



Press Release

GAROFALO HEALTH CARE S.P.A.: PRELIMINARY CONTRACT SIGNED FOR THE ACQUISITION OF 100% OF XRAY ONE, A DIAGNOSTIC CENTRE IN THE PROVINCE OF MANTUA

GHC GROUP ACQUIRES AN OUTSTANDING FACILITY IN LOMBARDY, AMONG ITALY'S REFERENCE REGIONS FOR HEALTHCARE

STRONG SYNERGIES ARE EXPECTED TO RESULT FROM THE STRATEGIC POSITIONING OF XRAY ONE, THANKS TO ITS LOCATION ON THE BORDERS OF THE VENETO AND EMILIA-ROMAGNA REGIONS, WHERE THE GROUP ALREADY HAS A STRONG PRESENCE

Rome, July 2, 2020 – Garofalo Health Care S.p.A. (“**GHC**”), listed on the MTA segment of the Italian Stock Exchange, announces the signing today of a preliminary contract to acquire 100% of the share capital of XRay One S.r.l. (“**XRay One**” or “**the Target**”), a diagnostic centre for diagnostic radiology and specialist medicine, accredited by the National Healthcare System and located in Poggio Rusco, in the province of Mantua.

XRay One, which operates both under the Lombardy Region accredited and private healthcare system, provides radiological / diagnostic imaging services and outpatient services for general surgery, orthopaedics and traumatology, neurology, dermosyphilopathy, ophthalmology, cardiology, gastroenterology, digestive surgery and endoscopy, obstetrics and gynaecology, physical medicine and rehabilitation, urology. The facility is also equipped with cutting-edge specialist technology, especially in the field of latest-generation high diagnostics.

For 2019 XRay One reported revenues of approximately Euro 7.6 million⁽¹⁾ and a normalized pre-synergies EBITDA of approximately Euro 1.8 million, with a 23.5% margin already higher than the Group average (equal to 20.0% in FY2019 on a Pro-Forma basis⁽²⁾).

The Enterprise Value of the transaction is equal to Euro 13.6 million and implies a pre-synergies EV / EBITDA multiple of approx. 7.6x. The Equity Value, calculated based on an assumed Net Financial Position at closing equal to approx. Euro 0.8 million, is equal to Euro 12.8 million.

With this acquisition, GHC continues its strategy of external growth through M&A's moving for the first time into Lombardy. The transaction will also allow GHC to benefit from significant synergies deriving from the development of an integrated model between the Target and the other Group facilities located in the neighbouring Regions of Veneto and Emilia-Romagna (such as Aesculapio and Hesperia Hospital, distant approx. 20km and 40km respectively from XRay One).

Dr. Giacomo Barbalace, founder of the Target and a medical radiologist, will remain at the helm of XRay One as Chief Executive Officer and Health Director, in line with the GHC Group's consolidated practices, which are designed to ensure full entrepreneurial continuity of the acquired facilities.

The acquisition of XRay One will be completed through a vehicle company wholly owned by GHC and will be financed using available resources for Euro 1.5 million, paid as a down payment upon signature of the preliminary contract, and for the remaining part through a bank loan signed with Crèdit Agricole Italia, as part of a previously signed credit line for a total amount of Euro 35 million exclusively dedicated to M&A activities. The closing of the transaction is expected to be completed by July 23, 2020.

Maria Laura Garofalo, Chief Executive Officer of GHC: *“Being able to finalize this relevant acquisition, the sixth in little more than 18 months from IPO, in such a particular and challenging historical moment, once again confirms the validity of our strategy and the solidity of our plan of external-led growth. Specifically, the*

⁽¹⁾ Source: Financial Statements of the acquired company at December 31, 2019. Figures are ITA GAAP

⁽²⁾ The 2019 Pro-Forma figures retrospectively reflect at January 1, 2019 the acquisitions made by GHC during the previous year. These Pro-Forma statements are drawn up on a voluntary basis and according to procedures agreed with the independent audit firm as per the International Standard of Related Services (“ISRS”) 4400 issued by the IAASB



Group today takes its first step into a Region that continues to represent a reference point for Italian healthcare, through a transaction that accurately reflects the M&A discipline presented to investors at IPO: XRay One is indeed a healthy, well-managed target, with margins above the Group average, and which also enjoys a positioning that will allow significant synergies to be achieved, thanks to the strategic proximity between the target and our many facilities in the Veneto and Emilia-Romagna Regions.”

GHC received legal assistance from Ms. Patrizia Crudetti, and fiscal and financial assistance from Crowe AS Italia.

The vendors were supported by the Studio Benatti, in the person of Mr. Stefano Polacchini, e by the Studio Tebaldi, in the person of Mr. Fabrizio Tebaldi.

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The GHC Group

The GHC Group, listed on the Milan Stock Exchange, is an Italian accredited private healthcare leader operating through 24 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 seven regions in Northern and Central Italy (Piedmont, Veneto, Friuli-Venezia Giulia, Emilia Romagna, Liguria, Tuscany and Lazio), covering in the hospital sector acute admissions, long hospitalization, post-acute rehabilitations and outpatient services (the “Hospital Sector”), and in the regional and social-care sector covering residential admissions and district outpatient services (the “Dependency Care Sector”).

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FOR FURTHER DETAILS:

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