

GPI H1 2023: DOUBLE-DIGIT GROWTH DRIVEN BY SOFTWARE

REVENUE +14% AND EBITDA +50%

- Revenue € 193 M, +14% (H1 22: € 169 M)
 - Software: € 82 M (H1 22: € 58 M, +42%)
 - Care: € 83 M (H1 22: € 88 M, -5%)
 - Other SBAs: € 28 M (H1 22: € 24 M, +18%)
 - Overseas revenue: € 27 M (H1 22: € 16 M, +68%)
- EBITDA € 26 M (H1 22: € 17 M, +50%)
- NFD: € 174 M (FY 22: € 143 M), o/w net debt to financial institutions amounting to € 119 M (FY22: € 65 M)

Conference call Tuesday, 3 October 2023 – 11:00 CET

Details and information on how to attend are given at the end of this press release

Trento, 29 September 2023

The Board of Directors of Gpi S.p.A. (**GPI:IM**), a leading company in information systems and services for health and social care, listed in the Tech Leaders segment of the Euronext Milan market, met today and approved the consolidated half-year financial report as at 30 June 2023, prepared in accordance with IAS/IFRS.

Fausto Manzana, CEO of the Gpi Group: *"In the first half of 2023, the Gpi Group confirmed solid growth in both revenues and profit margins. The results obtained bear witness to and confirm the soundness of the Group's strategy of increasing its focus on its core business of software and IT services for healthcare, in Italy and abroad. About 14% of consolidated revenues were generated internationally. In keeping with this development and focus strategy, with a view to creating value for its shareholders, the Group considers it a priority to reduce consolidated debt, including through the possible disposal of certain businesses deemed non-strategic, starting with Argentea S.r.l. (essentially coinciding with the SBA Pay).*

Achieving technological innovation and interpreting the evolution of healthcare service models are our goals and recognised areas of expertise. Our sustainable development process thus continues according to the 2022-2024 strategic plan, projecting us into international markets. The acquisition of the France-based Evolucare, completed in early August of this year, confirms this development.

Our vision remains unchanged: to lead the process of digitalisation and sustainable technological transformation of the processes of prevention, healthcare, treatment and personal well-being."

Right after the end of the semester the acquisition of 96.58% of the share capital of the French Evolucare Group was finalised on 4 August. In 2022, Evolucare reported revenues of € 42.9 M and EBITDA of € 15.7 M (values determined according to French GAAP). The consideration agreed for the acquisition of 96.58% of the Evolucare Group is approximately € 109 M, determined on the basis of an equity value for 100% of the fully-diluted share capital of € 116 M, corresponding to an EV/adj. EBITDA 2022 multiple of about 11.0x. The financial resources were drawn mainly from the € 140 M capital increase, completed in December 2022, through which CDP Equity S.p.A. and major Italian and foreign institutional investors acquired interests in the company.

The acquisition is part of the strategic guidelines that Gpi has already prepared and announced in its 2022 - 2024 Strategic Business Plan. The Evolucare Group sells its software solutions dedicated to healthcare systems, mainly in France and Germany. The solutions offered by Evolucare and Gpi complement each other perfectly, in terms of both technological solutions and target markets. The acquisition considerably increases the share of Gpi's revenues generated abroad and creates a major player in software in France, where Gpi will integrate the operations of the Group's other recently acquired French companies to achieve new industrial and product synergies.

The Gpi Group's growth process is therefore focused on the European market of the Software SBA, a high-margin strategic area and vehicle for the digital, sustainable transformation of healthcare, also focusing on integrating the recently acquired companies in order to maximise synergies and improve competitive positioning in an increasingly international market.

Accordingly, the Board of Directors of Gpi S.p.A. today resolved to initiate a formal competitive process for the monetisation of Argentea S.r.l. (SBA Pay) through possible sale. In FY 2022 Argentea reported Revenue of € 14.1 M and EBITDA of € 5.7 M.

