 2020;
- 2021 Capex of approx. €19.1M, of which approx. €5.1M to expand facilities and purchase cutting-edge machinery and equipment;
- Net Financial Position Debt of €142.4M, with liquidity of €41.4M:
 - Excluding non-recurring items, NFP would amount to €69.9M with a cash generation in the twelve months of €27.8M

KEY Q4 2021 RESULTS

- Revenues of €85.2M, up 31.6% on €64.7M in FY 2020:
 - At like-for-like perimeter, Revenues totalled €65.8M (best quarterly result since IPO), also thanks to the budget increases recognized in order to cut waiting lists and reduce out-of-region patient flows;
- Op. EBITDA Adjusted of €16.9M, increasing 31.3% on €12.9M in FY 2020, with a margin of 19.9%:
 - At like-for-like perimeter, Op. EBITDA Adjusted was €13.7M, also the best quarterly result since IPO

⁽¹⁾ FY 2020 figures include the contribution for 5 months of XRay One (acquired in July 2020), while not including those of Clinica S. Francesco (acquired in April 2021) and Domus Nova (acquired in July 2021)

⁽²⁾ The 2019 Pro-Forma figures include the full contribution of all acquisitions realized in 2019, while not including the contribution of XRay One, Clinica S. Francesco and of Domus Nova, acquired in 2020 and 2021

⁽³⁾ Operating EBITDA Adjusted defined as EBIT + amortisation and depreciation + provisions and write-downs + adjustments (this latter in 2021 totalling approx. €6.1M, of which €3.1M due to "extra-Covid costs", approx. €1.8M due to M&A costs and €1.3M to management incentive plans). FY 2020 adjustments of €3.5M concerned for €2.6M "extra-Covid costs", for approx. €0.5M M&A costs and for €0.4M management incentive plans. The "extra-Covid costs" are non recurring costs incurred by the Group to tackle the Covid-19 emergency and concerning expenses for Personal Protective Equipment ("PPE"), swabs / tests, the preparation and management of triage areas and the dedicated distancing pathways



Rome, March 16, 2022 – Garofalo Health Care S.p.A. (“**GHC**”), listed on the Euronext STAR Milan segment of the Italian Stock Exchange, today approved the 2021 Consolidated and Separate Financial Statements, drawn up as per IAS/IFRS international accounting principles.

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2021

GHC Group consolidated key operating highlights

Consolidated Revenues

GHC consolidated revenues in 2021 totalled €283.7M, up 34.5% on €210.8M in 2020, with this latter impacted, starting from March, by the national and local restrictions imposed to tackle the Covid-19 pandemic. These results include €44.7M concerning the contribution of XRay One (for 12 months), Clinica S. Francesco (for 9 months) and Domus Nova (for 5 months), facilities acquired in July 2020 and April and July 2021 respectively.

Revenues in Euro millions	FY2021	FY2020	vs. FY'20 (€M)	vs. FY'20 (%)
Total	283.7	210.8	+72.8	+34.5%
<i>o/w at LFL perimeter</i>	<i>239.0</i>	<i>207.8</i>	<i>+31.2</i>	<i>+15.0%</i>
<i>o/w M&A 2020 and 2021</i>	<i>44.7</i>	<i>3.1</i>	<i>+41.6</i>	<i>-</i>

In comparison with the Pro-Forma 2019 results, a year not impacted by the Covid-19 healthcare emergency, consolidated 2021 revenues would increase by a total of €61.2M (+27.5%) or €16.5M at like-for-like perimeter (+7.4%).

Revenues in Euro millions	FY2021	FY2019 Pro-Forma	vs. FY'19PF (€M)	vs. FY'19PF (%)
Total	283.7	222.5	+61.2	+27.5%
<i>o/w at LFL perimeter</i>	<i>239.0</i>	<i>222.5</i>	<i>+16.5</i>	<i>+7.4%</i>
<i>o/w M&A 2020 and 2021</i>	<i>44.7</i>	<i>-</i>	<i>+44.7</i>	<i>-</i>

Focus on Q4 2021 Consolidated Revenues

Group revenues in Q4 2021 totalled €85.2M, up €20.5M (+31.6%) on Q4 2020⁽⁴⁾.

