



# INTERIM FINANCIAL REPORT AT SEPTEMBER 30, 2021



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**Registered office of Garofalo Health Care S.p.A.**

Piazzale Delle Belle Arti, n.6 – 00196 Rome (RM)

**Legal details of Garofalo Health Care S.p.A.**

Share capital approved Euro 31,570,000(\*)

Share capital subscribed and paid-in Euro 31,570,000(\*)

Rome Company's Registration Office – Economic & Administrative Index No.: 947074

Tax Number: 06103021009

VAT Number: 03831150366

Website: <http://www.garofalohealthcare.com>

(\*) enrolled in the Companies Register on January 26, 2021

## CORPORATE BOARDS

### BOARD OF DIRECTORS (\*)

ALESSANDRO MARIA RINALDI	Chairman
MARIA LAURA GAROFALO	Chief Executive Officer
ALESSANDRA RINALDI GAROFALO	Director
CLAUDIA GAROFALO	Director
GIUSEPPE GIANNASIO	Director
GUIDO DALLA ROSA PRATI	Director
JAVIER DE LA RICA ARANGUREN	Director
GIANCARLA BRANDA	Independent Director
FRANCA BRUSCO	Independent Director
NICOLETTA MINCATO	Independent Director
FEDERICO FERRO-LUZZI (**)	Independent Director

### CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

FRANCA BRUSCO  
FEDERICO FERRO LUZZI  
NICOLETTA MINCATO

### APPOINTMENTS AND REMUNERATION COMMITTEE

FEDERICO FERRO LUZZI  
FRANCA BRUSCO  
GIANCARLA BRANDA

### BOARD OF STATUTORY AUDITORS (\*)

SONIA PERON	Chairperson
FRANCESCA DI DONATO	Statutory Auditor
ALESSANDRO MUSAIO	Statutory Auditor
ANDREA BONELLI	Alternate Auditor
MARCO SALVATORE	Alternate Auditor

### INDEPENDENT AUDIT FIRM

EY S.P.A.

### GENERAL MANAGER (\*\*)

UMBERTO SURIANI

### EXECUTIVE OFFICER FOR (\*\*\*) FINANCIAL REPORTING

LUIGI CELENTANO

(\*) Appointed by the Shareholders' Meeting of April 30, 2021.

(\*\*) Appointed by the Board of Directors on March 1, 2021, with effect from May 1, 2021

(\*\*\*) Appointed by the Board of Directors on October 28, 2021

## 1. METHODOLOGICAL NOTE

This Interim Report was drawn up according to Article 82-ter of the Issuers' Regulation, adopted with motion No. 11971 of May 14, 1999, introduced on the basis of Article 154-ter, paragraphs 5 and 6 of the Consolidated Finance Act ("CFA"). Therefore, the provisions of the international accounting standard covering interim reporting (IAS 34 "Interim Financial Reporting") were not adopted. All amounts are expressed in thousands of Euro, unless otherwise stated.

The publication of the Interim Financial Report at September 30, 2021 is governed by the Stock Exchange Regulation and, in particular, Article 2.2.3, paragraph 3.

The accounting standards used by the Group are the International Financial Reporting Standards, endorsed by the European Union ("IFRS") and in application of Legislative Decree No. 38/2005 and the other CONSOB financial statements provisions. The accounting policies and consolidation principles adopted are the same as those utilised for the 2020 Consolidated Annual Financial Statements, to which reference should be made.

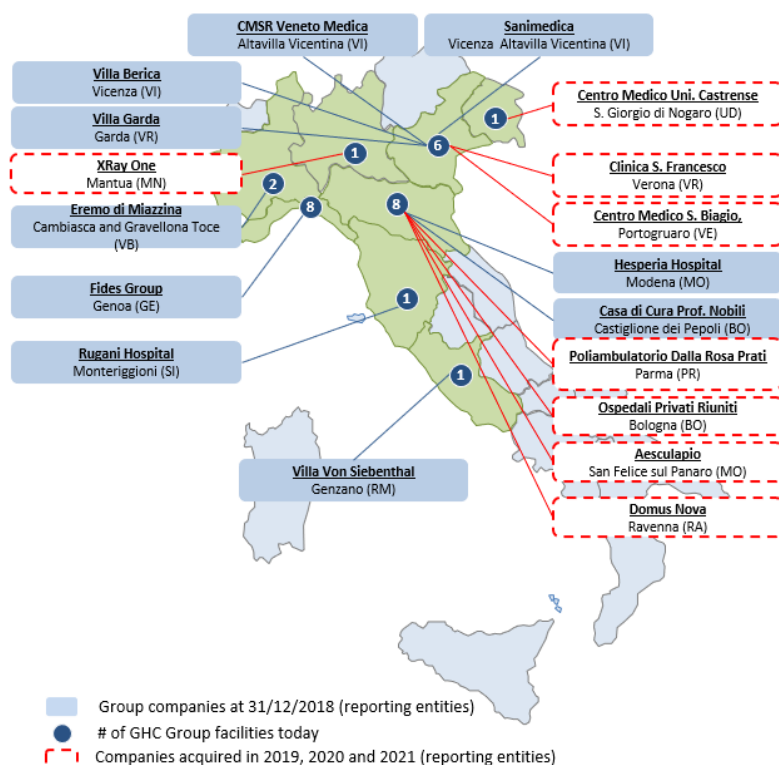
The Interim Report at September 30, 2021 was approved by the Board of Directors on November 12, 2021.

## 2. GROUP STRUCTURE

### ➤ Overview of the Group's healthcare facilities

The GHC Group is an Italian accredited private healthcare leader operating, at September 30, 2021, through 28 healthcare clinics, in addition to four clinics owned by Il Fiocco S.c.a.r.l., held 40% by GHC through the subsidiary Fi.d.es Medica S.r.l., offering a comprehensive range of services covering all areas of healthcare thanks to diversified specialisms, the use of cutting-edge technologies and highly-qualified personnel.

On July 28, 2021, Ghc S.p.A. acquired a 99.5% interest in Domus Nova S.p.A., owner of the Domus Nova and San Francesco di Ravenna multi-specialist private hospitals, both of which are accredited with the National Healthcare Service.



(\*) Data at 31.12.2020 including the contribution of Clinica S. Francesco and Domus Nova (acquired in April and July 2021)

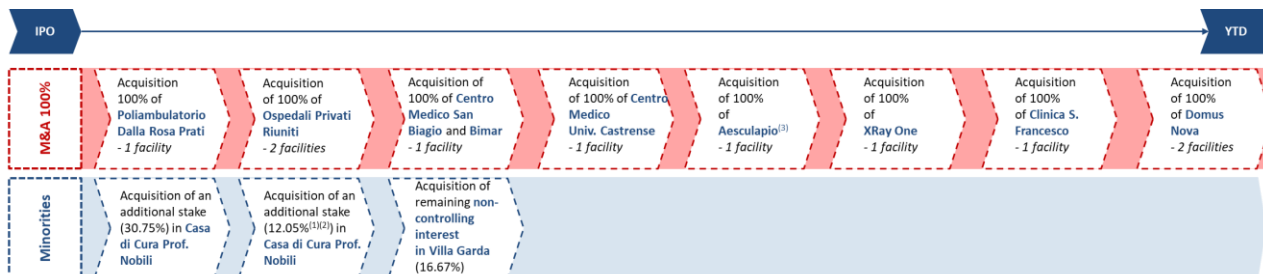
### GHC Group – Highlights<sup>(\*)</sup>

<b>28</b> Healthcare facilities (+10 vs. IPO)	<b>8</b> Regions in which the Group operates (+2 vs. IPO)
<b>~1,760</b> Beds (+500 vs. IPO)	<b>~40.7k</b> Admissions (+20.7k vs. IPO)
<b>~1.9M</b> Outpatient services (+0.9M vs. IPO)	<b>~3,670</b> Employees and collaborators (+1,870 vs. IPO)
<b>EE-</b> ESG Rating Standard Ethics Investment Grade	<b>78%</b> Employees female

The Group operates in regions of northern and central Italy that have been selected as attractive in terms of: i) per capita health spending, ii) above-average per capita income for Italy; iii) sound financial health of the Regional Health

Service; and iv) internal transport infrastructure.

