

## GPI H1 2021: REVENUE + 29.6%, EBITDA + 35.2% HEALTHCARE DIGITIZATION AND NRRP GPI GROUP STRATEGIC FOR THE COUNTRY

- Revenue: EUR 151.8 million, +29.6% (H1 2020: EUR 117.2 million)
  - *Software and IT services*: EUR 51.9 million, +25.0% (H1 2020: EUR 41.5 million)
  - *Care and administrative services*: EUR 80.3 million, +31.7% (H1 2020: EUR 61.0 million)
  - *Other SBAs*: EUR 19.6 million, +33.7% (H1 2020: EUR 14.7 million)
- Foreign revenue: EUR 15.6 million, +101.5% (H1 2020: EUR 7.8 million)
- EBITDA: EUR 14.1 million, +35.2% (H1 2020: EUR 10.5 million)
- NFD: EUR 148.1 million (FY 2020 EUR 124.8<sup>1</sup> million)

**2021 OUTLOOK: Revenue > EUR 315 million, EBITDA > EUR 47 million**

Trento, 28 September 2021

Today the Board of Directors of GPI (GPI:IM) approved the consolidated half-year financial report as at 30 June 2021, prepared in accordance with IAS/IFRS accounting standards.

**Fausto Manzana**, Chairman and CEO of the GPI Group: *"The results for the first half of the year show a vigorous increase in both Revenue and EBITDA, factors that bear witness to the GPI Group's ability to operate with integrity and commitment during this difficult health emergency period. We have managed to adapt to the new environment, both organisationally and in terms of supporting our customers. Healthcare systems and people have been under pressure: we have responded by offering high added value solutions suited to deal with complex situations. The technologies and support we provided helped effectively respond to the pandemic, ensuring the delivery of prevention, diagnosis and treatment services to the population. In addition, we have expanded the range of apps and devices that help public and private healthcare facilities respond to new health demands."*

### MAIN CONSOLIDATED RESULTS AT 30 JUNE 2021

#### REVENUE

**Revenue** for the first half of 2021 amounted to **EUR 151.8 million**, up **+29.6%** compared to EUR 117.2 million in the same period of 2020, with strong momentum coming from **organic growth +22.0%** and **external growth +7.6%**.

<sup>1</sup> Please note that Net Financial Debt is determined in accordance with the provisions of Guideline No. 39 issued on 4 March 2021 by ESMA, applicable as of 5 May 2021, and in line with the related Warning Notice No. 5/21 issued by Consob on 29 April 2021. For consistency of presentation, the corresponding value as at 31 December 2020 has also been recalculated.

## REVENUE BY STRATEGIC BUSINESS AREA (SBA)

The organisation into Strategic Business Areas (SBAs) enables the Group to provide complete and adequate answers to the digital transformation requirements and innovative drive of the Healthcare and Social Welfare sectors. The Group offers solutions based on the appropriate orchestration of individual components (*composable digital care*).

**87.1% of GPI Group's revenue** is generated by the **two main Strategic Business Areas** (87.5% of H1 2020 revenue):

The **Software and IT services** SBA, the area that most employs technological drivers such as Big Data & Analytics, Artificial Intelligence, Cloud technology and the Internet of Things in order to enable the management of data and decisions increasingly in predictive mode, recorded revenue of **EUR 51.9 million** (34.2% of the total), **+25.0%** compared to EUR 41.5 million in the first half of 2020 (35.4% of the total), of which 16.8% due to acquisitions made in the last 12 months (Medinfo group and Haemonetics assets). Organic growth of 8.2% benefited from the recovery of business that had slowed in the first half of 2020 due to the Covid-19 pandemic.

The **Care and Administrative Services** SBA represents the area in which GPI Group is the leader in Italy. Total revenue amounted to **EUR 80.3 million** (52.9% of the total), **+31.7%** compared to EUR 61.0 million in H1 2020 (52.0% of the total). At present, about 49% of the Italian population turns to GPI for their booking needs and contact with Healthcare Facilities. This increase is particularly attributable to new activities related to the Covid-19 emergency and new orders acquired in the second half of 2020, which came into full effect in the first half of 2021.

