



Press Release

GAROFALO HEALTH CARE S.P.A.: BOARD OF DIRECTORS APPROVES 2023 CONSOLIDATED FINANCIAL STATEMENTS AND SEPARATE FINANCIAL STATEMENTS

- REVENUES EQUAL TO €368.7M, WHICH INCLUDE THE CONTRIBUTION OF THE AURELIA HOSPITAL GROUP STARTING FROM THE ACQUISITION OCCURRED ON NOVEMBER 16, 2023. EXCLUDING THE AURELIA HOSPITAL GROUP, REVENUES ARE €356.0M, UP +10.4% Y/Y
- OP. EBITDA ADJ.⁽¹⁾ EQUAL TO €67.1M. THE RESULT, EXCLUDING THE CONTRIBUTION OF THE AURELIA HOSPITAL GROUP, IS STILL EQUAL TO €67.1M, UP +14.5% Y/Y AND WITH A MARGINALITY OF 18.8% (18.2% IN 2022)
- GROUP NET PROFIT OF €20.8M. EXCLUDING THE CONTRIBUTION OF THE AURELIA HOSPITAL GROUP, AFFECTED BY PERFORMANCE INFLUENCED BY THE LIQUIDATION PROCESS, GROUP NET PROFIT WAS €22.7M, UP +6.0% Y/Y
- GROUP SHAREHOLDERS' EQUITY RISES TO APPROX. €300M, UP +7.1% Y/Y. THE NFP STANDS AT €205.7M WITH A FINANCIAL LEVERAGE⁽²⁾ OF 2.8x AND AN OPERATING CASH GENERATION OF €40M
- 12-MONTHS PERFORMANCE OF THE AURELIA HOSPITAL GROUP: REVENUES OF €87.3M AND OP. EBITDA NORMALIZED⁽³⁾ EQUAL TO APPROX. €7.0M (APPROX. +3% AND +25% RESPECTIVELY VS. GHC ESTIMATES COMMUNICATED TO THE MARKET AT SIGNING)

Rome, March 14, 2024 – Garofalo Health Care S.p.A. (“GHC”) today approved the 2023 Consolidated and Separate Financial Statements, drawn up as per IAS/IFRS international accounting principles.

Maria Laura Garofalo, CEO of GHC, commented: “GHC Group's results in 2023 exceeded our expectations, with organic Revenue growth of 3% above the industry average (approx. 2%). Growth driven by a significant increase in "out-of-pocket" private activity which rose to 16% in January and February 2024. 2023 was also the year in which we took over the Aurelia Hospital Group, giving a clear acceleration in the second part of the year. We are certain that the acquisition carried out, whose Enterprise Value is lower than the market value of the properties owned (32,000sqm), will give us important satisfactions already in 2024 in which we expect a significant increase in EBITDA such as to bring the acquisition multiple of the operation at a lower level than that currently recognized by the Stock Exchange to GHC. Prospectively, upon completion of the Heart Center project, we also confirm our forecasts of a margin, at regime, aligned with that of the Group's complex hospital facilities.”

⁽¹⁾ Operating EBITDA Adjusted defined as EBIT + depreciation and amortisation + provisions and write-downs + adjustments (these latter in FY 2023 equal to approx. €0.5M and mainly related to M&A costs) + management incentive Plans (€1.6M). It is specified that in FY 2022 the adjustments were negative for €1.7M and were mainly related to the “extra-Covid costs” while the costs for management incentive Plans were equal to €1.4M

⁽²⁾ Calculated as the ratio between NFP and Operating EBITDA Adj. Pro-Forma for the last 12 months, i.e. including the contribution for 12 months of the acquisition of Sanatorio Triestino (realized in May 2023) and of the Aurelia Hospital Group (realized in November 2023)

⁽³⁾ EBITDA Normalized excludes some extraordinary items recorded during the year prior to the GHC acquisition



These results, in comparison with the previous year, include the additional contribution of GVDR (acquired in December 2022), of Sanatorio Triestino (acquired in May 2023), and of the Aurelia Hospital Group (acquired on November 16, 2023), with this latter consolidated only for the months of November and December.