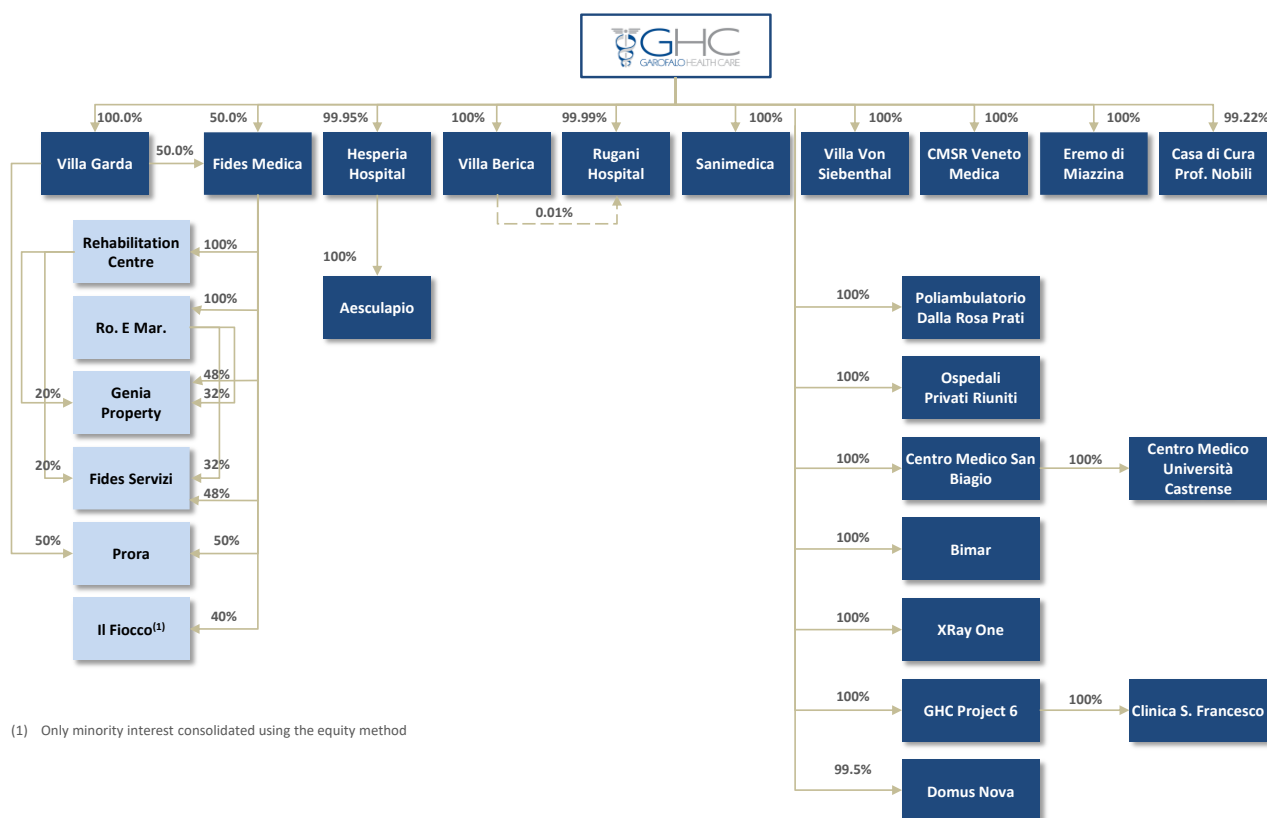
Between the IPO and September 30, 2021, the Group executed its acquisition-led growth strategy, with the acquisition of 10 new clinics, as well as acquisitions of further minority holdings of existing subsidiaries (Casa di Cura Prof. Nobili and Villa Garda, now 100% owned), as set out below.



(1) For a total of 95.35% of the share capital and 98.8% of voting rights, considering the treasury shares held by Casa di Cura Prof. Nobili  
 (2) On 15.01.2020, GHC further increased its holding to 99.22% of voting rights  
 (3) Acquisition made by the subsidiary Hesperia Hospital

➤ **The Garofalo Healthcare Group**

The chart below shows the GHC Group’s structure at September 30, 2021, including the equity interest held by Garofalo Health Care S.p.A. (hereinafter also “GHC” or the “Company” or the “Parent Company” or the “Holding Company”) in each of the subsidiaries:



(1) Only minority interest consolidated using the equity method

➤ **Group activities by sector**

The Group operates by means of a single business unit in the following sectors<sup>(1)</sup>:

- **“Hospital Sector”**, which may be broken down into the acute, post-acute and outpatient services segments: and
- **“Social Services and Dependency Care Sector”**, which can be divided into two segments - residential recovery and district outpatient services.

The following table breaks down the main specialties provided by the Group by sector and segment.

HOSPITAL			DEPENDENCY CARE		
ACUTE RECOVERY	POST-ACUTE		OUTPATIENT SERVICES	Residential ADMISSIONS	DISTRICT OUTPATIENT SERVICES
	LONG-TERM HOSPITALISATION	REHABILITATION			
<b>Wide range of specialisations in acute patient therapy, including:</b>  -Heart surgery  -Cardiology (clinical and interventional)  -Orthopaedics  -Diabetology  -Urology  -Otorhinolaryngology  -General surgery  -Vascular Surgery  -Gynaecology	<b>Long-term hospitalisations for patients suffering from:</b>  -Disabling chronic conditions  -Subacute conditions after a previous acute hospitalisation that require treatment be continued for a certain period of time in a protected environment, in order to achieve a full recovery or to stabilise their condition	<b>Rehabilitation treatments, including:</b>  - Cardiology  - Neurology  -Neuromotor  -Nutritional  -Respiratory  - Physiotherapy	<b>Outpatient services, consultations and diagnostic services, including:</b>  -Doppler echocardiogram  -Holter test  -Doppler vascular ultrasound  -Myocardial perfusion imaging  -CT and Cardiac CT  -Ultrasound  -MRI  -Nuclear medicine  -Laboratory analyses  -Outpatient dialysis  - Ophthalmology  - Dental services  - PET-CT	<b>Assistance and treatment of specific conditions, including:</b>  -Severe disabilities  -Patients with LIS (Locked-in Syndrome) or with amyotrophic lateral sclerosis in the terminal phase (NAC Departments - High Chronic Neurological Complexity Unit)  -Complex disabilities, mainly motor or clinical assistance and functional (Healthcare Assistance Continuity)  -Patients with severe acquired brain injury disabilities (PVS Departments - Persistent Vegetative States) <sup>(1)</sup>  -Psychiatric disorders and disorders related to the use of psychoactive substances	<b>Outpatient services, consultations and diagnostic services provided by non-clinical facilities, including:</b>  -Doppler echocardiogram  -Holter test  -Doppler vascular ultrasound  -Myocardial perfusion imaging  -CT and Cardiac CT  -Ultrasound  -MRI  -Nuclear medicine  -Laboratory analyses  -Outpatient dialysis  - Ophthalmology  - Dental services  - PET-CT  - Occupational medicine

