



PRESS RELEASE

HEALTH ITALIA SPA SIX-MONTHLY REPORT OF 2018

- **TURNOVER IN STRONG GROWTH**
- **INCREASE IN FUNCTIONAL INVESTMENTS TO THE REALISATION OF THE INDUSTRIAL PLAN**
- **ENTRANCE IN THE CAPITAL OF INSTITUTIONAL INVESTORS**

CONSOLIDATED OPERATING REVENUES EQUAL TO EURO 13,291,392.00 (10,633,465 vs. first half of 2017)

CONSOLIDATED EBITDA EQUAL TO EURO 2,349,622.00 (2,750,643.00 vs. first half of 2017)

NET PROFITS EQUAL TO € 33,399.00 (€ 1,225,572.00 vs. first half of 2017)

CONSOLIDATED MARGIN EBITDA EQUAL TO EURO 2,349,622 (2,750,643 vs. first half of 2017)

Roma, September 28, 2018

The Board of Directors of Health Italia S.p.A. examined the operating performance and the economic data for the first half of 2018.

The Board of Directors of Health Italia S.p.A. which met on 28 September 2018 examined the operating performance and the economic data for the first half of 2018, prepared using the same valuation and consolidation principles used to approve the consolidated financial statements as at 31 December 2017.

The economic performance of the first half of 2018 was characterized by an increase in revenues and the achievement of economic results in line with the corporate growth forecasts with:

- **Revenues** for the first half of 2018, amounting to € 13,291,392, an increase compared to € 10,633,465 recorded at 30 June 2017 with an increase of € 2,657,927;
- **The Margin EBITDA** for the first half of 2018 is equal to € 2,349,622 (€ 2,750,643 in the first half of 2017) where the decrease reflects the increase in external costs and labor costs due to the expansion of the consolidation area following the acquisition of new companies and the start of new activities that, as

Health Italia S.p.A.

Via di Santa Cornelia, 9 - 00060 - Formello (RM)

Entered in the special section "Innovative SMEs" of the Business Register

VAT number 08424020967 - R.E.A. n. RM-1395079 - Share Capital € 14.324.956,00

info@healthitalia.it - healthitalia@legalmail.it



foreseen in the industrial plan, in the start-up phase have revenues that are not yet completely sufficient to cover the demanding costs incurred;

· **The Operating Result** for the first half of 2018 is equal to 1,182,634 euros (2,153,055 euros in first half of 2017), after depreciation and provisions for 1,166,988 euros. The decrease of Euro 970,421 is explained by the expansion of the consolidation area which, in addition to the effect referred to in the previous paragraph, led to an increase in depreciation of Euro 520,227;

· **The pre-tax result** for the first half of 2018 is equal to 327,455 euros, on decrease if compared to the first half of 2017 when it was equal to 1,851,158 euros, and includes financial income/charges for euros (204,169) and different net income/charges for euros (326,090), as well as adjustments to consolidated investments using the equity method for euros (324 920). The increase in financial charges is due not only to the expansion of the consolidation area, but also to the allocation of accrued interest on the bond issued on 5 April 2018 determined according to the provisions of OIC 32;

· **The Net Result** for the first half of 2018 is equal to 33,399 euros (1,225,572 euros in the first half year 2017) and includes taxation of approximately € 294,056 (€ 625,586 in the first half of 2017);

· The **Group Net Result** for the first half of 2018 is equal to 33,399 euros (1,225,572 euros in the first half of 2017);

· The **shareholders' equity of the Group** at 30 June 2018 is equal to 24,879,230 euros, at 31 December 2017 it was equal to 25,391,567 euros. The variation is mainly resulting from:

- i) The increase for the period result;
- ii) The increase of Euro 162,585 for the coverage reserve for the Convertible Bond Loan issued on March 29, 2018 and underwritten for 200 convertible bonds for a total amount of 10 million;
- iii) The decrease for the distribution of dividends;

· the **Net Financial Position** equal to € 4,395,479 (vs. € 1,413,573 as at 31 December 2017) refers to costs incurred for the start up and development of subsidiaries.