In FY 2023, pro forma consolidated revenues are estimated to be around € 460 M (with an overseas component exceeding 20%), pro forma consolidated EBITDA about € 88 M and net financial debt less than € 340 M (of which about € 50 M relates to residual debt from extraordinary M&A transactions).

These parameters allow existing covenants to be observed in full.

MAIN CONSOLIDATED RESULTS AS AT 30 JUNE 2023

REVENUE

In the first six months of 2023, in a complex, volatile macroeconomic environment, Gpi recorded a significant improvement in its key economic indicators. In the half-year ended 30 June 2023, consolidated revenue rose € 24 M to € 193 M (€ 169 M in H1 22, +14%, of which 6.5% organic), and consolidated EBITDA

was up € 9 M to € 26 M (€ 17 M in H1 22, +50%), thus showing more substantial growth due to a greater weight of the technology areas and especially the Software SBA.

REVENUE BY STRATEGIC BUSINESS AREA (SBA)

Gpi organises its operations into Strategic Business Areas (SBAs) to meet the needs of customers, which operate in the crucial and complex healthcare market, according to an integrated, comprehensive approach, based on the composable digital care paradigm. All Strategic Business Areas do business with both public and private customers.

In H1 2023, 85.5% of revenues was generated by the two main SBAs, Software and Care (86% in H1 22).

The **Software SBA** is the area that makes most use of technology drivers – big data and analytics, artificial intelligence, cloud technology and the Internet of things – which support organisational and clinical processes in the healthcare world, making them more efficient and sustainable. Revenues amounted to € 82 M (42.4% of total revenues), up +42% on the first half of 2022 (when they accounted for 34.1% of the total). The growth of over € 24 M, of which 11 M. was organic, is mainly due to the Group's ability to increase its sales, improve the level of installed products and gain new customers.

The **Care SBA** reported revenues of € 83 M (43.1% of the total, - 5%) compared to € 88 M in H1 22 (51.9% of the total). The first half of 2022 provides an inadequate basis for comparison, because it saw record revenues related to the end of the SARS-Cov-2 pandemic emergency. The first half of 2023 shows a return to a normality in the time series, with higher revenues expected in the second half of the year. Almost 50% of the Italian population continue to turn to Gpi for their needs to contact healthcare facilities and book services.

The **Pay SBA** recorded total revenues of approximately € 7.2 M, an increase of 14% compared to approximately € 6.4 M in H1 22.

The **Automation and ICT SBAs** recorded total revenues of about € 21 M, an increase of +20% compared to € 17 M in H1 22.

PERFORMANCE HIGHLIGHTS BY SBA in thousands of Euros	Software		Care		Pay		Other operating segments		Total	
	H123	H122	H123	H122	H123	H122	H123	H122	H123	H122
Revenue and other income	81,777	57,655	83,121	87,628	7,245	6,375	20,752	17,256	192,895	168,914
Gross operating profit	19,523	11,301	660	2,250	2,261	1,702	3,578	2,094	26,022	17,347
EBITDA %	23.9%	19.6%	0.8%	2.6%	31.2%	26.7%	17.2%	12.1%	13.5%	10.3%

REVENUE BY GEOGRAPHICAL AREA

Foreign revenues accounted for 14% of total revenues, an increase of about 68% compared to H1 2022; the acquisition of Tesi and the robust contribution of organic growth, with flagship technology products winning over the most demanding international customers, played an important role.

Automation, with the Riedl Phasys automated warehouse, won new contracts in Germany, Switzerland and Hungary, made landfill on the Canary Islands (Spain) to automate five hospitals and expanded into China and Japan.

The Gpi4Blood product suite, with its modular solutions to meet various customer needs, increased sales in the US and gained new customers in Spain through up-selling, due in part to synergies with Tesi.