<sup>1</sup> It should be noted that the various types of assistance are classified as belonging either to the Hospital Sector or the Social Services and Dependency Care Sector depending on legislation and the specific region at hand. In particular, assistance provided to patients with disabilities deriving from severe acquired brain injuries (SVP Departments - such as persistent vegetative states) belongs to the Hospital Sector in Tuscany, and the Social Services and Dependency Care Sector in Liguria and Piedmont. In addition, long-term residential care in Lazio, Tuscany, Emilia-Romagna, Veneto and Piedmont belongs to the Hospital Sector, while in Liguria it belongs to the Social Services and Dependency Care Sector.

The 28 clinical facilities comprising the Garofalo Health Care Group as at September 30, 2021, along with the Regions in which they are based and the sectors in which they operate, are described below.

Italian regions	No. Reporting Entities (18)	No. Clinics (28)	No. legal entities (legal persons) (24)	Sector	
				Hospital	Social / Depend. Care
Veneto	• Villa Berica	1	1	✓	
	• CMSR Veneto Medica	1	1		✓
	• Sanimedica	1	1		✓
	• Villa Garda	1	1	✓	
	• Centro Medico S. Biagio <sup>(1)</sup>	1	2		✓
	• Clinica S. Francesco	1	1	✓	
Lombardy	• XRay One	1	1		✓
Friuli Venezia-Giulia	• Centro Medico Università Castrense	1	1		✓
Piedmont	• Eremo di Miazzina	2	1	✓	✓
Emilia Romagna	• Hesperia Hospital	1	1	✓	
	• Aesculapio	1	1		✓
	• Casa di Cura Prof. Nobili	1	1	✓	
	• Poliambulatorio Dalla Rosa Prati	1	1		✓
	• Ospedali Privati Riuniti	2	1	✓	
	• Domus Nova	2	1	✓	
Tuscany	• Rugani Hospital	1	1	✓	
Liguria	• Fides Group <sup>(2)</sup>	8 <sup>(3)</sup>	6 <sup>(4)</sup>		✓
Lazio	• Villa Von Siebenthal	1	1		✓

(1) Includes Centro Medico S. Biagio S.r.l. and Bimar S.r.l.

(2) Excluding 4 facilities, which belong to Il Fiocco Scrl, a company owned by Fides Medica, whose financial information is consolidated using the equity method.

(3) Fides Group Clinics: Residenza Le Clarisse, S. Marta, S. Rosa, Centro Riabilitazione, Villa S. Maria, Villa Del Principe, Le Note di Villa S. Maria, Villa Fernanda. On June 30, Santa Marta temporarily stopped its activities in order to undergo a major renovation at the end of which, having obtained the authorisation to operate, it will be able to start the activity that, to all intents and purposes, will qualify as new compared to the previous one permanently transferred to Villa Fernanda

(4) Fides Group legal entities: Fides Medica S.r.l., Centro di Riabilitazione S.r.l., RoEMar S.r.l., Genia Immobiliare S.r.l., Prora S.r.l., Fides Servizi S.r.l.

### 3. GROUP PERFORMANCE

#### 3.1 GHC Group financial highlights

The 9M 2021 results- although partly impacted by the activities in support of the Public system, affecting the full use of the production capacity and a completely orderly and efficient operating scheduling - indicate significant growth both in terms of revenues and Op. EBITDA on the same period of the previous year. 2020 was in fact shaped, from the month of March, by the restrictions on healthcare activities by the Local and Domestic Authorities to combat the spread of the virus.

The operating performance indicators for the first nine months of 2021 compared with the same period of 2020 are presented below.

It should be noted that the figures at September 30, 2021, in comparison to 2020, include the full nine-month contribution of X Ray One S.r.l. (two months in 2020) as it was acquired on July 23, 2020, the six-month contribution of Clinica San Francesco S.p.A. (acquired on April 9, 2021), and finally the two-month contribution of Domus Nova S.p.A. (acquired on July 28, 2021).



Consolidated data	9M 2021		9M 2020		2021 vs. 2020	
	Euro '000	%	Euro '000	%	Euro '000	%
<b>Revenues</b>	<b>198,468</b>	<b>100.0%</b>	<b>146,125</b>	<b>100.0%</b>	<b>52,343</b>	<b>35.8%</b>
Total operating costs (excl. non-core costs)	(162,302)	-81.8%	(124,976)	-85.5%	(37,325)	29.9%
<b>Op. Adjusted EBITDA</b>	<b>36,166</b>	<b>18.2%</b>	<b>21,149</b>	<b>14.5%</b>	<b>15,017</b>	<b>71.0%</b>
Non-core costs (Adjustments)	(4,139)	-2.1%	(2,828)	-1.9%	(1,311)	46.3%
<b>Operating EBITDA</b>	<b>32,027</b>	<b>16.1%</b>	<b>18,321</b>	<b>12.5%</b>	<b>13,706</b>	<b>74.8%</b>
Amortisation, depreciation & write-downs	(11,125)	-5.6%	(8,388)	-5.7%	(2,737)	32.6%
Impairments and other provisions	(1,647)	-0.8%	(1,123)	-0.8%	(524)	46.7%
<b>EBIT</b>	<b>19,255</b>	<b>9.7%</b>	<b>8,810</b>	<b>6.0%</b>	<b>10,446</b>	<b>118.6%</b>
<b>EBIT Adjusted</b>	<b>23,395</b>	<b>11.8%</b>	<b>11,638</b>	<b>8.0%</b>	<b>11,757</b>	<b>101.0%</b>
Net financial charges	(2,321)	-1.2%	(1,767)	-1.2%	(554)	31.4%
<b>Profit before taxes</b>	<b>16,934</b>	<b>8.5%</b>	<b>7,042</b>	<b>4.8%</b>	<b>9,892</b>	<b>140.5%</b>
<b>Profit before taxes Adjusted</b>	<b>21,074</b>	<b>10.6%</b>	<b>9,871</b>	<b>6.8%</b>	<b>11,203</b>	<b>113.5%</b>
Income taxes	(3,871)	-2.0%	(2,190)	-1.5%	(1,681)	76.8%
<b>Net profit</b>	<b>13,063</b>	<b>6.6%</b>	<b>4,852</b>	<b>3.3%</b>	<b>8,211</b>	<b>169.2%</b>
<b>Group</b>	<b>13,061</b>	<b>6.6%</b>	<b>4,852</b>	<b>3.3%</b>	<b>8,209</b>	<b>169.2%</b>
Minority interests	2	0.0%	0	0.0%	2	n.a.