At like-for-like perimeter, Revenues were €65.8M, the best figure ever registered since IPO in a single quarter. This result is mainly due to the budget increases recognized by the Regions in the final part of the year to cut waiting lists and reduce out-of-region patient flows, and particularly concerned the facilities of Villa Berica and Clinica S. Francesco (Veneto Region), Aesculapio (Emilia-Romagna), XRay One (Lombardy) and Rugani Hospital (Tuscany). These results also include the first incremental contributions provided by the Regions to the Group's facilities for the management of Covid units in the previous years, including that granted to Eremo di Miazzina (Piedmont) in December 2021 - in relation to the activities carried out in 2020 - for an amount of approx. €2M.

Revenues in Euro millions	Q4 2021	Q4 2020 ⁽⁵⁾	vs. Q4'20 (€M)	vs. Q4'20 (%)
Total	85.2	64.7	+20.5	+31.6%
<i>o/w at LFL perimeter</i>	<i>65.8</i>	<i>62.8</i>	<i>+3.0</i>	<i>+4.8%</i>
<i>o/w M&A 2020 and 2021</i>	<i>19.4</i>	<i>1.9</i>	<i>+17.5</i>	<i>-</i>

⁽⁴⁾ The Q4 2020 figures include only the XRay One contribution for 3 months. They did not however include the contribution of Clinica S. Francesco and Domus Nova, acquired in 2021

Q4 Revenues compared with Q4 2019 Pro-Forma would increase €25.9M (+43.7%) or €6.5M at like-for-like perimeter (+11.0%), with production levels significantly higher than pre-pandemic levels, also in light of the budget increases recognized by the Regions as mentioned above.

Revenues in Euro millions	Q4 2021	Q4 2019 Pro-Forma	vs. Q4'19PF (€M)	vs. Q4'19PF (%)
Total	85.2	59.3	+25.9	+43.7%
<i>o/w at LFL perimeter</i>	65.8	59.3	+6.5	+11.0%
<i>o/w M&A 2020 and 2021</i>	19.4	-	+19.4	-

Consolidated Operating EBITDA Adjusted

Consolidated Operating EBITDA Adjusted in 2021 was €53.1M, up 56.0% on €34.0M in the previous year, a period impacted by the suspension of the activities imposed from March, which did not allow for the full absorption of fixed costs. These results include €7.4M concerning the contribution of XRay One (for 12 months), Clinica S. Francesco (for 9 months) and Domus Nova (for 5 months), facilities acquired in July 2020 and April and July 2021 respectively.

Op. EBITDA Adj. in Euro millions	FY2021	FY2020	vs. FY'20 (€M)	vs. FY'20 (%)
Total	53.1	34.0	+19.1	+56.0%
<i>o/w at LFL perimeter</i>	45.7	33.5	+12.2	+36.6%
<i>o/w M&A 2020 and 2021</i>	7.4	0.6	+6.8	-

In 2021, the Group Operating EBITDA Adjusted margin was 18.7%, increasing on 16.1% registered in the previous year.

Compared to the 2019 Pro-Forma figure, Operating EBITDA Adjusted would have increased €8.7M (+19.6%). At like-for-like perimeter, Adjusted Operating EBITDA would have risen by 2.9% on the pre-pandemic figure, a particularly significant result as achieved despite the fact that the Company continued to offer support to the Public Healthcare System to manage the pandemic, which did not allow for an entirely orderly and efficient operational planning.

Op. EBITDA Adj. in Euro millions	FY2021	FY2019 Pro-Forma	vs. FY'19PF (€M)	vs. FY'19PF (%)
Total	53.1	44.4	+8.7	+19.6%
<i>o/w at LFL perimeter</i>	45.7	44.4	+1.3	+2.9%
<i>o/w M&A 2020 and 2021</i>	7.4	-	+7.4	-

Focus on Q4 2021 Consolidated Operating EBITDA Adjusted

Operating EBITDA Adjusted for Q4 2021 was €16.9M, up €4.0M (+31.3%) compared to Q4 2020 and with a margin of 19.9% in line with Q4 2020.

