



Press Release

GAROFALO HEALTH CARE S.P.A.: ORDINARY SHAREHOLDERS' MEETING 2023

THE SHAREHOLDERS' MEETING APPROVED:

- THE 2022 FINANCIAL STATEMENTS AND ALLOCATION OF NET PROFIT FOR THE YEAR
- SECTIONS I AND II OF THE 2023 REMUNERATION POLICY AND 2022 REPORT
- THE NEW BUYBACK PLAN TO SUPPORT ANY INCENTIVE PLANS AND EXTRAORDINARY TRANSACTIONS

Rome, April 28, 2023 – The Shareholders' Meeting of Garofalo Health Care S.p.A. ("**GHC**"), chaired by the Chairman Alessandro Maria Rinaldi, met today in single call, and passed the following resolutions.

Statutory financial statements at December 31, 2022 and allocation of the profit for the year

The Shareholders' Meeting unanimously approved the Separate Financial Statements at December 31, 2022 and resolved, on the proposal of the Board of Directors, to allocate the profit for the year, amounting to approx. Euro 1,638 thousand, as follows: approx. Euro 82 thousand to the legal reserve, approx. Euro 16 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 1,540 thousand to "Retained earnings".

The Shareholders' Meeting also reviewed the Consolidated Financial Statements at December 31, 2022, which saw the Group report Revenues of €322.6M, up 13.7% from €283.7M in 2021, Op. EBITDA Adjusted⁽¹⁾ of €58.6M, up 10.3% from €53.1M in 2021, and a Net Profit of €21.4M, up 13.8% from €18.8M in 2021.

It's highlighted that on a Pro-Forma basis, i.e. including for 2022 the contribution of GVDR for 12 months, the Group reported Revenues of €334.8M, up 8.1% on the 2021 Pro-Forma figure of €309.8M⁽²⁾, an Op. Adjusted EBITDA of €61.1M, up 11.4% on the 2021 Pro-Forma figure of €54.8M, and a Net Profit of €21.8M, up 24.9% on the 2021 Pro-Forma figure of €17.5M.

At December 31, 2022, the Group's Net Financial Position was €145.0M, with financial leverage - calculated on the basis of the Pro-Forma Op. EBITDA Adj. - decreasing to 2.4x (2.6x in 2021) despite the additional M&A transaction carried out, confirming the robust cash generation capacity of the operating activities (amounting to approx. €35M in the 12 months of 2022).

2023 Remuneration Policy and 2022 Report

The Shareholders' Meeting approved Section I of the 2023 Remuneration Policy and 2022 Report, which describes the Company's proposed 2023 policy for the remuneration of Directors and members of the Board of Statutory Auditors. In addition, the Shareholders' Meeting voted in favour of Section II of the aforementioned Report, which sets out the remuneration for the year 2022 for the recipients of the relative Remuneration Policy.

¹⁾ Operating EBITDA Adjusted defined as EBIT + amortisation and depreciation + provisions and write-downs + adjustments (this latter in 2022 totalling approx. €3.0M, of which €1.1M due to "extra-Covid costs", approx. €0.6M due to M&A costs and €1.3M to management incentive plans). FY 2021 adjustments of €6.1M concerned for €3.0M "extra-Covid costs", for approx. €1.8M M&A costs and for €1.3M 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

²⁾ The 2021 Pro-Forma figures give retrospective effect to January 1 of the acquisitions of Clinica S. Francesco and Domus Nova, while not including the contribution of GVDR, which was acquired in December 2022



Authorisation to purchase and dispose of treasury shares (buyback)

The Shareholders' Meeting unanimously approved the proposal for a new buyback plan, subject to revocation of the previous authorisation approved by the Shareholders' Meeting of April 29, 2022. The new plan seeks to: (a) set up a "securities reserve" to be allocated, if necessary, to serve share incentive plans, including of a long-term nature, to be reserved for Directors and/or managers of the Company or its subsidiaries; (b) intervene, in compliance with current regulations and through intermediaries, to stabilise the stock price and to regularise trading and price trends, against distortions linked to excessive volatility or poor trading liquidity; and (c) set up a "securities package" to be allocated, if necessary, to serve the execution of extraordinary transactions involving the utilisation of treasury shares (including for consideration) for the purpose of the undertaking of holdings by institutional or qualifying investors or, in any case, commercial, financial or strategic partners, with a view to the pursuit of the GHC Group's best medium and long-term interests and its strategic positioning in the marketplace.

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 plan approved today states 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, for the minimum, 10% lower or, for the maximum, 10% higher than the share price recorded in the trading session before each individual transaction.

This new authorisation to purchase treasury shares was given for a period of 18 months from the date of the Shareholders' Meeting and is to allow the Company to acquire, also on a revolving basis, ordinary company shares, without indication of par value, in such a measure - taking account of the ordinary shares held at any time in portfolio by the Company and by its subsidiaries - that the Company at any point will not hold more than 3% of the Company's share capital at today's date (including the treasury shares held by the Company at the Shareholders' Meeting date) and in any case for a total purchase equivalent of not more than Euro 7,000,000 (seven millions/00).

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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, 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



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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 32 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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