### 3.2 2021 Consolidated Revenues Overview

GHC consolidated revenues in 9M 2021 amounted to Euro 198,468 thousand, up 35.8% on Euro 146,125 thousand in the same period of 2020.

The revenue growth of Euro 52,343 thousand is mainly due to recovering productivity, and particularly to the fact that the nine months in question were only partially affected by the COVID-19 pandemic, which had a significant impact in 2020 due to the suspension of outpatient and hospital activities from March onwards. The revenue increase also stems from the change in the consolidation scope for Euro 24,187 thousand, as benefiting from the full contribution of X Ray One S.r.l. acquired in July of the previous year and the contribution for the April-September period of Clinica San Francesco S.p.A., acquired on April 9, 2021, and the contribution of Domus Nova, acquired on July 28, 2021.

The revenue increase benefited in addition from: (i) for Euro 1,398 thousand the partial co-payments by the National Healthcare Service to absorb the higher personnel costs from the renewal of the National Collective Bargaining Agreements from July of the previous year; (ii) for Euro 1,033 thousand the partial reimbursement of the additional COVID costs<sup>2</sup> incurred by the Group.

<sup>2</sup> One-off costs incurred by the Group to tackle the COVID-19 emergency and concerning expenses for Personnel Protective Equipment ("PPE"), swabs / tests, the preparation and management of triage areas and the dedicated distancing pathways.

Consolidated revenues in Euro thousands	9M 2021 Actual	9M 2020 Actual	9M21 vs. 9M20 Euro '000	9M21 vs. 9M20 %
<b>Total</b>	<b>198,468</b>	<b>146,125</b>	<b>52,343</b>	<b>35.82%</b>
<i>of which repayments of "additional COVID costs"</i>	1,033	328	705	214.9%
<i>of which Regional Health System contribution relating to renewal of national collective bargaining agreements</i>	1,398	584	814	139.4%
<i>of which X Ray One + Clinica San Francesco + Domus Nova*</i>	25,323	1,136	24,187	n.a.

\* in 2020 X Ray One contributed only two months

### 3.3. 2021 Consolidated Costs Overview

Consolidated operating costs in 2021, net of non-recurring and non-core business costs of Euro 4,139 thousand, totalled Euro 162,302 thousand, increasing Euro 37,325 thousand from Euro 124,976 thousand in 2020 (+29.9%). Non-recurring costs principally concern the charges incurred (net of the reimbursements) by the Group companies to combat the COVID-19 emergency, which in 9M 2021 amounted to approx. Euro 2,391 thousand;

The increase in production costs in 9M 2021 is mainly related both to higher production volumes and also personnel costs, mainly due to the renewal of the National Collective Bargaining Agreements for non-medical employees at private healthcare facilities from the second half of the previous year which had an impact, albeit in Q3 2020 only.

### 3.4. 2021 Consolidated Operating EBITDA and Operating EBITDA Adjusted

In terms of margins, Consolidated Operating EBITDA Adjusted<sup>(3)</sup> was Euro 36,166 thousand, up 71.0% on Euro 21,149 thousand in the same period of the previous year.

Overall, the Group's 9M 2021 Operating EBITDA Adjusted margin was 18.2%, compared to 14.5% in the previous period.

Op. EBITDA and Op. EBITDA Adj. consolidated in Euro thousands	9M 2021 Actual	9M 2020 Actual	9M21 vs. 9M20 Euro '000	9M21 vs. 9M20 %
<b>Op. EBITDA Reported</b>	<b>32,027</b>	<b>18,321</b>	<b>13,706</b>	<b>74.8%</b>
+ additional COVID costs (net reimbursements)	2,391	2,417	-26	-1.1%
+ M&A costs	1,748	411	1,337	325.3%
<b>Op. Adjusted EBITDA</b>	<b>36,166</b>	<b>21,149</b>	<b>15,017</b>	<b>71.0%</b>
<i>of which X Ray One + Clinica San Francesco + Domus Nova*</i>	4,201	173	4,028	n/a
Op. EBITDA Reported Margin (%)	16.1%	12.5%	-	-
Op. EBITDA Adjusted Margin (%)	18.2%	14.5%	-	-

\* in 2020 X Ray One contributed only two months

### 3.5. 2021 Consolidated EBIT and EBIT Adjusted Overview

EBIT Adjusted in 9M 2021 was Euro 23,395 thousand, up Euro 11,757 thousand (101.0%) on Euro 11,638 thousand in the same period of 2020.

This amount includes amortisation, depreciation and write-downs in the period for Euro 11,125 thousand, up Euro 2,737 thousand on 9M 2020, mainly due to the change in scope during the period, as well as impairments and other provisions for Euro 1,647 thousand, up Euro 524 thousand on 9M 2020. The increase in provisions is mainly due to the combined effect of the following factors: (i) slight decrease in healthcare risks for approx. Euro 10 thousand (excess of releases over accruals); (ii) greater net accruals for Local Healthcare Authority (ASL) risks for approx. Euro 339 thousand, mainly due to the differing regional tariffs against the single tariff; (iii) increase in accruals for other risks, mainly labour-related, for approx. Euro 150 thousand.

<sup>3</sup> This indicator adjusts Operating EBITDA for non-recurring costs not relating to the core business

### 3.6. 2021 Consolidated net profit overview

The Net profit was Euro 13,063 thousand, an increase of Euro 8,211 thousand on Euro 4,852 thousand in 2020.

This amount includes net financial charges of Euro 2,321 thousand, increasing Euro 554 thousand on 9M 2020 due to the change in the consolidation scope, and income taxes of Euro 3,871 thousand, increasing Euro 1,681 thousand on the same period of 2020 as a result of the improved pre-tax profit.

## 4. GHC GROUP FINANCIAL HIGHLIGHTS – COMPARATIVE PRO-FORMA FIGURES

In order to ensure sufficient comparability of company results for 9M 2021 with the same period of the previous year, the Pro-Forma<sup>(4)</sup> figures were prepared voluntarily for 9M 2021 and 2020. This involved giving retroactive effect to January 1, 2021 to the acquisition of Clinica San Francesco (which took place on April 9, 2021) and Domus Nova (which took place on July 28, 2021) and giving retroactive effect to January 1, 2020 to the acquisition of XRay One (which took place on July 23, 2020).

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<sup>4</sup> These Pro-Forma statements are drawn up on a voluntary basis and are not according to procedures agreed with the independent audit firm as per the International Standard of Related Services (“ISRS”) 4400 issued by the IAASB.