At like-for-like perimeter, Op. EBITDA Adjusted was €13.7M, the Group's best result since IPO.

Op. EBITDA Adj. in Euro millions	Q4 2021	Q4 2020 ⁽⁵⁾	vs. Q4'20 (€M)	vs. Q4'20 (%)
Total	16.9	12.9	+4.0	+31.3%
<i>o/w at LFL perimeter</i>	13.7	12.5	+1.2	+10.0%
<i>o/w M&A 2020 and 2021</i>	3.2	0.4	+2.8	-



Compared with Q4 2019 Pro-Forma, Operating EBITDA Adjusted in Q4 would increase €4.7M (+38.0%) or €1.5M (+12.0%) at like-for-like perimeter.

Op. EBITDA Adj. in Euro millions	Q4 2021	Q4 2019 Pro-Forma	vs. Q4 '19PF (€M)	vs. Q4'19PF (%)
Total	16.9	12.3	+4.7	+38.0%
<i>o/w at LFL perimeter</i>	13.7	12.3	+1.5	+12.0%
<i>o/w M&A 2020 and 2021</i>	3.2	-	+3.2	-

Consolidated EBIT Adjusted and Consolidated Pre-tax profit Adjusted

EBIT Adjusted⁽⁵⁾ in 2021 was €34.4M, increasing €15.4M on €19.0M in 2020 (+81.2%). This result reflects amortisation, depreciation and write-downs for €15.7M in the year, increasing €3.9M on 2020, mainly due to the change in consolidation perimeter during the year, in addition to impairments and other provisions for €3.0M, slightly reducing on €3.3M in 2020.

EBIT Adj. in Euro millions	FY2021	FY2020	vs. FY'20 (€M)	vs. FY'20 (%)
Total	34.4	19.0	+15.4	+81.2%

Compared to the 2019 Pro-Forma figure, EBIT Adjusted would have increased €5.7M (+19.9%).

EBIT Adj. in Euro millions	FY2021	FY2019 Pro-Forma	vs. FY'19PF (€M)	vs. FY'19PF (%)
Total	34.4	28.7	+5.7	+19.9%

The Pre-tax profit Adjusted⁽⁶⁾ in 2021 totalled €30.1M, up 82.6% on €16.5M in 2020. This figure reflects net financial expense of €4.2M, increasing €1.8M compared to 2020, mainly due to the charges for the early settlement under the Group refinancing of November 2021 (equal to approx. €1.3M and non-recurring) and, for the remainder, to the M&A's realized by the Company during 2021, also through new financial debt.

Pre-tax profit Adj. in Euro millions	FY2021	FY2020	vs. FY'20 (€M)	vs. FY'20 (%)
Total	30.1	16.5	+13.6	+82.6%

Compared to the 2019 Pro-Forma figure, Pre-tax profit Adjusted would have increased €3.8M (+14.3%).

Pre-tax profit Adj. in Euro millions	FY2021	FY2019 Pro-Forma	vs. FY'19PF (€M)	vs. FY'19PF (%)
Total	30.1	26.4	+3.7	+14.1%

Consolidated reported net profit

The Group Net Profit was €18.8M, up €7.0M on €11.8M in 2020. This amount reflects income taxes of €5.1M (increasing on €1.2M in 2020, mainly due to the higher pre-tax profit) and is impacted by the above outlined adjustments.

Net Profit in Euro millions	FY2021	FY2020	vs. FY'20 (€M)	vs. FY'20 (%)
Total	18.8	11.8	+7.0	+59.9%

⁽⁵⁾EBIT Adjusted defined as EBIT + adjustments previously defined

⁽⁶⁾ Pre-tax Profit Adjusted defined as the Pre-tax profit + adjustments as defined above



Compared to the 2019 Pro-Forma figure, the Net Profit would have increased €2.5M (+15.9%).

Net Profit in Euro millions	FY2021	FY2019 Pro-Forma	vs. FY'19PF (€M)	vs. FY'19PF (%)
Total	18.8	16.3	+2.5	+15.9%

GHC Group consolidated balance sheet highlights

Consolidated Net Financial Position

At December 31, 2021, the Net Financial Position (NFP) of GHC was €142.4M, comprising liquidity of €41.4M and financial debt of €183.8M.