In particular, it is clarified that the 2023 results of the Aurelia Hospital Group were negatively and significantly affected by the liquidation process which arose due to irreconcilable differences between the shareholders, which, consequently, led to large management inefficiencies mitigated only from the signing date (July 2023).

Furthermore, it is specified that the 2023 results of the Aurelia Hospital Group do not incorporate the expected structural benefits deriving from the efficiency interventions already identified by GHC, which at regime will allow its performance to be improved by aligning it with those expressed by the Group's complex hospital facilities.

Therefore, in light of the above and for a better understanding of the GHC Group performance, the key 2023 financial highlights are presented both excluding the contribution of the Aurelia Hospital Group and also on a like-for-like basis, i.e. at constant perimeter with respect to FY 2022.

GHC Group 2023 consolidated key operating highlights

FY 2023 Consolidated Revenues

GHC consolidated Revenues in 2023 totalled €368.7M, up €46.1M on €322.6M in 2022 (+14.3%).

Revenues in Euro millions	FY2023	FY2022	vs. FY'22 (€M)	vs. FY'22 (%)
Total	368.7	322.6	+46.1	+14.3%

Excluding the 2023 contribution of the Aurelia Hospital Group, for the reasons mentioned above, Revenues amounted to €356.0M (+10.4% vs. 2022).

At like-for-like perimeter (i.e. excluding the contribution for 2023 of the Aurelia Hospital Group, of Sanatorio Triestino and of GVDR), Revenues were up 3.0% on 2022 (€331.0M vs. €321.7M). These results benefited mainly from the increase in activities for private patients (approx. +12% y/y) and Outside-Region patients (approx. +4% y/y), fully confirming the trend of structurally increasing healthcare needs.

FY 2023 Consolidated Operating EBITDA Adjusted

Consolidated Operating EBITDA Adjusted⁽⁴⁾ in FY 2023 was €67.1M, up €8.5M on €58.6M of the previous year (+14.5%).

Op. EBITDA Adj. in Euro millions	FY2023	FY2022	vs. FY'22 (€M)	vs. FY'22 (%)
Total	67.1	58.6	+8.5	+14.5%

Excluding the 2023 contribution of the Aurelia Hospital Group, for the reasons mentioned above, Op. EBITDA Adjusted was still €67.1M (+14.5% vs. 2022), with 18.8% margin (vs. 18.2% in 2022).

At like-for-like perimeter (i.e. excluding the contribution for 2023 of the Aurelia Hospital Group, of Sanatorio Triestino and of GVDR), the Op. EBITDA Adjusted was up approx. 8% on 2022 (€63.1M vs. €58.6M). This result benefits, in addition to the increased production volumes, from the significant decline in energy costs compared to 2022 and substantially in line with 2021 (the year preceding the "energy shock").

⁽⁴⁾ Operating EBITDA Adjusted defined as EBIT + depreciation and amortisation + provisions and write-downs + adjustments (these latter in FY 2023 equal to approx. €0.5M and mainly related to M&A costs) + management incentive Plans (€1.6M). It is specified that in FY 2022 the adjustments were negative for €1.7M and were mainly related to the "extra-Covid costs" while the costs for management incentive Plans were equal to €1.4M

FY 2023 Consolidated EBIT

FY 2023 EBIT was €39.2M, up €7.6M on €31.7M in FY 2022 (+23.9%). This improving variation reflects, in addition to the improvement of the Op. EBITDA Adjusted already commented: (i) lower adjustments and costs for management incentive plans for a total of €0.9M, (ii) lower impairments and other provisions for €2.3M mainly due to the increased releases on healthcare disputes and to minor provisions on other “extraordinary” risks, partially compensated by (iii) higher depreciation and amortisation for €4.1M only due to change in the perimeter.