In response to the new needs that have emerged with the onset and continuation of the pandemic, GPI has designed and implemented technologically advanced solutions that, in combination with high-level services, have supported many public and private customers. Among its many projects, the following are worth mentioning: the management of bookings for swab tests and vaccinations; the design and creation of totems to eliminate queues and verify Green Passes (the latter also offered to a large number of private customers); the creation of solutions using artificial intelligence to combine the risk profiles of people receiving vaccines and assign priorities; **the management of over 180,000 chronic patients through the proper combination of technology and telemedicine services.**

The **Other** SBAs (Automation, ICT, Pay) contributed positively to the results, recording overall revenue of **EUR 19.6 million**, **+33.7%** compared to EUR 14.7 million in the first half of 2020.

In thousands of Euro	Software SBA		Care SBA		Other SBAs	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Revenue and other income	51,917	41,547	80,328	60,990	19,601	14,665
<b>H12021/H12020</b>	<b>25.0%</b>		<b>31.7%</b>		<b>33.7%</b>	

## REVENUE BY GEOGRAPHICAL AREA

International revenue accounted for 10.3% of the total. The strong growth (+101%) compared to the first half of 2020 is mainly due to the contribution of the acquisitions in the blood management system software sector (Haemonetics and Medinfo), and therefore largely refers to the areas of France and the United States (where GPI USA Inc. operates). Good results were also achieved in the DACH area (Germany, Austria and Switzerland) and, thanks to significant sales of Automation solutions, in the Middle East and China.

In thousands of Euro	H1 2021	H1 2020
Italy	136,228	109,450
Abroad	15,618	7,752
<b>Total</b>	<b>151,846</b>	<b>117,202</b>

### ADJUSTED REVENUE

Adjusted revenue reflects the value of total revenue net of the amounts provisionally earned by the company but pertaining to the principal companies in temporary consortia.

In the first half of 2021, adjusted revenue amounted to EUR 138.1 million (+27.8% compared to EUR 108.1 million in the same period of 2020).

### EBITDA

The EBITDA amounted to EUR 14.1 million (EUR 10.5 million in the first half of 2020).

In percentage terms, eliminating the effects due to revenue attributable to temporary consortia, the first half of 2021 shows an **adjusted EBITDA margin of 10.2%** (9.7% in the first half of 2020), with a significant contribution from the *Software and IT services* SBA (EUR 9.7 million, or 68.3%).

The profitability levels of the main SBAs during the first half of the year are characterised by the typical seasonal nature of the business which, although mitigated by the post Covid-19 recovery, especially compresses margins compared to annual performance.

### EBIT

EBIT amounted to EUR 2.5 million (EUR 0.9 million in the first half of 2020), after an increase in depreciation and amortisation of EUR 1.5 million compared to the previous period.

### NET RESULT

The net result was EUR 0.2 million, unchanged compared to the first half of 2020. The improved results from operations offset the increase in net financial expenses and the positive tax impact recognised in the first half of 2020.

### NET INVESTED CAPITAL

Non-current assets increased by EUR 9.3 million due to both the acquisition of the Medinfo Group and investments in new projects, particularly software.

Other current assets and liabilities decreased by a total of EUR 13.1 million, mainly due to greater amounts due to employees (the effect of the seasonal trend in this item and the higher number of employees) and accruals and deferrals. It should be noted that, as a result of the new ESMA recommendations of 04 March 2021, non-current payables for the purchase of equity investments have been included in Net Financial Debt (NFD).

Overall, Net Invested Capital is therefore EUR 221.6 million, up EUR 13.4 million on 31 December 2020 restated<sup>2</sup>.

<sup>2</sup> As a result of the completion of the acquisition of the Haemonetics business unit on 2 July 2020 by GPI Usa Inc., certain key accounting values have changed from what was previously established. Therefore, the acquisition values

## SHAREHOLDERS' EQUITY

Shareholders' equity amounted to EUR 73.5 million, a decrease compared to EUR 83.4 million as at 31 December 2020 mainly due to the distribution of dividends for EUR 7.9 million.

## NET FINANCIAL DEBT

Net financial debt (NFD) stood at EUR 148.1 million, up from EUR 124.8 million in 2020.

The change in the NFD reflects the investments and acquisitions of companies carried out during the period, amounting to EUR 20 million, as well as the effect of the approved distribution of dividends paid in July 2021 for EUR 7.9 million. It should also be noted that in the half-year period investments in property, plant and equipment and intangible assets were made for EUR 9.4 million.

Gross financial debt, amounting to EUR 220.1 million, includes for roughly three quarters medium/long-term loans and bonds, and for the remainder short-term debt.