Consolidated data	9M 2021		9M 2020		2021 vs. 2020	
	Euro '000	%	Euro '000	%	Euro '000	%
<b>Revenues</b>	<b>224,624</b>	<b>100.0%</b>	<b>149,479</b>	<b>100.0%</b>	<b>75,145</b>	<b>50.3%</b>
Total operating costs (excl. non-core costs)	(186,710)	-83.1%	(128,253)	-85.8%	(58,457)	45.6%
<b>Op. EBITDA Adjusted</b>	<b>37,914</b>	<b>16.9%</b>	<b>21,226</b>	<b>14.2%</b>	<b>16,688</b>	<b>78.6%</b>
Non-core costs (Adjustments)	(4,139)	-1.8%	(2,828)	-1.9%	(1,311)	46.4%
<b>Operating EBITDA</b>	<b>33,775</b>	<b>15.0%</b>	<b>18,398</b>	<b>12.3%</b>	<b>15,377</b>	<b>83.6%</b>
Amortisation, depreciation & write-downs	(13,151)	-5.9%	(8,786)	-5.9%	(4,365)	49.7%
Impairments and other provisions	(2,528)	-1.1%	(1,123)	-0.8%	(1,405)	125.1%
<b>EBIT</b>	<b>18,096</b>	<b>8.1%</b>	<b>8,489</b>	<b>5.7%</b>	<b>9,607</b>	<b>113.2%</b>
<b>EBIT Adjusted</b>	<b>22,235</b>	<b>9.9%</b>	<b>11,317</b>	<b>7.6%</b>	<b>10,918</b>	<b>96.5%</b>
Net financial charges	(2,436)	-1.1%	(1,904)	-1.3%	(532)	27.9%
<b>Profit before taxes</b>	<b>15,660</b>	<b>7.0%</b>	<b>6,585</b>	<b>4.4%</b>	<b>9,075</b>	<b>137.8%</b>
<b>Profit before taxes Adjusted</b>	<b>19,799</b>	<b>8.8%</b>	<b>9,413</b>	<b>6.3%</b>	<b>10,386</b>	<b>110.3%</b>
Income taxes	(3,941)	-1.8%	(2,015)	-1.3%	(1,926)	95.6%
<b>Net Profit</b>	<b>11,719</b>	<b>5.2%</b>	<b>4,570</b>	<b>3.1%</b>	<b>7,149</b>	<b>156.4%</b>
<b>Group</b>	11,722	5.2%	4,570	3.1%	7,152	156.5%
Minority interests	(3)	0.0%	0	0.0%	(3)	n.a.

Reference should be made to the previous paragraph for the changes in the main performance indicators, which includes the contribution of X Ray One for 2020 and Clinica San Francesco and Domus Nova for 2021.

## 5. BALANCE SHEET AND FINANCIAL POSITION

### 5.1. Balance Sheet

A breakdown of the Group's condensed consolidated balance sheet at September 30, 2021 and December 31, 2020 is provided below.

Consolidated data Uses	2021	2020	Δ vs 2020
	September	December	Euro '000
Goodwill	122,481	54,438	68,043
Intangible and tangible assets	342,654	300,261	42,393
Financial assets	1,274	1,164	110
<b>I Fixed capital</b>	<b>466,409</b>	<b>355,862</b>	<b>110,547</b>
Trade Receivables	62,121	61,411	710
Inventories	4,840	3,487	1,353
Trade payables	(43,329)	(35,857)	(7,472)
<b>Net Operating Working Capital</b>	<b>23,632</b>	<b>29,040</b>	<b>(5,408)</b>
Other assets/liabilities	(27,543)	(18,245)	(9,298)
<b>II Net Working Capital</b>	<b>(3,911)</b>	<b>10,795</b>	<b>(14,706)</b>
Net deferred taxes	(40,149)	(42,647)	2,498
Provisions	(29,210)	(23,099)	(6,111)
<b>III Total Uses (NET CAPITAL EMPLOYED)</b>	<b>393,139</b>	<b>300,911</b>	<b>92,228</b>
<b>IV Net financial debt</b>	<b>137,396</b>	<b>97,691</b>	<b>39,705</b>
Minority interest shareholders' equity	98	66	32
Group shareholders' equity	255,645	203,155	52,490
<b>V Shareholders' Equity</b>	<b>255,743</b>	<b>203,221</b>	<b>52,522</b>
<b>VI Total sources of financing</b>	<b>393,139</b>	<b>300,911</b>	<b>92,228</b>

Fixed capital at September 30, 2021 amounted to Euro 466,409 thousand, an increase of Euro 110,547 thousand on December 31, 2020. This change is due to (i) increase in "Goodwill" for Euro 68,043, attributable for Euro 36,885 thousand to Clinica San Francesco (acquired on April 9, 2021) and for Euro 31,158 to Domus Nova S.p.A (acquired on July 28, 2021). These amounts remain provisional since the Purchase Price Allocation is still in its preliminary stages; (ii) net increase in "Intangible and tangible assets" compared to December 31, 2020, totalling Euro 42,393 thousand. This increase is due for Euro 28,706 thousand to net investments in property, plant and equipment (of which Euro 15,195 relating to real estate acquired by GHC Project 6 as part of the acquisition of Clinica San Francesco) and for Euro 23,639 thousand to the change in the scope, net of amortisation and depreciation in the period of Euro 10,586 thousand. The intangible assets overall reported a net increase of Euro 663 thousand.

Net working capital at September 30, 2021 decreased Euro 5,408 thousand on December 31, 2020. The increase in trade receivables, amounting to Euro 710 thousand, is due to the combined effect of the reduction in receivables in the organic scope for Euro 10,070 thousand (mainly due to the physiological seasonal effect of core activities, which sees lower service volumes in the summer months compared to the rest of the year), offset by the change in the scope for Euro 10,780 thousand. Inventories increased by Euro 1,353 thousand, mainly due to the change in the consolidation scope for a total of Euro 1,132 thousand. Trade payables increased by Euro 7,472 thousand, due entirely to the change in the consolidation scope.

Other assets and liabilities increased Euro 9,298 thousand, mainly due to the following developments: (i) decrease in other assets deriving from the utilisation of the IRES receivable of the Parent Company for approx. Euro 1,560 thousand for the payment of the tax payables of the companies joining the Tax and National Consolidation; (ii) increase in other liabilities for Euro 6,921 thousand, due both to the increase in employee payables because of higher personnel

costs related to the increased production volumes (e.g. greater use of overtime and the accrual for the thirteenth month) and to the entry into the consolidation scope of Clinica San Francesco S.r.l. and Domus Nova S.p.A., which contributed to local health authority advances received for Euro 2,654 thousand.

The net working capital therefore reports a net decrease of Euro 14,706 thousand due to the net operating working capital changes and the changes of other assets and liabilities outlined previously.

Net deferred taxes reported a decrease, mainly due to the entry into the consolidation scope of Clinica San Francesco S.r.l. and Domus Nova S.p.A.

Provisions increased by Euro 6,111 thousand on December 31, 2020, due to: (i) the increase in the Post-employment benefit provision for a total of Euro 1,027 thousand (ii) the increase in the provisions for risks for Euro 5,084 thousand. In greater detail, the decrease in the risks provisions is due to the following combined effects: (i) net accruals (excess of provisions over releases) of Euro 1,655 thousand, mainly due for Euro 795 thousand to healthcare risks and for Euro 661 thousand to local health authority risks (ii) change in the consolidation scope for Euro 5,021 thousand (iii) equity utilizations for Euro 1,592 thousand (Euro 951 thousand concerning healthcare cases and Euro 314 thousand local health authority risks).

Net Capital Employed at September 30, 2021 was Euro 393,139 thousand, increasing Euro 92,228 thousand on Euro 300,911 thousand at December 31, 2020, mainly due to the increase in Fixed Capital of Euro 110,547 thousand, partially offset by the decrease in net working capital and an increase in Provisions.