EBIT in Euro millions	FY2023	FY2022	vs. FY'22 (€M)	vs. FY'22 (%)
Total	39.2	31.7	+7.6	+23.9%

FY 2023 consolidated pre-tax profit

The pre-tax profit in FY 2023 was €28.9M, increasing €1.6M on €27.4M in 2022 (+5.7%). This reflects net financial charges of €10.3M, up €6.0M on €4.3M of the previous year in view of higher interest rates and the increased debt for the acquisition of the new companies.

Pre-tax profit in Euro millions	FY2023	FY2022	vs. FY'22 (€M)	vs. FY'22 (%)
Total	28.9	27.4	+1.6	+5.7%

FY 2023 Consolidated Net Profit

Group Net Profit was €20.8M, slightly reducing by €0.6M compared to €21.4M in 2022.

This value is affected by the performance of the Aurelia Hospital Group which is absolutely not representative of the current and future prospects as a result of a financial year characterized almost entirely by the liquidation process and by the consequent large management inefficiencies.

Net Profit in Euro millions	FY2023	FY2022	vs. FY'22 (€M)	vs. FY'22 (%)
Total	20.8	21.4	-0.6	-2.9%

Excluding the 2023 contribution of the Aurelia Hospital Group, for the reasons mentioned above, the Group Net Profit would amount to €22.7M (+6.0% vs. 2022).



GHC Group 2023 consolidated key balance sheet highlights

Consolidated Net Financial Position

At December 31, 2023, the Net Financial Position (NFP) of GHC was €205.7M, comprising liquidity of €23.1M and financial debt of €228.8M.

Net Financial Position in Euro millions	FY2023	FY2022	Change vs. FY2022
Total	205.7	145.0	+60.7
Financial leverage (x) ⁽⁵⁾	2.8x	2.4x	+0.4x

Excluding non-recurring items, the NFP would be €105.0M, improving €40.0M on December 31, 2022. These non-recurring items are mainly attributable to the acquisition of Sanatorio Triestino and of the Aurelia Hospital Group, in addition to expansion Capex and other items mostly related to M&A costs and the purchase of treasury shares.

Excluding the effects of the acquisition of the Aurelia Hospital Group, the Group NFP would amount to €131.2M, with financial leverage⁽⁶⁾ of approx. 2.0x.

Capex

In 2023, the Group invested a total of €18.4M, in line with 2022 (€18.5M).

In particular, it should be noted that approx. €5.3M relates to expansion Capex, mostly attributable to the facilities: (i) Eremo di Miazzina, with the new wing of the Raffaele Garofalo Institute opened in October 2023, (ii) Domus Nova, with the continuation of activities for the construction of a new outpatient surgical room at the San Francesco Hospital in Ravenna, and (iii) GVDR, with the finalisation of the new wing of the Cadoneghe site (Padua), which expanded by approx. 1,500sqm the total area of the facility bringing it to approx. 5,000 sqm, and allowing the opening of new spaces for outpatient, surgical and rehabilitation activities with state-of-the-art technologies.

SEPARATE FINANCIAL STATEMENTS AT DECEMBER 31, 2023

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

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

2023 Parent Company revenues were €4.9M (€4.6M in 2022) and are related to the recharges of Parent Company costs to the subsidiaries for administrative co-ordination, financial, corporate and IT services.

The net profit in 2023 was €9.5M, increasing €7.9M on 2022 (€1.6M). This result benefits from: (i) the dividends received from subsidiaries (€18.8M vs. €6.0M in 2022), which offset the interest charges on the bank debt and (ii) positive income taxes for €2.9M (positive for €1.5M in 2022), thanks to the recognition of the income from the tax consolidation, as a result of the taxable income transferred from the subsidiaries participating in the tax consolidation of GHC S.p.A..