Net Financial Position in Euro millions	FY2021	FY2020	Change vs. FY2020
Total	142.4	97.7	+44.7
Financial leverage (x)	2.6x ⁽⁷⁾	2.9x	-0.3x

Excluding non-recurring items, the NFP would be €69.9M, improving €27.8M on December 31, 2020. These non-recurring items principally concern: (i) the Accelerated Book Building transaction executed in January 2021 (approx. €41M), (ii) the acquisitions of Clinica S. Francesco of Verona and of Domus Nova completed in April and July 2021 (€99.8M, including taxes), (iii) Capex of expansion and development (€5.1M) and (iv) non-recurring and one-off items totalling €8.5M, mainly related to extra-Covid costs, M&A costs, purchase of treasury shares and the charges from the early settlement related to the financial loan agreed in November 2021.

The NFP includes the benefit from the advances disbursed by the main Regions in which the Group operates in 2020⁽⁸⁾, totalling approx. €10.5M.

Capex

In 2021, Group Capex totalled approx. €19.1M (€11.9M in 2020). These Capital Expenditures are both recurring ("maintenance Capex", i.e. to support the production capacity of the facilities and for the technological and functional upgrading of medical equipment and facilities) and non-recurring.

With particular regard to the latter, the Group executed both "expansion Capex" (i.e. related to long-term projects to boost the production capacity of the facilities and to diversify the type of services offered) and "development Capex" (i.e. related to the purchase of latest generation machinery and technology, also to tap into the development opportunities offered by growing healthcare needs, heightened by the Covid-19 emergency).

The amounts of the maintenance, expansion and development Capex made by the Group in 2021 are presented below, together with the main facilities involved.

Capex in Euro millions	FY2021	FY2020	Main facilities involved
Maintenance	14.0	7.5	Hesperia Hospital, Villa Berica, Villa Garda
Expansion	3.7	2.3	Aesculapio, Villa Garda, S. Marta (Fides Group), Eremo di Miazzina
Development	1.4	2.1	CMSR Veneto Medica (3Tesla Magnetic Resonance and Cardio CT)
Total	19.1	11.9	

⁽⁷⁾ Calculated as the ratio between NFP and Operating EBITDA Adj. in the last 12 months based on the Pro-Forma figures, i.e. including the full 12 months contribution of the acquisitions made

⁽⁸⁾ 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



SEPARATE FINANCIAL STATEMENTS AT DECEMBER 31, 2021

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

Garofalo Health Care S.p.A. is the parent Company, listed since November 2018.

2021 Parent Company revenues were €4.7M (€4.0M in 2020) and are 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 €3.7M (loss of €1.9M in 2020), reflecting: (i) costs incurred by the parent Company in the year for its typical Holding company activities and (ii) part of the costs included in the adjustments, with particular regard to M&A costs (for €1.4M) and to costs for management incentive plans (for €1.1M).

The net profit in 2021 was €1.2M, slightly reducing on 2020 (€1.5M). This result benefited from the dividends received from the subsidiaries of €4.3M (€3.5M in 2020).

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

At December 31, 2021, the Net Financial Position (NFP) of the parent Company was €152.6M, with debt exceeding cash. This indicator rose €117.2M on 2020 (€35.4M), as on November 16, 2021 GHC S.p.A. signed a new loan for a total amount of €221M. The loan comprises a €140M Refinancing Line and a €81M Acquisition Line. The Refinancing Line has allowed GHC S.p.A. to restructure and simplify its financial structure thanks to the issue of a single loan of the Holding and the simultaneous provision of inter-company loans by GHC S.p.A. to the subsidiaries in order to settle all their outstanding loans⁹⁾.

SIGNIFICANT EVENTS AFTER THE YEAR END

There were no significant events subsequent to year-end.