At September 30, 2021, the Garofalo Health Care Group's Net Financial Position (NFP) was Euro 137,396 thousand, increasing Euro 39,705 thousand on December 31, 2020. This increase is mainly due to the combined effect of the share capital increase of Euro 41,820 thousand carried out in January 2021 through the accelerated book building procedure and the acquisitions of the investment in Clinica San Francesco and related operational buildings and of Domus Nova S.p.A.

Group shareholders' equity at September 30 was Euro 255,743 thousand, increasing Euro 52,522 thousand on December 31, 2020, mainly due to the aforementioned share capital increase and the net profit for the period.

## 5.2. Net Financial Position

Net financial debt was calculated according to the approach outlined in ESMA Recommendation 2021/32-382-1138/ and Consob Communication No. DEM/6064293 of July 28, 2006. A breakdown of the composition for the periods ending September 30, 2021 and December 31, 2020 is provided below.

	Consolidated data	30/09/2021 Euro '000	31/12/2020 Euro '000	Δ vs 2020 Euro '000
A	Cash and cash equivalents	38,106	24,810	13,296
B	Other liquidity	41	41	0
C	other current financial assets	76	88	-12
D	<b>Cash and cash equivalents (A+B+C)</b>	<b>38,223</b>	<b>24,939</b>	<b>13,284</b>
E	Current financial debt	15,773	15,888	-115
F	Current portion of non-current bank payables	32,161	16,894	15,267
G	<b>Current financial debt (E + F)</b>	<b>47,934</b>	<b>32,782</b>	<b>15,152</b>
H	<b>Net current financial debt (G - D)</b>	<b>9,711</b>	<b>7,843</b>	<b>1,868</b>
I	Non-current financial payables	127,364	89,522	37,842
J	Debt instruments	321	326	-5
K	Trade payables and other non-current payables	-	-	-
L	<b>Non-current financial debt (I + J + K)</b>	<b>127,685</b>	<b>89,848</b>	<b>37,837</b>
M	<b>Total financial debt (H + L)</b>	<b>137,396</b>	<b>97,691</b>	<b>39,705</b>

Current financial debt at September 30, 2021 includes liabilities for lease contracts totalling Euro 4,729 thousand, whereas at December 31, 2020 the liability amounted to 3,504 thousand.

As regards non-current financial payables, at September 30, 2021 the account includes a payable for lease contracts for Euro 22,326 thousand, while the corresponding amount at December 31, 2020 was Euro 19,357 thousand.

A commentary on the principal changes in the items comprising the Net Financial Position at September 30, 2021 is provided below.

As shown in the table above, there was an increase in Liquidity of Euro 13,296 thousand, mainly due to the cash generated in the period and the change in consolidation scope.

Current financial debt increased by Euro 15,152 thousand, mainly due to the reclassification of the portion of non-current loans as due within the next twelve months for Euro 11,352 thousand, new mortgages for 10,115 thousand, the taking over of mortgages for Euro 879 thousand, the change in the consolidation scope at September 30 for Euro 4,074 thousand net of repayments of amounts due for Euro 11,153 thousand.

Non-current financial debt shows an increase of Euro 37,837 thousand, mainly due to the raising of new loans for Euro 33,286 thousand, the taking over of mortgages for Euro 5,032 thousand and the change in the consolidation scope at September 30, 2021 for Euro 8,366 thousand, net of the reclassification of the portion of debt due in the following year for Euro 11,352 thousand.

## 6. INVESTMENTS

### 6.1 Recurring investments

During 2021, the Group undertook investments in property, plant and equipment and intangible assets of a recurring nature. These were designed to support the production capacity of the Group's healthcare facilities and implement technological and the functional upgrades to medical devices and equipment that are essential in maintaining high quality standards in the services offered to patients.

### 6.2 Investments in new development equipment

In addition to the above, in 2021 GHC continued its implementation of the investment plan approved in 2020, dedicated in particular to new very latest generation machinery and technology, partly to fully tap into all development opportunities from the growing need for healthcare and heightened by the COVID-19 emergency. We report below on some of the particularly significant investments.

#### ***a. C.M.S.R. - Philips Magnetic Resonance Imaging Model 3 Tesla "Ingenia Elition"***

The new machine was successfully installed and has been fully operational since the beginning of 2021.

This equipment, which may also be used for research purposes, joins the existing technology (2 magnetic resonance 1.5 Tesla, 1 joint MRI and 1 CT scanner) to help meet the increasing demand for health services, while also improving helping to attract both patients coming from other regions and paying patients.

By leveraging the advantages of digital technology in terms of quality and speed, it is the latest evolution of 3 Tesla MRI systems and is marked not only by the high quality of the images, but also by the speed of performing examinations. This makes it the equipment of choice for exploring various areas of the body, particularly in terms of neurology, to diagnose many central nervous system diseases such as some forms of dementia, and to support the study of epilepsy and multiple sclerosis. The power of the 3 Tesla magnetic field and the technological solutions used can also be exploited to improve the diagnostic accuracy in the evaluation of many diseases of the heart, for the in-depth study of lesions of the breast and urogenital system, in particular in the diagnosis, staging and monitoring of prostate cancer.

This technology has allowed C.M.S.R. to become a point of reference for the two regional Multiple Sclerosis centres, and has been used to create of a high-definition diagnostic protocol and launch a national scientific trial. It has also enabled a dynamic study of the spinal cord, establishing the clinic as a national centre of excellence and attracting patients from across Italy and, in some cases, elsewhere in Europe.

***b. C.M.S.R. - Siemens CARDIO CT***

The new machine was successfully installed and has been fully operational since mid-Q2 2021.

This equipment represents the international gold standard in instrumentation used for cardiovascular examinations. It has a dual radiogenic source and a high rotation speed that allows the examination to be done without lowering the patient's heart rate and therefore without the need for medication. Moreover, it has very high fidelity image reproduction, able to provide, in a short time, a 3D reconstruction of the organ perfectly corresponding to a "live" shot.

Since installation, the equipment has been predominantly utilised to meet the intense demand for "routine" examinations, offering quality levels significantly above the average and saving doses for patients. New coronary diagnostic activities, which take full advantage of the potential of the new machine, are scheduled to begin in October.

***c. Villa Berica - Philips Magnetic Resonance Imaging Model 1.5 Tesla "Ingenia Ambition S"***

The new machine was successfully installed and has been fully operational since the beginning of 2021.

For the clinic, this equipment represents a significant technological improvement over its predecessor. The new MRI, in fact, unlike traditional 1.5 Tesla MRIs, is equipped with a revolutionary technology which ensures highest level MRI's, which are faster and more comfortable for the patient, while also more environmentally friendly as "helium free".

The investment has allowed Villa Berica to perform every kind of diagnostic examination for its inpatients without needing to refer them elsewhere, and to accommodate requests for any type of examination coming from the local booking centre.

***d. Aesculapio - Philips Magnetic Resonance Imaging Model 1.5 Tesla "Prodiv CS Stellar"***

This equipment enables every kind of RM exam to be carried out at the highest quality levels, and positions Aesculapio among the very few accredited private outpatient clinics in the province of Modena with this technology. This expansion project includes: (i) the installation of the new MRI described above on the ground floor together with a 16-slice Philips CT scanner from the Villa Berica facility in Vicenza and (ii) the construction of five medical clinics and a space for rehabilitation activities.