Statement of the reclassified income

	First semester 2018	First semester 2017	Change
Net revenues	13.291.392	10.633.465	2.657.927
External costs	8.870.921	6.342.412	2.528.509
Value added	4.420.471	4.291.053	129.418
Cost of labor	2.070.849	1.540.410	530.439
Margin EBITDA	2.349.622	2.750.643	(401.021)
Depreciation, devaluation and others provisions	1.166.988	597.588	569.400
Operating income	1.182.634	2.153.055	(970.421)
Different income and expenses	(326.090)	(177.829)	(148.261)
Financial income and expenses	(204.169)	(24.855)	(179.314)
Ordinary Result	652.375	1.950.371	(1.297.996)
Revaluations and devaluation	(324.920)	(99.213)	(225.707)
Result before the taxes	327.455	1.851.158	(1.523.703)
Income taxes	294.056	625.586	(331.530)
Net income	33.399	1.225.572	(1.192.173)

Health Italia S.p.A.

Via di Santa Cornelia, 9 - 00060 - Formello (RM)

Entered in the special section "Innovative SMEs" of the Business Register

VAT number 08424020967 - R.E.A. n. RM-1395079 - Share Capital € 14.324.956,00

info@healthitalia.it - healthitalia@legalmail.it

Statement of the Reclassified Financial Capital Situation

	First semester 2018	First semester 2017	Change
Net intangible assets	10,337,807	11,019,177	(681,370)
Net tangible assets	9,138,885	7,624,416	1,514,469
Investments and other fixed financial assets	2,561,411	2,572,831	(11,420)
Fixed capital	22,038,103	21,216,424	821,679
Inventory	1,902,068	1,703,572	198,496
Credits to Customers	14,932,429	13,181,108	1,751,321
Other credits	4,384,816	3,594,883	789,933
Prepayments and accrued income	70,215	94,601	(24,386)
Short-term operating activities	21,289,528	18,574,164	2,715,364
Payables to suppliers	6,918,192	5,393,450	1,524,742
Advances	8,282	8,363	(81)
Tax and social security payables	2,096,863	2,527,893	(431,030)
Other payables	1,248,011	1,165,889	82,122
Accrued charges and deferred incomes	116,683	97,042	19,641
Short-term operating liabilities	10,388,031	9,192,637	1,195,394
Net working capital	10,901,497	9,381,527	1,519,970
Severance pay for subordinate employment	518,864	491,327	27,537
Tax and social security payables (over 12 months)	69,937	86,573	(16,636)
Other medium and long-term liabilities	2,227,127	2,166,914	60,213
Medium-long term liabilities	2,815,928	2,744,814	71,114
Capital invested	30,123,672	27,853,137	2,270,535
Net worth	(25,728,193)	(26,439,564)	711,371
Medium-long term net financial position	(12,272,747)	(3,113,588)	(9,159,159)
Short-term net financial position	7,877,268	1,700,015	6,177,253
Own means and net financial indebtedness	(30,123,672)	(27,853,137)	(2,270,535)

Statement of financial accounting debt

	First semester 2018	First semester 2017	Change
Bank deposits	3.510.878	2.114.633	1.396.245
Cash and other values on hand	22.567	26.482	(3.915)
Liquid availability	3.533.445	2.141.115	1.392.330
Financial assets that do not constitute long term investments	4.615.000	72.000	4.543.000
Payables to banks (within 12 months)	233.677	455.790	(222.113)
Payables to other lenders (within 12 months)	37.500	57.310	(19.810)
Short-term financial payables (credits)	271.177	513.100	(241.923)
Short-term net financial position	7.877.268	1.700.015	6.177.253
Bonds and Convertible Bonds over 12 months	9.751.383	359.000	9.392.383
Payables to banks (over 12 months)	2.579.741	2.796.228	(216.487)
Payables to other lenders (over 12 months)	145.310	88.000	57.310
Financial receivables	(203.687)	(129.640)	(74.047)
Medium and long term net financial position	12.272.747	3.113.588	9.159.159
Net financial position	(4.395.479)	(1.413.573)	(2.981.906)