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

At December 31, 2023, the Net Financial Position (NFP) of the Parent Company was €203.8M, with financial debt exceeding cash. This indicator increased €46.8M on 2022 (€157.1M), mainly due to the acquisition of Aurelia Hospital S.r.l. and Sanatorio Triestino S.p.A..

⁽⁵⁾ Calculated as the ratio between NFP and Operating EBITDA Adj. Pro-Forma for the last 12 months, i.e. including the contribution for 12 months of the acquisition of Sanatorio Triestino (realized in May 2023) and of the Aurelia Hospital Group (realized in November 2023)

⁽⁶⁾ Calculated as the ratio between the NFP and Operating EBITDA Adj. Pro-Forma for the last 12 months. For both parameters the impact of the Aurelia Hospital Group has been excluded



SUBSEQUENT EVENTS TO YEAR-END

There were no subsequent events to year-end.

OUTLOOK

The strong increase in "out-of-pocket" private activity recorded by the Group both during 2023 and in the first months of 2024, well above expectations, represents an incontrovertible confirmation of exponentially growing healthcare needs.

In this context, the Group will continue to operate in the next financial year fully implementing the accredited activity, including the increased resources partly already assigned precisely for the reduction of the waiting lists (confirming the above) and above all strengthening and developing further the activity towards "out-of-pocket" private patients, also being able to benefit from privileged discussions with social security institutions and healthcare funds that have recently entered the share capital of GHC.

With reference to the Aurelia Hospital Group, it should be noted that the 2023 performance was substantially affected by the liquidation process which arose due to irreconcilable differences between the shareholders. Nonetheless, the interventions carried out by the GHC Group in 2023 - although activated only starting from the signing - have already allowed it to improve its performance compared to the estimates communicated last July. For 2024, GHC expects that the efficiency and reorganization activities will produce the expected benefits by further improving the margins of the acquired facilities. In this regard, it should also be noted that the Lazio Region, with a resolution dated 28 December 2023, has recognized an extra-budget of €1.6M starting from 2024 in favor of the Aurelia Hospital with the attribution of 16 beds authorized and accredited in General Medicine, currently already fully occupied.

Finally, GHC confirms its medium-term objective in relation to the new acquired companies, which envisages - following the realization of the new Cardiovascular Heart Center at the Aurelia Hospital - a margin of these facilities aligned with that expressed by the other complex hospital facilities of the Group.

2023 RESULTS OVERVIEW CONFERENCE CALL

The Company announces that this afternoon, March 14, 2023, at 4PM (CET) a conference call shall be held for investors and analysts to provide an overview of the key 2023 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).

Registration via the link below is required to participate in the conference call. It is specified that once you have registered (by accessing the link below), you will receive a registration notification by email with which you will be notified of your personal Passcode and PIN, which must be used to directly and uniquely access the conference call:

<https://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=8676874&linkSecurityString=11e193ebbe>



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, 2024, as detailed in subsequent sections, to allocate the net profit of Euro 9,488 thousand as follows: Euro 474 thousand to the legal reserve, Euro 95 thousand to the provision as per Article 40 of the By-Laws and the remaining Euro 8,919 thousand to retained earnings.

Approval of the 2023 Corporate Governance and Ownership Structure Report and 2024 Remuneration Policy and 2023 Report

The Board of Directors approved the Corporate Governance and Ownership Structure Report for 2023 prepared by the Company in accordance with Article 123-bis of Legislative Decree No. 58 of February 24, 1998 ("CFA") and as per the Corporate Governance Code.

The Board of Directors also approved the 2024 Remuneration Policy and 2023 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 (the "Issuers' Regulation"), in addition to compliance with Article 5 of the Corporate Governance Code.

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 2023 prepared as per Legislative Decree No. 254/2016

The Board of Directors approved the Consolidated Non-Financial Statement at December 31, 2023 prepared by the Company in accordance with Legislative Decree No. 254/2016, which includes also the disclosure on Taxonomy as per European (EU) No. 2020/852 of June 18, 2020.