## EMPLOYEES

As at 30 June 2021 the GPI Group had 6,871 employees (5,327 in the first half of 2020).

## BOND ISSUES AND MATURING ISSUES

During the first half of 2021, the GPI Group did not issue any bonds.

The redemption value of the bonds issued by GPI S.p.A. maturing in the 18 months following the period-end close as at 30 June 2021 is as follows:

*Nominal redemption value in thousands of Euros and maturities*

Bond	ISIN Code	December 2021	June 2022	December 2022
GPI S.p.A. - 4.3% 2016 - 2023	IT0005187320	1,500	1,500	1,500
GPI S.p.A. - 3% 2017 - 2022	IT0005312886	5,000	5,000	5,000

Taking into account the maturities of outstanding loans, in light of future financial commitments and in order to have adequate cash resources available to take advantage of any opportunities for external growth, the company is evaluating a possible intervention on its debt through recourse to the debt capital markets and/or forms of bank financing, while maintaining the level of debt within the covenants already agreed upon.

## SIGNIFICANT EVENTS DURING THE PERIOD

- In January, with the completion of the acquisitions of 100% of the Medinfo group and the remaining 40% of the share capital of the subsidiary Hemasoft Software S.L., the GPI Group implemented its internationalisation strategy in the high-margin sector of Blood Bank Management System software.
- In February:
  - the GPI Group and its subsidiary Umana were recognised at the "Malta Healthcare Awards 2021";
  - the GPI Group won a new contract for the multi-channel management of patient intake services for the healthcare facilities of the Liguria Region;
  - Cerved Rating Agency confirmed GPI's "A3.1" rating.
- In April, GPI Cyberdefence, a NewCo dedicated to IT security, was founded.
- The Shareholders' Meeting approved the distribution of a gross dividend of EUR 0.50 per share.
- In May, the GPI Group was awarded the contract for the multi-channel management of the Lazio Region's ReCUP service.

allocated to the assets acquired have been restated, resulting in a change in the carrying amounts as at 31 December 2020.

- In June, in Tuscany, the first implementation contract was finalised as part of a broader agreement for the management of the assistance and maintenance service for computer workstations and for entities of the Regional Healthcare Service.

### SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Based on the fulfilment of the "Acceleration Condition" in June 2021 and as set out in the "GPI S.p.A. Warrant" Regulation, requests were received for the exercise of a total of 2,350,957 Warrants with an exercise ratio of 1:1. The Company therefore issued 2,350,957 Ordinary Shares, as a result of which the new share capital of GPI S.p.A. is now EUR 8,780,059.60 divided into 18,260,496 Ordinary Shares with no nominal value, of which 10,240,926 have increased voting rights. The funds of roughly EUR 22.3 million raised through the exercise of the warrants will be put towards financing M&A transactions, contributing to the Group's ongoing growth process.

### OUTLOOK

In the light of the above, the GPI Group expects to see an increase in both revenue and EBITDA in 2021, which will be > EUR 315 million and > EUR 47 million, respectively.

The desire to support the Group's external growth remains, with a particular focus on those companies that will make a significant contribution to innovation in the Software SBA and to strengthening its positioning in international markets.

As widely predicted in the report from the end of 2020, the first 6 months of 2021 were characterised by a climate of great uncertainty due to the continuing Covid-19 health emergency.

The National Recovery and Resilience Plan (NRRP)<sup>3</sup> is allocating EUR 18.5 billion with the aim of strengthening prevention and local healthcare services, modernising and digitalising the healthcare system and ensuring equity in access to care.

The Group's awareness that it plays a strategic role in the healthcare sector through the orchestration of Healthcare Business Capabilities and thanks to the right combination of technologies and services, the domain expertise gained in over thirty years of experience and the overhaul of prevention and care models envisaged in the NRRP indicate significant growth potential for the GPI Group.

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Please note that the half-yearly financial report as at 30 June 2021, prepared in accordance with current regulations and complete with the Auditing Company's report, has been filed at the registered office in Trento, via Ragazzi del '99 no. 13, with the authorised storage mechanism 1Info ([www.1info.it](http://www.1info.it)) and published on the Company's website [www.gpi.it](http://www.gpi.it) - Investors section, Statements & Reports, 2021.