Compared to expected plans, in the first 6 months of 2018 Health Italia accelerated the development of the Health Point project, through the subsidiary Health Point srl and in a logic of integration and development, aimed at the provision of telemedicine services with a specific and innovative technologically advanced model, focusing on the creation of an advanced telemedicine system and for which 8 new structures have become operative (which have already amounted to 9 in September 2018).

Moreover, the company also expanded, in the first half of the year, the boundary of consolidation with the acquisition of new companies aimed at integrating and expanding the group's business model.

This development phase, carried out with direct investments, led to a planned increase in costs which led to an expected and temporary decrease in net margins, due to the partial entry into force of the Health Points and of the acquired assets.

The increase in investments made in this period is a prerequisite for the achievement of the results envisaged by the Business Plan 2018-2020 which foresees revenues of 60 million euros with an EBITDA of around 30% at the end of the period.



The Chairman of the Company, Roberto Anzanello, commented: "**The results for the first half of 2018 confirm the ability of Health Italia to achieve its own goals and consolidate its own position as a leading company in its**

reference market through important investments able to consolidate and develop the business model that (we would like to recall it) is unique in the integrated healthcare market "

In reference to the entry of institutional investors into the share capital, Dottor Anzanello added: "**We are proud and satisfied that we are seeing an ever-increasing interest in our company by qualified financial operators. During the current month, the company has registered some entries of primary managers and institutional investors in the share capital. These entries, made at current prices, reflect the potential growth of the stock and were carried out in a medium-long term optic with the desire to accompany Health Italy towards the important growth process planned for the coming years. Our goal is to continue to work in this direction in order to achieve a floating share equal to 35% of the share capital"**

This press release is available on the website of Health Italia S.p.A. www.healthitalia.it

Health Italia S.p.A. is an Italian company that operates in the market for the promotion of integrative and substitutive healthcare solutions and aims at the provision, for the Italian market, of innovative services that improve the quality and accessibility to health services to the individual through the disclosure of the mutualistic principles, the promotion of the enlargement of the social base and the membership of Mutual Aid Societies and the related Health Subsidies. In addition, the company provides training and professional consultancy to Health Funds, Health Care Funds and above all Mutual Aid Society. Finally, the Health Italia Group is active in the Flexible Benefit market towards companies (Corporate customers) and in the provision of health services within its facilities aimed at Retail customers. ***Health Italia S.p.A. obtained the qualification of " innovative SME" from the Rome Chamber of Commerce.***

Per maggiori informazioni:

Investor Relations

Alessandro Brigato
Tel. +39 3371497065
Mail: investor@healthitalia.it

EnVent Capital Markets

Ltd Nomad e Global

Coordinator

Paolo Verna
Tel. +44 (0) 2035198451 / +39 06 896841
Mail: pverna@enventcapitalmarkets.co.uk

Health Italia S.p.A.

Via di Santa Cornelia, 9 - 00060 - Formello (RM)
Entered in the special section "Innovative SMEs" of the Business Register
VAT number 08424020967 - R.E.A. n. RM-1395079 - Share Capital € 14.324.956,00
info@healthitalia.it - healthitalia@legalmail.it



Health Italia S.p.A.

Via di Santa Cornelia, 9 - 00060 - Formello (RM)
Entered in the special section "Innovative SMEs" of the Business Register
VAT number 08424020967 - R.E.A. n. RM-1395079 - Share Capital € 14.324.956,00
info@healthitalia.it - healthitalia@legalmail.it