In this regard, it should be noted that during the year the Company continued its commitment to sustainability by achieving all the ESG objectives indicated for 2023, including in particular the signing of a medium-term Group contract for the supply of electricity from renewable sources and the improvement of the long-term ESG rating assigned by Standard Ethics, which during the year raised GHC's long-term ESG rating to Investment Grade "EE+" ("Very Strong" level) from the previous "EE" ("Strong").

This Report shall be made available to the public, according to the same timeline for the Annual Financial Report of the Company in accordance with law, at the registered office 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.

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 Giancarla Branda, Franca Brusco, Federico Ferro-Luzzi, Luca Matrigiani and Nicoletta Mincato. 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 1, 2024.

Buy Back Plan

At today's meeting, the Board of Directors approved 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 28, 2023⁷⁾, pursuant to and for the purposes of Articles 2357 and subsequent of the Civil Code, 132 of the CFA, 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.

This new authorisation is requested 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 the date of the Shareholders' Meeting, including the treasury shares which the company shall hold at the date of the Shareholders' Meeting (1,666,187 as of March 14, 2024, equal to 1.85% of the share capital) and, in any case, for a total purchase equivalent of not more than €7.0M.

The proposal is made so as 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 reserve" to be allocated, if necessary, to serve the execution of corporate 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 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.

2024-2026 Performance Share Plan

The Board of Directors approved on March 7, 2024, 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 Share Plan 2024-2026" (the "Plan"), reserved for the Chief Executive Officer, the other Executive Directors 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, Total Shareholder Return relative to the FTSE Italia STAR index and ESG Target - identified in the construction of the new Heart Centre at Aurelia Hospital), at the terms and conditions set out in the regulations.

⁷⁾ This authorisation was requested for a period of 18 months from the date of the Shareholders' Meeting of April 28, 2023 and was finalized to allow the Company to acquire, also on a revolving basis, ordinary Company shares, so that the Company at any point will not hold more than 3% of the Company's share capital (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 €7.0M



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, with the obligation for the Chief Executive Officer and for other members of the Board of Directors to retain 25% of the shares granted 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.



ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING CALL NOTICE

The Board of Directors meeting today approved the calling of the Shareholders' Meeting of Garofalo Health Care S.p.A. in ordinary and extraordinary session for April 29, 2024, in single call, to discuss and vote upon the following

Agenda

Ordinary Session

- 1. Financial Statements of Garofalo Health Care S.p.A. at December 31, 2023. 2023 Directors' Report. Report of the Board of Statutory Auditors and of the Independent Audit Firm. Presentation of the Consolidated Financial Statements at December 31, 2023 and of the 2023 Consolidated Non-Financial Statement pursuant to Legislative Decree No. 254 of December 30, 2016 and Regulation (EU) No. 2020/852 of June 18, 2020. 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 2024 set out in the first section of the Report. Resolutions thereon;**
 - 3.2. consultation on the second section of the report regarding remuneration paid in or relating to 2023. Resolutions thereon.**
- 4. Long-term incentive plan "2024-2026 Performance Share Plan". Resolutions thereon.**
- 5. 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) 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.**
- 6. Appointment of the Board of Directors:**
 - 6.1. 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.**

Extraordinary session

- 1. Amendments to Articles 15, 19, 30 and 36 of the By-Laws. Resolutions thereon.**



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 Law No. 21 of March 5, 2024), 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 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, 2023, 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 37 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").