OUTLOOK

In a context still affected by the national spread of Covid-19, the ongoing vaccination campaign and measures approved at institutional level to support a rapid recovery are gradually restoring confidence that the situation will continue to improve. In addition, a number of Italian Regions already by the end of 2021 had increased their healthcare budgets in order to cut waiting lists, which had risen further as a result of the pandemic.

Looking ahead to 2022, the Group is confident it can continue its growth path, also on an organic basis, with Revenues and Op. EBITDA Adjusted expected to beat 2021, also at like-for-like perimeter. This outlook considers the growing importance of healthcare at national level, increasingly seen as an essential primary good, which will determine an ever more important role of the private accredited sector within the individual Regional healthcare and dependency care activities, in a context of growing healthcare needs. The outlook above mentioned also considers the benefit from certain specific Group development plans, which shall progressively benefit from the completion of the expansion projects on the "new S. Marta" (in 2022) and the Istituto Raffaele Garofalo (starting from 2023). It should be noted that these growth forecasts, even on an organic basis, already include estimates for the higher energy-related costs, which are assumed can be largely absorbed by the budget increases (e.g. for reducing the waiting lists), also in view of their non-significant weight at Group level, taking into account that the GHC facilities are not considered "energy-consuming" companies.

Finally, in line with the Buy & Build strategy undertaken since the IPO, the Group confirms also for 2022 its strategic focus on M&A driven growth, through acquisitions of excellent facilities with non-dilutive performances, also in perspective.

⁹⁾ A portion of the financial receivables from subsidiaries maturing beyond 12 months (of approx. €130.0M at December 31, 2021) was recognised to "Other non-current financial assets", not included in the financial debt reported above, presented as per IAS 7 "Statement of cash flows"



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 29, 2022, as detailed in subsequent sections, to allocate the Net Profit of approx. Euro 1,226 thousand as follows: Euro 61 thousand to the legal reserve, Euro 12 thousand to the provision as per Article 40 of the By-Laws and the remaining Euro 1,153 thousand to the Retained Earnings.

Approval of the 2021 Corporate Governance and Ownership Structure Report and 2022 Remuneration Policy and 2021 Report

The Board of Directors approved the Corporate Governance and Ownership Structure Report for 2021 prepared by the Company in accordance with Article 123-bis of the CFA and as per the Corporate Governance Code. The Board of Directors also approved the 2022 Remuneration Policy and 2021 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"). These reports 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 2021 prepared as per Legislative Decree No. 254/2016

The Board of Directors approved the Consolidated Non-Financial Statement at December 31, 2021 prepared by the Company in accordance with Legislative Decree No. 254/2016, which includes also the disclosure on Taxonomy as per European Regulation No. 852/2020. 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 Company stakeholders, outlines its performances, results and the impact in terms of environmental, social, personnel, human rights and anti-active and passive corruption aspects.

Buy Back Plan

At today's meeting, the Board of Directors approved, pursuant to and for the purposes of Articles 2357 and subsequent 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 Shareholders' Meeting a proposal to authorise a new plan for the purchase and disposal of treasury shares, following the revocation of the previous authorisation approved by the Shareholders' Meeting of April 30, 2021¹⁰⁾.

The new authorisation is requested for a period of 12 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 1,804,000 shares, representing 2.0% of GHC's share capital at today's date, including the treasury shares which the Company shall own at the date of the Shareholders' Meeting (1,170,205 at March 15, 2022, equal to 1.30% of the share capital).

The proposal arises from the opportunity to: (a) 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 (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.

¹⁰⁾ The previous authorisation was requested for a period of 18 months starting from the date of the Shareholders' Meeting of April 30, 2021 and was 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 that date



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 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 RESULTS OVERVIEW CONFERENCE CALL

The company announces that this afternoon, March 16, 2022, at 4.30PM (CET) a conference call shall be held for investors and analysts to provide an overview of the key 2021 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).