In EUR thousands	30 June 2023	%	30 June 2022	%
Italy	166,209	86.2%	153,007	90.6%
Abroad	26,686	13.8%	15,908	9.4%
Total	192,895		168,914	

ADJUSTED REVENUE

Adjusted revenue reflects the value of total revenue net of the amounts attributable to the principal companies in temporary groupings. In the first half of 2023, adjusted revenue amounted to € 180 M, +14% on € 158 M in H1 22.

EBITDA

EBITDA amounted to € 26 M, compared to € 17 M in H1 22, an increase of +50%, with a significant contribution from the Software SBA. The EBITDA margin was thus 13.5% (10.3% in H1 22), a sharp improvement. In addition, eliminating the effects of revenue from temporary groupings, the EBITDA margin on adjusted revenues was 14.4% in the first half of 2023 (11% in H1 22). The profitability levels of the main SBAs are typically characterised by a weaker first half of the year than the second, due to the spending dynamics of the Italian government, which tends to allocate resources towards the end of the year.

EBIT

Operating profit doubled to € 8.9 M (€ 4.5 M in H1 2022), after an increase in amortisation, depreciation and impairment losses of € 2.8 M, due to the impact of the completion of investments related to product development, particularly for the Software SBA.

FINANCIAL OPERATIONS

As a percentage of total revenues, financial operations amounted to 3.8% (1.6% in H1 22), increasing due to the rising cost of money.

NET PROFIT

The net profit amounted to € 0.5 M, a sharp increase compared to the first half of 2022.

NET INVESTED CAPITAL

Net working capital increased by about € 22 M compared to the end of the previous year, due to the increase in total trade receivables of around € 18.5 M, the increase in inventories of around € 2 M and the decrease in trade payables of € 1.5 M.

Fixed assets increased by approximately € 9 M due to investments in new products and innovative solutions by the Software SBA.

Other operating assets and liabilities amounted to approximately € 59 M and increased by € 13.5 M.

As a result of these changes, net invested capital as at 30 June 2023 amounted to approximately € 409 M, an increase of approximately € 18 M compared to 31 December 2022.

SHAREHOLDERS' EQUITY

Shareholders' equity amounted to € 235 M. The decrease compared to the end of 2022 is mainly due to the distribution of dividends (€ 14.5 M) in May 2023.

NET FINANCIAL DEBT

Net Financial Debt (NFD) was € 174 M as at 30 June 2023, an increase of approximately € 31 M compared to the end of financial year 2022.

NFD also includes liabilities for extraordinary transactions of € 42 M; for IFRS16 about € 13 M, therefore net of this component, net debt to financial institutions is € 119 M.

The increase in debt in the presence of an EBITDA increased to € 26 M was due to:

- approximately € 23 M in investments;
- net working capital, which resulted in an absorption of about € 11 M, due to the start-up of new software contracts with the Italian government;
- € 14.5 M for the distribution of dividends;
- net financial expenses of almost € 7 M;
- approximately € 1 M for M&A transactions.

EMPLOYEES

As at 30 June 2023, the Group had a total of 7,589 employees, an increase compared to both 31 December 2022 (+5%) and 30 June 2022 (+9%). Personnel is mainly employed by Gpi S.p.A. and the Italian subsidiaries (95.6% of the total).

In the first half of 2023, Gpi continued to invest in the professional development of its employees through initial, refresher and retention training programmes, providing 63,000 hours of training. The main objectives for the first half of 2023 were to consolidate company competencies, mitigate the risk of skill shortages and promote a culture of continuous learning. Corporate training is considered a strategic lever to support the growth of the organisation as a whole and of the people within it. It aims to develop specialised skills, ensure technical and professional updates and promote transversal competences and skills.