*The manager in charge of financial reporting, Federica Fiamingo, hereby declares, pursuant to article 154-ter of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.*

### GPI GROUP

GPI is the preferred partner for software, technologies and services for Healthcare, Social Services and the Public Administration. Founded more than 30 years ago in Trento, GPI has grown through significant investments in M&A (in Italy and abroad) and R&D, which it carries out in partnership with leading Italian research centres and universities to share scientific, technological, functional and process knowledge applied to the e-health, e-welfare, well-being sectors.

<sup>3</sup> <https://www.mef.gov.it/focus/Il-Piano-Nazionale-di-Ripresa-e-Resilienza-PNRR/>

Also drawing on the solutions and know-how gained from the companies that have joined its ecosystem, the Group has masterfully translated the needs of the healthcare industry into cutting-edge high-tech solutions and new service models that optimise prevention, diagnosis and care processes, improving people's lives.

The offer combines specialised IT expertise with advisory and design capabilities enabling it to operate in a range of business areas: Software, Care, Automation, ICT and Payment services.

The Company reported consolidated revenue of EUR 271 million in 2020, with over 6,100 employees at year end and more than 2,400 customers in over 60 countries.

GPI was listed on Borsa Italiana in 2016 (AIM segment) and moved to the MTA market in 2018.

ISIN ordinary shares: IT0005221517 - ISIN "Warrant GPI SpA": IT0005221475

Press release available at [www.gpi.it](http://www.gpi.it) and [www.1info.it](http://www.1info.it)

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## CONSOLIDATED INCOME STATEMENT

thousands of Euro	30 June 2021	30 June 2020
Revenue	150,487	115,924
Other income	1,359	1,278
<b>Total revenue and other income</b>	<b>151,846</b>	<b>117,202</b>
Raw materials and consumables	(4,166)	(4,128)
Service costs	(43,451)	(32,669)
Personnel expense	(88,284)	(68,317)
Amortisation, depreciation and impairment losses	(10,896)	(9,380)
Other provisions	(743)	(149)
Other operating costs	(1,802)	(1,628)
<b>Operating profit</b>	<b>2,504</b>	<b>930</b>
Financial income	1,364	387
Financial expense	(3,468)	(2,134)
<b>Net financial expense</b>	<b>(2,104)</b>	<b>(1,747)</b>
Share of profit/(loss) of equity-accounted investees, net of tax	-	-
<b>Profit (loss) before tax</b>	<b>400</b>	<b>(817)</b>
Income taxes	(170)	1,020
<b>Profit for the period</b>	<b>230</b>	<b>203</b>
<b>Profit for the period attributable to:</b>		-
Owners of the parent	(28)	83
Non-controlling interests	258	119

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

thousands of Euro	30 June 2021	31 December 2020 restated
<b>Assets</b>		
Goodwill	50,303	42,405
Other intangible assets	83,437	81,138
Property, plant and equipment	28,094	27,442
Equity-accounted investments	118	171
Non-current financial assets	759	1,292
Deferred tax assets	7,489	6,852
Contract costs	4,997	5,928
Other non-current assets	483	592
<b>Non-current assets</b>	<b>175,679</b>	<b>165,820</b>
Inventories	7,064	6,054
Contract assets	114,608	105,090
Trade receivables and other assets	53,967	45,749
Cash and cash equivalents	55,352	80,605
Current financial assets	16,619	8,407
Current tax assets	1,644	1,087
<b>Current assets</b>	<b>249,253</b>	<b>246,992</b>
	<b>424,932</b>	<b>412,812</b>
<b>Shareholders' equity</b>		
Share capital	8,545	8,545
Share premium reserve	52,573	52,573
Other reserves and retained earnings/(losses carried forward), including profit/(loss) for the period	10,705	20,448
<b>Capital and reserves attributable to owners of the parent</b>	<b>71,823</b>	<b>81,566</b>
<b>Capital and reserves attributable to non-controlling interests</b>	<b>1,669</b>	<b>1,814</b>
<b>Total equity</b>	<b>73,492</b>	<b>83,380</b>
<b>Liabilities</b>		
Non-current financial liabilities	158,934	154,177
Non-current provisions for employee benefits	7,052	6,845
Non-current provisions for risks and charges	323	237
Deferred tax liabilities	8,563	8,194
Trade payables and other liabilities	2,809	7,464