* * *

FOR FURTHER DETAILS:

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Consolidated Income Statement of the GHC Group at December 31, 2023

<i>In Euro thousands</i>	31/12/2023	of which related parties	31/12/2022	of which related parties
Revenues from services	360,977		314,764	
Other revenues	7,726	434	7,810	2
TOTAL REVENUES	368,703		322,575	
Raw materials and consumables	49,797		44,898	
Service costs	153,674	1,300	134,032	781
Personnel costs	83,572		73,287	
Other operating costs	16,757		14,833	
TOTAL OPERATING COSTS	303,800		267,050	
TOTAL EBITDA	64,903		55,524	
Amortisation, depreciation and impairments	23,115		18,963	
Impairments and other provisions	2,557		4,896	
TOTAL AMORTISATION, DEPRECIATION, WRITE-DOWNS AND OTHER ADJUSTMENTS	25,672		23,859	
EBIT	39,231		31,665	
Financial income	313		127	
Financial charges	(10,786)		(4,551)	(19)
Results of investments at equity	173		129	
FINANCIAL INCOME AND CHARGES	(10,300)		(4,294)	
PROFIT BEFORE TAXES	28,931		27,371	
Income taxes	8,058		5,938	
NET PROFIT FOR THE YEAR	20,873		21,433	
Group	20,799		21,426	
Minority interests	74		7	
Basic and diluted earnings per share	0.18		0.24	

Consolidated Balance Sheet of the GHC Group at December 31, 2023

ASSETS <i>In Euro thousands</i>	31/12/2023	of which related parties	31/12/2022	of which related parties
Goodwill	156,007		91,392	
Other intangible assets	219,258		196,038	
Property, plant and equipment	252,989		221,826	
Investment property	846		885	
Equity investments	1,386		826	
Other non-current financial assets	3,368		517	
Other non-current assets	2,238		2,330	
Deferred tax assets	14,850		10,615	
TOTAL NON-CURRENT ASSETS	650,942		524,430	
Inventories	5,583		4,244	
Trade receivables	100,994	1,895	76,479	1
Tax receivables	7,939		5,933	
Other receivables and current assets	7,652		3,137	
Other current financial assets	409	2,797	215	
Cash and cash equivalents	22,684		31,382	
TOTAL CURRENT ASSETS	145,260		121,390	
TOTAL ASSETS	796,202		645,820	

Consolidated Balance Sheet of the GHC Group at December 31, 2023

<i>LIABILITIES In Euro thousands</i>	31/12/2023	of which related parties	31/12/2022	of which related parties
Share capital	31,570		31,570	
Legal reserve	614		532	
Other reserves	245,903		225,542	
Group result for the year	20,799		21,426	
TOTAL GROUP SHAREHOLDERS' EQUITY	298,886		279,070	
Minority interest capital and reserves	1,929		76	
Minority interest result	74		7	
TOTAL SHAREHOLDERS' EQUITY	300,889		279,153	
Employee benefits	19,505		13,551	
Provisions for risks and charges	28,251		19,152	
Non-current financial payables	164,200		132,165	
Other non-current liabilities	4,182		3,208	
Deferred tax liabilities	74,770		67,356	
TOTAL NON-CURRENT LIABILITIES	290,908		235,431	
Trade payables	87,853	4,604	51,100	38
Current financial payables	64,637		44,443	
Tax payables	4,475		3,211	
Other current liabilities	47,442		32,482	
TOTAL CURRENT LIABILITIES	204,406		131,236	
TOTAL LIABILITIES	495,313		366,667	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	796,202		645,820	