In 2021, work was completed on the expansion and renovation of the warehouse area, along with the preparation of all related equipment. The new 1.5T MRI was delivered and installed and entered into operation in September.

The new areas were opened on October 5.

### **6.3 Investments in expansion assets**

During 2020 the Group also undertook investments in non-current assets of a non-recurring nature within the framework of long-term development and expansion projects designed to increase production capacity and diversify the type of services offered. A short description of these investments follows.



**a. Expansion of Istituto Raffaele Garofalo**

The plan to expand the Istituto Raffaele Garofalo in Gravellona Toce, one of the two facilities in which L'Eremo di Miazzina operates, involves the construction of an additional 46 rehabilitation beds, extending the capacity of the Casa di Cura from the current 52 to 98 beds. This will allow the company to independently meet the 60-bed minimum requirement to maintain accreditation with the Regional Health Service. The expansion will also allow more space to be dedicated to outpatient activities, which will also involve new specialisms, some of which are already undergoing the accreditation process.

Finally, the project will allow the company to concentrate its activities in the social services and dependency care sector and long-term hospital care at its historical headquarters in Miazzina. This is a setting that is well suited to care activities thanks to the particular climatic and therapeutic characteristics of the area where the clinic is located.

On October 20, 2021, with provision No. 8389, the Municipality of Gravellona Toce issued the Construction Permit (PDC) required to start the extension work.

As per the contract signed between L'Eremo di Miazzina S.r.l and the General Contractor, work will conclude and operations will begin nine months after the PDC was issued.

**b. The Santa Marta Project (so-called "ex-school", today known as the "Villa Fernanda" Project)**

On October 21, 2020 the Municipality of Genoa, by order No. 498, authorised the transfer of the "Santa Marta" protected residence to the new "Villa Fernanda" clinic.

This facility has 70 available beds and became operational on November 11, 2020. Due to the logistical-infrastructure restrictions arising as a result of the pandemic, only 66 beds are currently available for use.

At the same time, once the so-called "ex-Santa Marta" building had been vacated, work began on the design of the new building. This will add a further 41 beds, and will focus on the out-of-pocket market.

In April 2021, the contract for the renovation works was signed, resulting in the start-up of the building site and of works, which should be completed by April 2022.

It should be noted that on conclusion of the project, the subsidiary Ro. E. Mar. S.r.l. will increase its total number of beds from 115 to 161, which will be divided between its 3 clinics as follows: Villa Fernanda (70), Santa Marta (41), Santa Rosa (50).

**c. Villa Garda expansion**

This investment foresees the expansion of the facility through new construction. The expansion of the buildings was undertaken in order to benefit fully from the accreditation of 10 more beds approved by the Veneto Regional Council in 2019 with Regional Council Motion No. 614 of May 14, 2019.

These changes will also allow Villa Garda to offer more single rooms, which will be made available especially to the most vulnerable patients, offering them greater comfort and assistance.

The investment also covers the creation of the Aula Magna to accommodate conferences and medical congresses, reorganisation of a number of underground rooms to be used as warehouses and to store medicine, and renovation of the external façades of the two main pavilions.

In H1 2021 all the planned work was completed. Specifically, this included the construction of the new building, the creation of the Aula Magna (also used as a multi-purpose room), work on the basement rooms and the renovation of the façades.

The formal request for new health authorisation to use the spaces of the new building was then submitted to the Veneto Region. The final authorisation is expected to be received in November.

## 7. COVID-19 OVERVIEW

The contents of the disclosure below take due account of the indications provided by Consob in the attention call No. 1 of February 16, 2021, concerning "COVID 19 - attention call on financial reporting" as well as the recommendations provided by ESMA in the public statement "Implications of the COVID-19 outbreak on the half-yearly financial Reports" of May 20, 2020.

In the first half of the year, in view of the continued partial difficulties related to the COVID-19 virus, it is noted that all GHC Group clinics continued to provide support to the public healthcare system, managing at the same time not to significantly limit its operations. Specifically:

- the Casa di Cura Prof. Nobili, Rugani Hospital and l'Eremo di Miazzina, in collaboration with the relevant healthcare service, maintained wards dedicated to COVID-19 patients emerging from the acute phase, but still testing positive for the virus. These were equipped with 30, 10, and 32 beds, respectively. These wards were gradually closed during Q2, specifically in May (for Casa di Cura Prof. Nobili) and June (for Rugani Hospital and l'Eremo di Miazzina);
- Ospedali Privati Riuniti di Bologna continued to support the public system, also providing a ward dedicated to COVID patients. In addition to this, the Rizzoli Orthopaedic Institute made available operating room sessions for orthopaedic surgery at its facility in Villa Regina; The facility gradually resumed its normal production activities from May;
- During the reporting period, Hesperia Hospital continued its support to the public system of recent months and also made operating rooms available to the AOU Policlinico di Modena for thyroid and orthopaedic surgery. It also made 14 acute medicine beds available.
- Villa Berica in January made available a 14-bed ward dedicated to COVID patients, then closed in February.

The GHC Group 9M 2021 consolidated results - although partly impacted by the activities in support of the Public system, which affected the full use of production capacity and an entirely orderly and efficient operating scheduling - indicate a significant increase in productivity on the same period of the previous year.

With reference to the 9M 2021 income statement, COVID-19 resulted at consolidated level in one-off costs ("additional COVID costs") for Personnel Protective Equipment ("PPE"), swabs / tests, the preparation and management of triage areas and dedicated distancing pathways, which were only in part reimbursed by the local health authorities.

As regards the Balance Sheet, at consolidated level the COVID-19 emergency resulted in the recognition to GHC clinics by the main Regions in which the Group operates of a monthly advance of between 80% and 100%, according to each individual case, of the agreed regional and extra-regional production for the previous year or that of the budget agreement. These payments were made mainly in 2020. To September 30, 2021, these advances totalled approx. Euro 10.5 million (including approx. Euro 2.6 million for Domus Nova, which entered the consolidation scope in August 2021). There were no delays in collections due to COVID-19.

## 8. MANAGEMENT AND CO-ORDINATION

Garofalo Health Care S.p.A is not subject to direction and co-ordination by another entity. Garofalo Health Care S.p.A is responsible for direction and co-ordination of all its subsidiaries.

## 9. SUBSEQUENT EVENTS

On October 12, the Company completed the acquisition of Studio Schio S.r.l.<sup>5</sup>, a small outpatient clinic located in the municipality of San Donà Piave (Venice), under the responsibility of ULSS 4 Veneto Orientale (also responsible for Centro Medico San Biagio S.r.l., a 100% subsidiary). The company is authorised and accredited for cardiology (examinations and instrumental tests) with a cost ceiling of Euro 250 thousand. The acquisition was completed by the subsidiary Centro Medico San Biagio S.r.l. and, immediately prior to closing, the acquiree's governance bodies were renewed with the appointment of Mr. Vincenzo Martino (current Chairman and Executive Director of Centro Medico San Biagio S.r.l.) as the new Sole Director of Studio Schio S.r.l.