<b>Non-current liabilities</b>	<b>177,681</b>	<b>176,918</b>
Contract liabilities	448	81
Trade payables and other liabilities	110,008	95,854
Current provisions for employee benefits	811	811
Current provisions for risks and charges	479	889
Current financial liabilities	58,566	52,416
Current tax liabilities	3,446	2,463
<b>Current liabilities</b>	<b>173,758</b>	<b>152,514</b>
<b>Total liabilities</b>	<b>351,439</b>	<b>329,432</b>
<b>Total equity and liabilities</b>	<b>424,932</b>	<b>412,812</b>

## GROUP NET FINANCIAL DEBT

In thousands of Euro	30/06/2021	31/12/2020 restated	Delta	31/12/2020
Cash and cash equivalents (A)	55,352	80,605		80,605
Cash equivalents (B)	0	0		0
Current financial assets (C)	16,619	8,407		8,407
<b>Liquidity (D = A + B + C)</b>	<b>71,971</b>	<b>89,012</b>		<b>89,012</b>
Current financial debt (E)	-36,974	-27,328		-27,328
Current portion of non-current financial debt (F)	-21,592	-25,088		-25,088
<b>Current financial debt (G = E + F)</b>	<b>-58,566</b>	<b>-52,416</b>		<b>-52,416</b>
<b>Net current financial position (H = G + D)</b>	<b>13,405</b>	<b>36,596</b>		<b>36,595</b>
Non-current financial debt (I)	-80,739	-75,214		-75,214
Debt instruments (J)	-78,194	-78,963		-78,963
<b>Net financial debt as per ESMA Recommendation (version 31.12.2020)</b>	<b>-145,529</b>	<b>-117,581</b>		<b>-117,582</b>
Trade payables and other non-current payables (K)	-2,606	-7,261	-7,261	0
<b>Non-current financial debt (L = I + J + K)</b>	<b>-161,540</b>	<b>-161,438</b>		<b>-154,177</b>
<b>TOTAL FINANCIAL DEBT (M = H + L)</b>	<b>-148,135</b>	<b>-124,842</b>		<b>-117,582</b>
Non-current financial assets (N)	759	1,292		1,292
Current liabilities for acquisition of equity investments (O)	-17,228	-21,057	7,260	-28,317
<b>Net financial debt, including non-current financial assets and payables for the purchase of equity investments (P = M + N + O)</b>	<b>-164,604</b>	<b>-144,607</b>		<b>-144,606</b>

## CONSOLIDATED CASH FLOW STATEMENT

thousands of Euro	30 June 2021	30 June 2020
<b>Cash flows from operating activities</b>		
Profit for the period	230	203
Adjustments for:		
- Depreciation of property, plant and equipment	3,154	2,740
- Amortisation of intangible assets	6,727	5,590
- Amortisation of contract costs	1,014	1,050
- Other provisions	743	149
- Net financial income	2,104	1,747
- Income tax	170	(1,020)
Changes in working capital and other changes	(2,718)	(2,126)
Interest paid	(2,902)	(2,087)
Income taxes paid	(170)	1,020
<b>Net cash flows generated by operating activities</b>	<b>8,352</b>	<b>7,266</b>
<b>Cash flows from investing activities</b>		
Interest collected	430	258
Net investments in property, plant and equipment	(3,798)	(2,117)
Net investments in intangible assets	(5,554)	(4,787)
Net change in other current and non-current financial assets	(309)	602
Acquisition of subsidiaries, net of cash acquired and disposals	(9,251)	(6,444)
Change in liabilities for acquisition of equity investments	(8,559)	(1,745)
Acquisitions of non-controlling interests	(2,173)	-
<b>Net cash flows used in investing activities</b>	<b>(29,300)</b>	<b>(14,233)</b>
<b>Cash flows from financing activities</b>		
Acquisition of treasury shares	-	-
Dividends paid	(91)	-
New bank loans	17,000	25,000
Repayment of bank loans	(14,415)	(10,657)
Bond issues	-	-
Bond redemptions	(6,500)	(1,500)
New lease payables	2,309	521
Lease payments	(1,812)	(2,133)

Net change in other current and non-current financial liabilities	(884)	(2,434)
<b>Net cash flows generated by (used in) financing activities</b>	<b>(4,392)</b>	<b>8,797</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(25,253)</b>	<b>1,830</b>
Opening cash and cash equivalents	80,605	53,241
<b>Cash and cash equivalents</b>	<b>55,352</b>	<b>55,071</b>