The details to access the conference call are as follow:

Dial In:

Italy: +39 02 802 09 11

UK: +44 1 212818004

USA: +1 718 7058796



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 29, 2022, in single call, to discuss and vote upon the following

Agenda

- 1. Financial Statements of Garofalo Health Care S.p.A. at December 31, 2021. 2021 Directors' Report. Report of the Board of Statutory Auditors and of the Independent Audit Firm. Presentation of the Consolidated Financial Statements at December 31, 2021 and of the 2021 Consolidated Non-Financial Statement pursuant to Legislative Decree No. 254 of December 30, 2016 and Regulation No. 852/2020 (Taxonomy Regulation). 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 No. 58 of February 24, 1998 (CFA) and Article 84-quater of Consob Regulation No. 11971/1999 (Issuers' Regulation):**
 - 3.1 binding vote on the remuneration policy for 2022 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 2021. Resolutions thereon.**
- 4. Authorisation to purchase and dispose of treasury shares (buyback) as per and for the purposes of Articles 2357 and subsequent of the Civil Code, 132 of Legislative Decree No. 58 of February 24, 1998 (CFA), 73 and 144-bis of Consob Regulation No. 11971/1999 (Issuers' Regulation), 5 of EU Regulation No. 596/2014 (MAR), 3 and 4 of Delegated Regulation (EU) No. 2016/1052, following revocation of the previous authorisation to purchase and dispose of treasury shares. 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 extended by Decree Law No. 228 of December 30, 2021, converted with amendments by Law No. 15 of February 25, 2022), 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, 2021, together with the other documents comprising the Company's Annual Financial Report as per Article 154-ter of the CFA, 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, Mr. 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. It should be noted that the legal audit of the accounts has not yet been completed for the figures presented below.

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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 28 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 "Regional and Social-Care Sector").

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FOR FURTHER DETAILS:

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GHC Group 2021 Consolidated Income Statement

<i>In Euro thousands</i>	2021	of which related parties	2020	of which related parties
Revenues from services	277,869		206,778	
Other revenues	5,803		4,068	
TOTAL REVENUES	283,672		210,846	
Raw materials and consumables	38,944		28,528	
Service costs	118,407	1,336	88,229	2,167
Personnel costs	65,739		52,797	
Other operating costs	13,620		10,724	
Amortisation, depreciation and write-downs	15,706		11,807	
Impairments and other provisions	3,025		3,270	
TOTAL OPERATING COSTS	255,441		195,356	
EBIT	28,231		15,489	
Financial income	56		64	
Financial charges	(4,512)	(47)	(2,758)	(64)
Results of investments at equity	213		227	
TOTAL FINANCIAL INCOME AND CHARGES	(4,243)		(2,467)	
PRE-TAX PROFIT	23,988		13,022	
Income taxes	5,145		1,238	
NET PROFIT	18,843		11,784	
Group	18,834		11,781	
Minority interests	9		3	

GHC Group 2021 Consolidated Balance Sheet

ASSETS <i>In Euro thousands</i>	31/12/2021	of which related parties	31/12/2020	of which related parties
Goodwill	70,265		54,438	
Other intangible assets	195,828		140,128	
Property, plant and equipment	217,006		159,169	
Investment property	924		963	
Equity investments	1,285		928	
Other non-current financial assets	482		236	
Other non-current assets	1,113		1,199	
Deferred tax assets	9,660		5,140	
TOTAL NON-CURRENT ASSETS	496,564		362,200	
Inventories	4,322		3,487	
Trade receivables	74,720		61,411	
Tax receivables	6,088		4,995	
Other receivables and current assets	3,405		2,822	1
Other current financial assets	175		129	
Cash and cash equivalents	41,239		24,810	
TOTAL CURRENT ASSETS	129,948		97,654	
TOTAL ASSETS	626,513		459,855	

GHC Group 2021 Consolidated Balance Sheet

<i>LIABILITIES In Euro thousands</i>	31/12/2021	of which related parties	31/12/2020	of which related parties
Share capital	31,570		28,700	
Legal reserve	471		394	
Other reserves	209,578		162,280	
Group result for the period	18,834		11,781	
TOTAL GROUP SHAREHOLDERS' EQUITY	260,453		203,155	
Minority interest capital and reserves	253		63	
Minority interest result	9		3	
TOTAL SHAREHOLDERS' EQUITY	260,715		203,221	
Employee benefits	11,987		11,054	
Provisions for risks and charges	17,346		12,045	
Non-current financial payables	138,130	1,645	89,522	2,099
Other non-current liabilities	213		360	
Deferred tax liabilities	67,932		47,787	
Derivative financial instrument liabilities - non-current	-		326	
TOTAL NON-CURRENT LIABILITIES	235,608		161,094	
Trade payables	46,239	45	35,857	
Current financial payables	45,662		32,782	
Tax payables	3,860		1,403	
Other current liabilities	34,429		25,498	87
TOTAL CURRENT LIABILITIES	130,190		95,540	
TOTAL LIABILITIES	365,798		256,634	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	626,513		459,855	