BOND ISSUES AND MATURING ISSUES

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 2023 is as follows:

Nominal redemption value in thousands of Euros and maturities

Bond	ISIN Code	October/December 2023	June 2024	December 2024
GPI S.p.A. - 4.3% 2016 - 2023	IT0005187320	1,500	--	--
GPI S.p.A. 3.5% 2019-2025	IT0005394371	8,333	8,333	8,333

SIGNIFICANT EVENTS DURING THE PERIOD

In January, the Gpi Group, in a consortium with the companies awarded the Consip framework agreement "Digital Health - Clinical and Healthcare Information Systems", was awarded the contract for the implementation of the Regional Electronic Medical Records of the Lombardy Region. Under the € 32.7 M contract, it is to supply an application solution for the system based on a single technology platform extended to all 19 health authorities in the Lombardy Region. The total term of the supply contract is four years. Gpi's 38% share is approximately € 12.4 M.

Also, in January, and in the same context of the above-mentioned Consip framework agreement, the consortium led by Gpi was awarded the contract for the implementation of the Pathological Anatomy digital solution for all the departments and services of the Veneto Region's health authorities. The contract, worth € 5.9 M, almost entirely awarded to Gpi, has a term of four years.

In February, in order to increase the development of the Group's activities in the UK after Brexit, the company Gpi Britannia Limited was established in Cannock, Staffordshire. The wholly-owned company is fully consolidated by the Gpi Group.

In February, GPI acquired the CODIN business unit, which operates in the field of healthcare information services and IT security: the estimated consideration, subject to price adjustment mechanisms, is € 0.8 M.

In March, Gpi led the consortium that, in the context of the Consip framework agreement described above, was awarded the contract for the implementation of the Friuli Venezia Giulia Region's telemedicine processes. The telemedicine software platform provided by Gpi includes telemedical examination, teleconsultation, telehealth cooperation, telemonitoring, telecontrol, telehealth and telerehabilitation. The contract has a term of four years and is worth € 2.1 M, one of which is attributable to Gpi.

In March, POHEMA, Gpi's telemedicine platform was the first in Italy to obtain MDR 745/2017 (Medical Device Regulation) certification. The European Regulation, in force since May 2021, brings important improvements to the compliance of medical devices with the aim of improving the quality, safety and reliability of medical devices placed on the European market.

In April, Gpi – through its subsidiary GPI Iberia – won the tender for the automation of five hospitals of the Servicio Canario de la Salud. The contract is worth almost € 2 M and involves the supply of seven Riedl Phasys systems, including eight years of maintenance.

In May, Gpi signed a memorandum of understanding with the Operational Centre for Cyber Security of the Trentino-South Tyrol Postal Police. The initiative is part of the broader, consolidated "participatory" security model and aims to further strengthen the prevention network to defend against cyber-attacks on sensitive infrastructures, with the efforts of the Postal Police and the most qualified representatives of the Trentino Region's economy and business community converging towards this goal.

In May, Gpi, in a temporary grouping of companies consisting of its subsidiary Contact Care Solutions s.r.l. (member) and Comdata S.p.A. (lead company), was awarded the contract for the supply of front office services to the Lombardy Regional Contact Centre. The contract, worth € 280 M (70% share for Gpi), has a total term of six years.

In June, Gpi (the lead company), in a temporary business grouping with Al maviva S.p.A. (member), won the tender for both lots in which it participated for the award of the computerised personnel management service for the Lombardy Region, regional authorities and companies. The contract is worth € 7 M (€ 5.9 M for Gpi) and has a term of 7 years.

In June, Gpi joined Euronext Tech Leaders, an initiative dedicated to more than 120 European high-growth companies and leaders in the technology sector, listed on the European stock exchanges of Amsterdam, Brussels, Dublin, Lisbon, Milan, Oslo and Paris.

Merger of the French companies Guyot-Walser Informatique S.a.s. and Medinfo International Hemoservice into Gpi France SASU on 30 June 2023. The transaction is part of the reorganisation process to strengthen offerings in France, due in part to the acquisition of the Evolucare Group and the resulting industrial synergies.