## 10. OUTLOOK

Against a backdrop still affected by the national spread of COVID-19, the ongoing vaccination campaign and measures approved at institutional level to support a rapid recovery are creating ever more confidence that the situation will continue to improve, though some uncertainty remains regarding variants of the virus.

Assuming that the pandemic would not worsen, in 2021 the Group successfully continued its acquisition-led growth strategy, completing two M&A transactions in April and July, believes that it will be able to record production volumes and margin levels in the last quarter of the year in line with what was recorded in 2019 pre-pandemic, in all sectors in which it operates. In line with the development path announced on IPO and formalised with the acquisitions of recent years, it is reasonable to consider that the acquisition-led growth process will continue, as the sector in which the GHC Group operates offers significant merger opportunities in a market that is still more fragmented than other European countries.

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<sup>5</sup> Studio Schio S.r.l. is a newly established company and beneficiary of the spin-off of the company Studio Cardiologico Dr. Schio Gian Francesco e C. S.a.s.

## 11. FINANCIAL STATEMENTS

### BALANCE SHEET

	For the period ended September 30	For the year ended December 31
<i>in thousands of Euro</i>	2021	2020
Goodwill	122,481	54,438
Other intangible assets	140,792	140,128
Property, plant and equipment	200,929	159,169
Investment property	934	963
Equity investments	866	928
Other non-current financial assets	407	236
Other non-current assets	1,086	1,199
Deferred tax assets	7,753	5,140
<b>TOTAL NON-CURRENT ASSETS</b>	<b>475,248</b>	<b>362,200</b>
Inventories	4,840	3,487
Trade receivables	62,121	61,411
Tax receivables	3,169	4,995
Other receivables and current assets	3,887	2,822
Other current financial assets	117	129
Cash and cash equivalents	38,106	24,810
<b>TOTAL CURRENT ASSETS</b>	<b>112,240</b>	<b>97,654</b>
<b>TOTAL ASSETS</b>	<b>587,488</b>	<b>459,855</b>

	For the period ended September 30	For the year ended December 31
<i>in Euro thousands</i>	2021	2020
Share capital	31,570	28,700
Legal reserve	471	394
Other reserves	210,543	162,280
Group result for the period	13,061	11,781
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>	<b>255,645</b>	<b>203,155</b>
Minority interest capital and reserves	96	63
Minority interest result	2	3
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>255,743</b>	<b>203,222</b>
Employee benefits	12,081	11,054
Provisions for risks and charges	17,129	12,045
Non-current financial payables	127,364	89,522
Other non-current liabilities	326	360
Deferred tax liabilities	47,903	47,787
Derivative financial instrument liabilities - non-current	321	326
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>205,123</b>	<b>161,094</b>
Trade payables	43,329	35,857
Current financial payables	47,934	32,782
Tax payables	2,942	1,403
Other current liabilities	32,417	25,498
<b>TOTAL CURRENT LIABILITIES</b>	<b>126,621</b>	<b>95,540</b>
<b>TOTAL LIABILITIES</b>	<b>331,745</b>	<b>256,634</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>587,488</b>	<b>459,855</b>

**INCOME STATEMENT**

	For the period ended September 30	
<i>in Euro thousands</i>	2021	2020
Revenues from services	195,682	144,737
Other revenues	2,786	1,389
<b>TOTAL REVENUES</b>	<b>198,468</b>	<b>146,125</b>
Raw materials and consumables	27,413	20,162
Service costs	83,481	62,111
Personnel costs	46,597	37,645
Other operating costs	8,950	7,887
Amortisation, depreciation & write-downs	11,125	8,388
Impairments and other provisions	1,647	1,123
<b>TOTAL OPERATING COSTS</b>	<b>179,213</b>	<b>137,316</b>
<b>EBIT</b>	<b>19,255</b>	<b>8,810</b>
Financial income	66	12
Financial charges	(2,567)	(1,963)
Results of investments at equity	180	183
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>(2,321)</b>	<b>(1,767)</b>
<b>PROFIT BEFORE TAXES</b>	<b>16,934</b>	<b>7,042</b>
Income taxes	3,871	2,190
<b>PROFIT FOR THE PERIOD</b>	<b>13,063</b>	<b>4,852</b>
Attributable to:		
Group Result	13,061	4,852
Minority interests	2	-

## CASH FLOW STATEMENT

In Euro thousands	September	
	2021	2020
<b>OPERATING ACTIVITIES</b>		
<i>Profit for the period</i>	<b>13,063</b>	<b>4,852</b>
<i>Adjustments for:</i>		
- Amortisation and depreciation	11,047	8,362
- Provisions for employee benefit liabilities	503	412
- Provisions for risks and charges	1,647	1,123
- Doubtful debt provision	76	27
- Change in investments in associates valued under the equity method	(181)	(183)
- Change in other non-current assets and liabilities	(92)	15
- Net change in deferred tax assets and liabilities	341	406
- Payments for employee benefits	(774)	(846)
- Payments for provisions for risks and charges	(1,584)	(222)
<i>Changes in operating assets and liabilities:</i>		
(Increase) decrease in trade and other receivables	9,999	1,651
(Increase) decrease in inventories	(177)	(398)
Increase (decrease) in trade and other payables	(3,791)	(4,228)
Other current assets and liabilities	6,158	6,418
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>36,235</b>	<b>17,388</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments in intangible assets	(854)	(342)
Investments in tangible assets	(19,644)	(4,162)
Sale of tangible assets	192	47
Dividends from associates	120	188
Acquisition of XRay One, net of cash acquired	-	(12,001)
Acquisition Clinica San Francesco	(36,562)	-
Acquisition Domus Nova	(31,119)	-
<b>CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)</b>	<b>(87,868)</b>	<b>(16,269)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of medium/long term loans	43,401	11,380
Repayment of medium/long-term loans	(12,551)	(8,210)
Issue/(repayment) of short-term loans	(1,388)	(687)
Change in other non-current financial payables	(3,766)	(2,301)
Share capital increase and shareholder payments	40,937	-
Use of Reserve as per Article 40	(12)	(40)
(Acquisition) minority interests	-	(10)
(Acquisition) treasury shares	(1,692)	(329)
<b>NET CASH FLOW GENERATED/(ABSORBED) BY FINANCING ACTIVITIES (C)</b>	<b>64,929</b>	<b>(197)</b>
<b>TOTAL CASH FLOWS (D=A+B+C)</b>	<b>13,296</b>	<b>922</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD (E)</b>	<b>24,810</b>	<b>27,763</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD (F=D+E)</b>	<b>38,106</b>	<b>28,685</b>
<i>Additional information:</i>		
Interest paid	<b>1,108</b>	<b>1,059</b>
Income taxes paid	<b>1,474</b>	<b>1,743</b>

## 12. DECLARATION OF THE EXECUTIVE OFFICER

The Executive Officer for Financial Reporting of the company Garofalo HealthCare S.p.A., Mr. Luigi Celentano, declares in accordance with Article 154-*bis* of Legislative Decree No. 58 of February 24, 1998, that the accounting information contained in this Interim Financial Report at September 30, 2021 corresponds to the underlying accounting documents, records and entries.

Rome, November 12, 2021

**Executive Officer for  
Financial Reporting**

(Mr. Luigi Celentano)