Consolidated Cash Flow Statement of the GHC Group at December 31, 2023

<i>In Euro thousands</i>	31/12/2023	31/12/2022
OPERATING ACTIVITIES		
Net Profit for the year	20,873	21,433
<i>Adjustments for:</i>		
- <i>Amortisation and depreciation</i>	21,443	18,364
- <i>Provisions for employee benefit liabilities</i>	847	783
- <i>Provisions net of releases for risks and charges</i>	2,557	4,896
- <i>Provisions net of releases for doubtful debt provision</i>	1,673	599
- <i>Interest from discounting</i>	1,770	1,512
- <i>Other non-cash adjustments</i>	1,164	606
- <i>Change in investments in associates valued under the equity method</i>	(173)	(129)
- <i>Change in other non-current assets and liabilities</i>	(1,728)	1,874
- <i>Net change in deferred tax assets and liabilities</i>	3,275	(1,137)
- <i>Payments for employee benefits</i>	(1,906)	(1,232)
- <i>Payments for provisions for risks and charges</i>	(5,205)	(2,293)
<i>Changes in operating assets and liabilities:</i>		
<i>(Increase) decrease in trade and other receivables</i>	4,963	(1,914)
<i>(Increase) decrease in inventories</i>	170	191
<i>Increase (decrease) in trade and other payables</i>	(2,545)	3,878
<i>Other current assets and liabilities</i>	2,832	(3,561)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	50,008	43,870
CASH FLOW FROM INVESTING ACTIVITIES		
<i>Investments in intangible assets</i>	(1,712)	(1,134)
<i>Investments in tangible assets</i>	(15,438)	(13,835)
<i>(Investments)/disposals in financial assets</i>	(1,145)	(169)
<i>Sale of tangible assets</i>	271	316
<i>Dividends from associates</i>	80	203
<i>Acquisition Sanatorio Triestino</i>	(10,754)	
<i>Acquisition Aurelia Hospital Group</i>	(39,207)	

<i>In Euro thousands</i>	31/12/2023	31/12/2022
<i>Acquisition GVDR</i>		(20,877)
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(67,905)	(35,496)
CASH FLOW FROM FINANCING ACTIVITIES		
<i>Issue of medium/long term loans</i>	40,675	16,590
<i>Repayment of medium/long-term loans</i>	(23,704)	(22,263)
<i>Issue/(repayment) of short-term loans</i>	431	(2,824)
<i>Changes in other financial payables</i>	(6,687)	(6,745)
<i>Share capital increase and shareholder payments</i>		
<i>Use of Reserve as per Article 40</i>	(25)	(10)
<i>(Acquisition) treasury shares</i>	(1,491)	(2,979)
NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)	9,200	(18,231)
TOTAL CASH FLOWS (D=A+B+C)	(8,698)	(9,857)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR (E)	31,382	41,239
CASH & CASH EQUIVALENTS AT END OF YEAR (F=D+E)	22,684	31,382
Additional information:		
Interest paid	7,889	2,307
Income taxes paid	7,244	6,918



Consolidated Net Financial Position of the GHC Group at December 31, 2023

<i>In Euro thousands</i>	31/12/2023	31/12/2022
A Available liquidity	22,684	31,382
B Cash equivalents	0	0
C Other current financial assets	409	215
D Liquidity	23,093	31,597
E Current financial debt	28,436	22,297
F Current portion of non-current financial debt	36,201	22,146
G Current financial debt	64,637	44,443
H Net current financial debt (G - D)	41,543	12,846
I Non-current financial debt	164,200	132,165
J Debt instruments	-	-
K Trade payables and other non-current payables	-	-
L Non-current financial debt (I + J + K)	164,200	132,165
M Total financial debt (H + L)	205,743	145,011

Separate Financial Statements of Garofalo Health Care S.p.A. at December 31, 2023

<i>In Euro thousands</i>	31/12/2023	of which related parties	31/12/2022	of which related parties
Revenues from services	4,600	4,600	4,600	4,600
Other revenues	267	262	41	41
TOTAL REVENUES	4,867		4,641	
Raw materials and consumables	18		23	
Service costs	5,689	709	4,928	587
Personnel costs	2,940		2,687	
Other operating costs	858		813	
TOTAL OPERATING COSTS	9,506		8,451	
TOTAL EBITDA	(4,639)		(3,810)	
Amortisation, depreciation and impairments	597		424	
TOTAL AMORTISATION, DEPRECIATION, WRITE-DOWNS, PROVISIONS AND OTHER ADJUSTMENTS	597		424	
EBIT	(5,236)		(4,234)	
Financial income	22,358	22,286	8,453	8,453
Financial charges	(10,503)	(2,550)	(4,115)	(547)
FINANCIAL INCOME AND CHARGES	11,854		4,337	
PROFIT BEFORE TAXES	6,618		103	
Income taxes	2,869		1,534	
NET PROFIT FOR THE YEAR	9,488		1,638	