GHC Group 2021 Consolidated Cash Flow Statement

<i>In Euro thousands</i>	31/12/2021	31/12/2020
OPERATING ACTIVITIES		
Profit for the year	18,843	11,784
Adjustments for:		
- Amortisation and depreciation	15,519	11,588
- Provisions for employee benefit liabilities	805	653
- Provisions for risks and charges	3,025	3,270
- Doubtful debt provision	187	220
- Change in investments in associates valued under the equity method	(213)	(227)
- Change in other non-current assets and liabilities	(308)	44
- Net change in deferred tax assets and liabilities	(387)	(2,518)
- Payments for employee benefits	(1,208)	(1,241)
- Payments for provisions for risks and charges	(2,745)	(380)
Changes in operating assets and liabilities:		
(Increase) decrease in trade and other receivables	(2,710)	(6,508)
(Increase) decrease in inventories	341	(422)
Increase (decrease) in trade and other payables	(881)	(99)
Other current assets and liabilities	6,045	6,802
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	36,314	22,963
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in intangible assets	(1,470)	(1,145)
Investments in tangible assets	(23,198)	(10,995)
(Investments)/disposals in financial assets	(388)	-
Sale of tangible assets	326	595
Dividends from associates	280	308
Acquisition of XRay One, net of cash acquired		(12,001)
Acquisition Clinica San Francesco	(36,562)	-
Acquisition Domus Nova	(31,119)	-
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(92,130)	(23,238)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of medium/long term loans	179,773	14,270
Repayment of medium/long-term loans	(148,060)	(11,625)
Issue/(repayment) of short-term loans	6,927	(2,498)
Change in other non-current financial payables	(4,155)	(2,301)



<i>In Euro thousands</i>	31/12/2021	31/12/2020
Share capital increase and shareholder payments	40,937	-
Use of Reserve as per Article 40	(27)	(40)
(Acquisition) minority interests		(21)
(Acquisition) treasury shares	(3,150)	(463)
NET CASH FLOW GENERATED/(ABSORBED) BY FINANCING ACTIVITIES (C)	72,245	(2,678)
TOTAL CASH FLOWS (D=A+B+C)	16,429	(2,953)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR (E)	24,810	27,763
CASH & CASH EQUIVALENTS AT END OF YEAR (F=D+E)	41,239	24,810
Additional information:		
Interest paid	2,160	1,282
Income taxes paid	3,679	4,161

GHC Group 2021 Consolidated Net Financial Position

<i>In Euro thousands</i>	31/12/2021	31/12/2020
A Available liquidity	41,239	24,810
B Cash equivalents	39	41
C Other current financial assets	136	88
D Liquidity	41,414	24,939
E Current financial debt	24,163	15,888
F Current portion of non-current financial debt	21,499	16,894
G Current financial debt	45,662	32,782
H Net current financial debt (G - D)	4,248	7,843
I Non-current financial debt	138,130	89,522
J Debt instruments	-	326
K Trade payables and other non-current payables	-	-
L Non-current financial debt (I + J + K)	138,130	89,848
M Total financial debt (H + L)	142,378	97,691