Innovation activities in the first half of 2023 included the project developed by Gpi's Research and Development laboratories, which, through the adoption of sophisticated artificial intelligence (deep learning) algorithms, designed to analyse the voice and identify the fundamental emotions in human speech, has proven to be an effective screening tool for post-partum depression. This is an important, rare case of the application of artificial intelligence to clinical practice, put to the test in daily practice (154 new

mothers screened). Carried out in collaboration with Professor Vassilios Fanos, tenured professor in Cagliari, director of Neonatology and president of the Italian Society of Paediatric Psychology, it achieved interesting and promising preliminary results, confirming the superimposability of the results obtained with the Edinburgh Test (the tool of choice) and also enabling the development of two medical degree theses and a scientific paper accepted by the prestigious journal JPNIM.

OUTLOOK

The healthcare digitalisation process is a fundamental step in improving the value-for-money of health services, optimising resources (particularly waste in care coordination), reducing differences between areas and innovating reception and caretaking relations to improve the quality perceived by citizens.

Italy has chosen to make use of digital health tools, including Electronic Health Records, telemedicine and the dematerialisation of patient files and reports, drawing on the substantial economic resources made available at both national and European level. Although those in charge of managing this change have been clearly identified, development of digital health in Italy remains slow: for example, the portal for implementation of the Consip Framework Agreements was down for six months and became partially operational again in September.

Gpi nonetheless continues to manage important projects that are considered strategic for the country, such as the Electronic Health Records for the Lombardy Region, scheduled to be launched this October. This investment is an important asset in our product portfolio, and is also destined for the international market, thanks to European MDR (Medical Device Regulation) certification.

Gpi confirms its identity as an innovative company, through research and development activities that increasingly mark it as a company with a scientific focus. The technological solutions introduced in AI and one health contribute to the Group's reputation, which is now at the highest level.

Gpi is also in a phase of significant inorganic growth. Diversity of values, cultures and individuals offers a unique potential to meet the challenge of the global market.

The half-yearly financial report as at 30 June 2023, 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) and published on the Company's website www.gpigroup.com - section Investors, Statements & Reports, 2023. 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.

Live Video Webcast Tuesday, 03 October 2023 - 11:00 CET

Presentation of H1 23 results

To participate in the event, please complete your registration using the link provided below:

https://channel.royalcast.com/landingpage/gpi/20231003_1/

Supporting material will be available within an hour of the start of the event the following

www.gpigroup.com/en/investors/events/

GPI GROUP

GPI is the partner of choice 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 in R&D, carried out in partnership with leading Italian universities and research centres to transfer scientific, technological, functional and process knowledge into the e-health, e-welfare, and well-being sectors.

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 revenues of €360.2 million in 2022, with over 7,100 employees at year end, and more than 3,000 customers in over 70 countries.

GPI was listed on Borsa Italiana in 2016 (AIM segment) and moved to the MTA (now EXM) market in 2018. In 2023 it became part of Euronext Tech Leaders, the Borsa Italiana initiative of dedicated to high-growth and leading tech companies.