Separate Balance Sheet of Garofalo Health Care S.p.A. at December 31, 2023

ASSETS <i>In Euro thousands</i>	31/12/2023	of which related parties	31/12/2022	of which related parties
Other intangible assets	596		166	
Property, plant and equipment	6,538		6,568	
Equity investments	260,707		198,364	
Other non-current financial assets	118,393	118,383	136,741	136,730
Deferred tax assets	220		198	
TOTAL NON-CURRENT ASSETS	386,455		342,036	
Trade receivables	1,342	1,338	1,727	1,727
Tax receivables	2,633		1,182	
Other receivables and current assets	17,351	17,196	3,515	3,312
Other current financial assets	24,153	24,153	18,249	18,244
Cash and cash equivalents	647		4,122	
TOTAL CURRENT ASSETS	46,126		28,795	
TOTAL ASSETS	432,582		370,832	

Separate Balance Sheet of Garofalo Health Care S.p.A. at December 31, 2023

<i>LIABILITIES In Euro thousands</i>	31/12/2023	of which related parties	31/12/2022	of which related parties
Share capital	31,570		31,570	
Legal reserve	614		532	
Other reserves	151,969		151,177	
Profit/(loss) for they year	9,488		1,638	
TOTAL SHAREHOLDERS' EQUITY	193,641		184,917	
Employee benefits	192		137	
Non-current financial payables	119,497		112,055	
Deferred tax liabilities	134		1	
TOTAL NON-CURRENT LIABILITIES	119,823		112,194	
Trade payables	1,443	270	706	22
Current financial payables	109,117	75,376	67,379	45,584
Tax payables	2,694		1,597	
Other current liabilities	5,862	4,224	4,039	2,731
TOTAL CURRENT LIABILITIES	119,117		73,721	
TOTAL LIABILITIES	238,941		185,915	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	432,582		370,832	

Separate Cash Flow Statement of Garofalo Health Care S.p.A. at December 31, 2023

<i>In Euro thousands</i>	31/12/2023	31/12/2022
OPERATING ACTIVITIES		
Net Profit for the year	9,488	1,638
Adjustments for:		
- Amortisation and depreciation	597	424
- Provisions for employee benefit liabilities	41	35
- Net change in deferred tax assets and liabilities	115	(45)
- Payments for employee benefits	(7)	0
- Other non-cash adjustments	623	545
- Interest from discounting	826	-
Changes in operating assets and liabilities:		
(Increase) decrease in trade and other receivables	386	(9)
Increase (decrease) in trade and other payables	737	313
Other current assets and liabilities	(12,369)	4,831
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	436	7,731
Investments in intangible assets	(532)	(145)
Investments in property, plant & equipment	(307)	(185)
(Investments)/disposals in financial assets	(60,698)	(769)
Other investing activities	-	-
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(61,537)	(1,099)
Issue/(repayments) medium/long term loans	18,406	(5,015)
Issue/(repayment) of short-term loans	315	78
Movement in other current and non-current financial receivables/payables	40,421	2,800
Change Net Equity	(0)	(0)
Use of Reserve as per Article 40	(25)	(10)
(Acquisition) treasury shares	(1,491)	(2,979)
NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)	57,626	(5,126)
TOTAL CASH FLOWS (D=A+B+C)	(3,475)	1,506
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR (E)	4,122	2,616
CASH & CASH EQUIVALENTS AT END OF YEAR (F=D+E)	647	4,122
Other information		
Interest paid	6,868	2,299
Income taxes paid	3,040	1182