Garofalo Health Care S.p.A. 2021 Separate Income Statement

<i>In Euro thousands</i>	2021	of which related parties	2020	of which related parties
Revenues from services	4,600	4,600	3,800	3,800
Other revenues	58	58	202	172
TOTAL REVENUES	4,658		4,002	
Raw materials and consumables	25		34	
Service costs	5,329	1,044	3,333	1,517
Personnel costs	2,178		1,974	
Other operating costs	862		605	
Amortisation, depreciation and write-downs	350		244	
TOTAL OPERATING COSTS	8,744		6,190	
EBIT	(4,087)		(2,189)	
Financial income	4,890	4,890	3,899	3,899
Financial charges	(1,230)	(353)	(746)	(350)
Results of investments at equity	-		-	
TOTAL FINANCIAL INCOME AND CHARGES	3,660		3,153	
PRE-TAX PROFIT/(LOSS)	(427)		964	
Income taxes	1,653		582	
NET PROFIT	1,226		1,546	

Garofalo Health Care S.p.A. 2021 Separate Balance Sheet

ASSETS <i>In Euro thousands</i>	31/12/2021	of which related parties	31/12/2020	of which related parties
Other intangible assets	50		73	
Property, plant and equipment	5,075		5,381	
Equity investments	197,505		163,567	
Other non-current financial assets	129,996	129,996	8,649	8,649
Deferred tax assets	205		41	
TOTAL NON-CURRENT ASSETS	332,831		177,712	
Trade receivables	1,718	1,718	1,682	1,682
Tax receivables	1,175		1,532	
Other receivables and current assets	5,533	5,456	3,006	2,606
Other current financial assets	14,505	14,505	4,109	4,109
Cash and cash equivalents	2,616		983	
TOTAL CURRENT ASSETS	25,548		11,312	
TOTAL ASSETS	358,379		189,024	

Garofalo Health Care S.p.A. 2021 Separate Balance Sheet

<i>LIABILITIES In Euro thousands</i>	31/12/2021	of which related parties	31/12/2020	of which related parties
Share capital	31,570		28,700	
Legal reserve	471		394	
Other reserves	152,376		115,604	
Net profit	1,226		1,546	
TOTAL SHAREHOLDERS' EQUITY	185,643		146,243	
Employee benefits	93		80	
Non-current financial payables	117,620	1,645	14,135	2,098
Deferred tax liabilities	53		1	
TOTAL NON-CURRENT LIABILITIES	117,767		14,215	
Trade payables	393	2	570	20
Current financial payables	52,150	30,465	26,405	23,204
Tax payables	1,186		1,186	
Other current liabilities	1,240	19	404	18
TOTAL CURRENT LIABILITIES	54,969		28,565	
TOTAL LIABILITIES	172,736		42,781	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	358,379		189,024	



Garofalo Health Care S.p.A. 2021 Separate Cash Flow Statement

<i>In Euro thousands</i>	31/12/2021	31/12/2020
OPERATING ACTIVITIES		
Profit for the year	1,226	1,546
Adjustments for:		
- Amortisation and depreciation	350	244
- Provisions for employee benefit liabilities	30	23
- Change in other non-current assets and liabilities	-	(2,697)
- Net change in deferred tax assets and liabilities	(124)	(32)
- Payments for employee benefits	(10)	(8)
Changes in operating assets and liabilities:		
(Increase) decrease in trade and other receivables	(37)	(750)
Increase (decrease) in trade and other payables	(228)	(218)
Other current assets and liabilities	(1,060)	(1,715)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	147	(3,606)
Investments in intangible assets	(1)	(1)
Investments in property, plant & equipment	(35)	(411)
(Investments)/disposals in financial assets	(33,791)	(821)
Other investing activities	-	-
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(33,827)	(1,233)
Issue/(repayments) medium/long term loans	104,087	2,477
Issue/(repayment) of short-term loans	18,450	(2,846)
Movement in other current and non-current financial receivables/payables	(124,983)	(649)
Change Net Equity	40,937	-
Use of Reserve as per Article 40	(27)	(40)
(Acquisition) treasury shares	(3,150)	(463)
NET CASH FLOW GENERATED/(ABSORBED) BY FINANCING ACTIVITIES (C)	35,313	(1,522)
TOTAL CASH FLOWS (D=A+B+C)	1,633	(6,360)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR (E)	983	7,344
CASH & CASH EQUIVALENTS AT END OF YEAR (F=D+E)	2,616	983
Other information		
Interest paid	551	351
Income taxes paid	817	