ISIN ordinary shares: IT0005221517

Press release available at www.gpigroup.com and www.1info.it

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CONSOLIDATED INCOME STATEMENT	H1 2023	H1 2022
<i>in thousands of Euros</i>		
Revenue	189,833	167,470
Other income	3,062	1,445
Total revenue and other income	192,895	168,914
Raw materials and consumables	(9,058)	(5,445)
Service costs	(48,045)	(45,962)
Personnel expense	(107,955)	(98,510)
Amortisation, depreciation and impairment losses	(14,945)	(12,132)
Other provisions	(2,187)	(681)
Other operating costs	(1,815)	(1,650)
Operating profit	8,890	4,534
Financial income	2,109	1,857
Financial expense	(9,460)	(4,507)
Net financial expense	(7,351)	(2,650)
Share of profit/(loss) of equity-accounted investees, net of tax	5	(1)
Profit (loss) before tax	1,544	1,884
Income taxes	(1,037)	(1,634)
Profit for the period	506	250
Profit for the period attributable to:		
Owners of the parent	571	331
Non-controlling interests	(64)	(81)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, in thousands of Euros	30 June 2023	31 December 2022
Assets		
Goodwill	124,947	125,235
Other intangible assets	89,825	86,767
Property, plant and equipment	40,704	34,484
Equity-accounted investments	308	111
Non-current financial assets	11,401	11,580
Deferred tax assets	11,134	9,140
Contract costs	1,450	1,740
Other non-current assets	375	415
Non-current assets	280,144	269,471
Inventories	15,156	12,954
Contract assets	162,645	151,309
Trade receivables and other current receivables	94,220	83,668
Cash and cash equivalents	132,788	177,054
Current financial assets	21,515	17,104
Current tax assets	1,745	1,676
Current assets	428,069	443,764
Total assets	708,213	713,235
Shareholders' equity		
Share capital	13,890	13,890
Share premium reserve	209,562	209,562
Other reserves and retained earnings/(losses carried forward), including profit/(loss) for the period	11,824	25,451
Capital and reserves attributable to owners of the parent	235,276	248,903
Capital and reserves attributable to non-controlling interests	(236)	39
Totale patrimonio netto	235,040	248,942
Total Shareholders' Equity		
Non-current financial liabilities	253,115	251,940
Non-current provisions for employee benefits	6,115	5,837
Non-current provisions for risks and charges	796	509
Deferred tax liabilities	9,794	10,476
Trade payables and other current liabilities	631	663
Non-current liabilities	270,453	269,424
Contract liabilities	6,251	6,514
Trade payables and other liabilities	113,997	99,215
Current provisions for employee benefits	2,476	2,421
Current provisions for risks and charges	823	805
Current financial liabilities	75,260	84,757
Current tax liabilities	3,913	1,156
Current liabilities	202,720	194,869
Total liabilities	473,173	464,293
Total equity and liabilities	708,213	713,235

CONSOLIDATED CASH FLOW STATEMENT, in thousands of Euros	H1 2023	H1 2022
Cash flows from operating activities		
Profit for the period	506	250
Adjustments for:		
– Depreciation of property, plant and equipment	4,424	3,232
– Amortisation of intangible assets	10,231	7,654
– Amortisation of contract costs	290	1,247
– Other provisions	2,187	681
– Net financial income	7,346	2,650
– Income tax	1,037	1,634
Changes in working capital and other changes	(10,770)	(3,831)
Interest paid	(7,337)	(2,739)
Income taxes paid	(799)	(1,634)
Net cash flows generated by operating activities	7,115	9,144
Cash flows from investing activities		
Interest collected	659	29
Net investments in property, plant and equipment	(10,644)	(2,782)
Net investments in intangible assets	(12,190)	(7,483)
Net change in other current and non-current financial assets	(4,139)	(28,630)
Acquisition of subsidiaries, net of cash acquired and disposals	(748)	(1,020)
Change in liabilities for acquisition of equity investments	-	(360)
Net cash flows used in investing activities	(27,062)	(40,246)
Cash flows from financing activities		
Capital increases and related charges	-	(1,049)
Dividends paid	(14,480)	(9,239)
Proceeds from bank borrowings	30,000	155,817
Repayments of bank loans	(2,963)	(87,680)
Repayments of bonds	(9,833)	(11,500)
Issuance of lease obligations	2,329	963
Payment of lease payables	(3,300)	(2,120)
Net change in other current and non-current financial liabilities	(3,872)	2,949
Change in payables for the purchase of equity investments	(22,200)	(721)
Net cash flows generated by financing activities	(24,319)	47,420
Net increase (decrease) in cash and cash equivalents	(44,266)	16,318
Opening cash and cash equivalents	177,054	41,371
Cash and cash equivalents	132,788	57,689