



PRESS RELEASE

GAROFALO HEALTH CARE S.P.A.: SIGNED PURCHASE AGREEMENT FOR A CONTROLLING INTEREST IN SANATORIO TRIESTINO S.P.A., REGIONAL HEALTH SYSTEM-ACCREDITED FACILITY WITH 80 ACUTE CARE HOSPITAL BEDS AND 40 LONG-TERM CARE BEDS

THE TRANSACTION ALLOWS GHC TO EXPAND ITS PRESENCE IN FRIULI-VENEZIA GIULIA, A REGION WHERE THE GROUP ALREADY OPERATES THROUGH THE DIAGNOSTIC CENTER UNIVERSITA' CASTRENSE

SANATORIO TRIESTINO HIGHLIGHTED 2022 REVENUES OF €15.7M AND A NORMALIZED REPORTED EBITDA OF €2.4M

THE ACQUISITION INCLUDES OWNERSHIP OF THE CLINICAL REAL ESTATE ASSETS, WHICH COVER AN AREA OF APPROX. 8,000SQM, AND AN ADDITIONAL BUILDING AREA OF APPROX. 6,000SQM

THE ENTERPRISE VALUE OF THE TRANSACTION (100%) IS €16.9M

Rome, May 4, 2023 - Garofalo Health Care S.p.A. ("**GHC**") announces it has signed a binding purchase agreement for the acquisition of an 86.95% stake in the share capital of Sanatorio Triestino S.p.A., that owns a well-established accredited care clinic in the city of Trieste, which has always constituted a point of reference in the area thanks to the quality of the services and facilities provided.

The transaction allows GHC to reinforce its presence in Friuli-Venezia Giulia, a Region where the Group already operates through the Centro Medico Università Castrense, which will enable the creation of significant synergistic actions.

In line with the GHC Group's established practice of ensuring the management and healthcare continuity at the acquired entities, the clinic's current General Manager Mr. Salvatore Guarneri will be appointed Chief Executive Officer of the clinic.

Profile of Sanatorio Triestino

Sanatorio Triestino was founded in 1897 in Trieste and is accredited with the Regional Health System (RHS). It has 80 medical-surgical beds (in the specialisms of general surgery, gynaecology, internal medicine, ophthalmology, orthopaedics and urology) and 40 long-term care beds.

The company owns the building in which it carries out its healthcare activities, which has an area of about 8,000sqm and was extensively renovated in 2015, in addition to an area of over 6,000sqm that may be built on.

The Target has a total budget of €9.1M, of which €2.8M for outpatient activity and €6.3M for inpatient activity.

Sanatorio Triestino also owns controlling interests in Eutonia S.r.l. Sanità & Salute ("**Eutonia**"), the largest physiotherapy and rehabilitation clinic in the Province of Trieste, and in Terme del Friuli-Venezia Giulia S.r.l. ("**Terme FVG**"), a company that currently manages the "Arta" and "Monfalcone" spas.

Performance of Sanatorio Triestino

Sanatorio Triestino's performance, heavily impacted in 2021 and 2022 by the extraordinary activities related to the Covid emergency, was therefore assessed by normalizing the latest fiscal year reported values to take



into account both discontinued revenues and costs and the tariff and organisational adjustments in place from 2023.

On the basis of these considerations - i.e. using the normalized 2022 results as a reference - Sanatorio Triestino highlights Revenues of approx. €15.7M with an EBITDA of approx. €2.4M and a margin of approx. 16.0%.

These values do not include the contribution of Eutonia and Terme FVG, nor the benefits that will be created by the additional efficiency improvements and synergies that will be effected following the Target's entry into the GHC Group, already identified during Due Diligence, that at regime are forecast to produce further positive impacts on margins.

Key highlights relating to Sanatorio Triestino's subsidiaries

Eutonia - Overview

Sanatorio Triestino, through Aurora Holding (of which it holds 50% of the capital), has a 62.10% controlling interest in Eutonia.

Eutonia is an authorized and accredited facility for physical medicine and functional rehabilitation for people with disabilities and has formed part of the Region's healthcare excellence since its establishment in 2012.

In terms of economic and financial performance, Eutonia has a regional budget of approx. €1.6M and in 2022 reported Revenues of approx. €2.9M, with EBITDA of approx. €0.3M.

Mr. Guarneri, former General Manager and forthcoming Chief Executive Officer of Sanatorio Triestino, is Chairman of the Board of Directors and Executive Director of Eutonia.

Terme FVG - Overview

Sanatorio Triestino owns 52% of the share capital of Terme FVG.

Specifically, the stake in the company Terme FVG - acquired in 2017 at the express request of the Region, which is also a 30% shareholder - consolidates the relationship between Sanatorio Triestino and the Regional government and is therefore strategic in nature.

Terme FVG manages the "Arta" and "Monfalcone" spas, with a total budget of approx. €0.7M. It's specified that the spas are owned by the Region and as such the investments relating to the spa facilities are entirely borne by the Region, with Sanatorio Triestino participating only in the management part.

In 2019, the last pre-Covid reporting year, Terme FVG reported Revenues of approx. €2M and EBITDA of approx. €0.2M.

Mr. Guarneri is Executive Director of Terme FVG.

Terms and structure of the transaction

The Enterprise Value of the transaction is €16.9M (100%) and the Equity Value is €13.2M and is calculated based on the Net Financial Position as at December 31, 2022.

The acquisition was carried out directly by GHC S.p.A. and also includes the clinic real estate assets held by Sanatorio Triestino that cover a total area of approx. 8,000sqm and are in addition to an area of over 6,000sqm that may be built on.

It is specified that the contract involved a Group of shareholders representing a total of 86.95% of the Target's share capital. As part of the arrangements, GHC is expected to submit to all other shareholders an irrevocable proposal to purchase their shares on the same terms and conditions extended to the selling shareholders.

The acquisition will be financed with own resources and the other half with recourse to bank debt, as GHC has access to a Financing Line for new acquisitions granted to the Group in 2021 by a pool of leading national banks.



CONFERENCE CALL TO COMMENT ON THE ACQUISITION

The Company announces that this afternoon, May 4, 2023, at 18.00 PM (CET) a conference call shall be held for investors and analysts to comment on the announced acquisition.

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

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GHC was supported for the legal aspects by the LCA Studio Legale, for the tax and financial aspects by Crowe Bompani, for the administrative aspects by AEGV Servizi and for the labour law aspects by Mr. Pisani, with Mr. Enzo Santagati providing support for the authorisation to operate for fire prevention purposes and building safety compliance, and with Mr. Edoardo Errico assisting on matters of health litigation. The sellers were assisted by Studio Finpro - in the person of Mr. Emanuele Urso - for legal aspects.

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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 33 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 "Social Services and Dependency Care Sector").

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FOR FURTHER DETAILS:

Garofalo Health Care S.p.A.

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