



INTERIM FINANCIAL REPORT AT SEPTEMBER 30, 2022



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COMPANY INFORMATION

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 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>

CORPORATE BOARDS

BOARD OF DIRECTORS

| | |
|-----------------------------|-------------------------|
| ALESSANDRO MARIA RINALDI | Chairperson |
| 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
GIANCARLA BRANDA
FRANCA BRUSCO

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.

EXECUTIVE OFFICER FOR FINANCIAL REPORTING

LUIGI CELENTANO

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, 2022 is governed by the Regulation of Markets organised and managed by "Borsa Italiana" and, in particular, Article 2.2.3, paragraph 3.

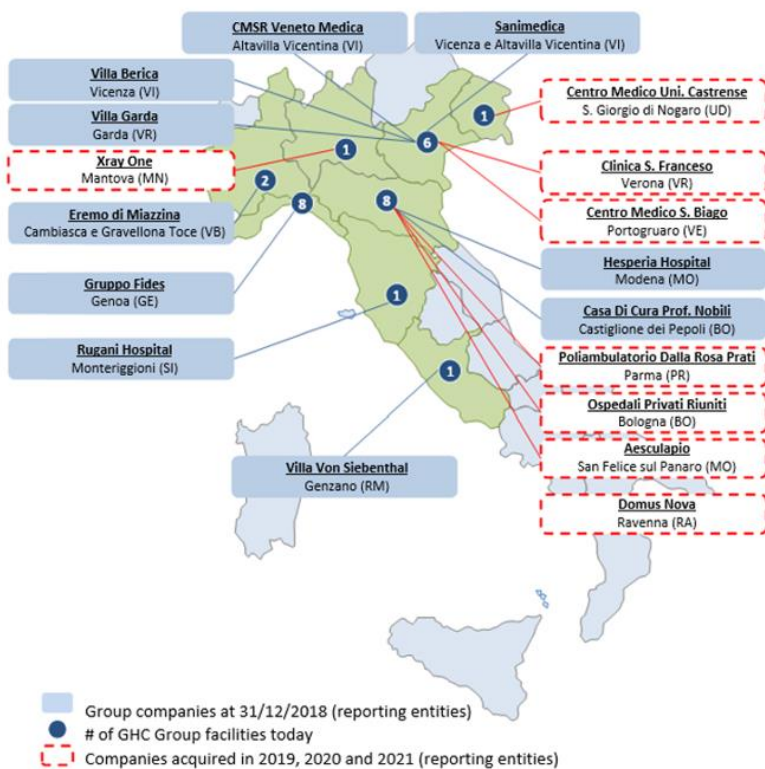
The accounting standards used by the Group are the International Financial Reporting Standards, endorsed by the European Union ("IFRS") and in application of Legislative Decree No. 38/2005 and the other Consob financial statements provisions. The accounting policies and consolidation principles adopted are the same as those utilised for the 2021 Consolidated Annual Financial Statements, to which reference should be made.

The Interim Report at September 30, 2022 was approved by the Board of Directors on November 14, 2022.

2. GROUP STRUCTURE

➤ Overview of the Group's healthcare facilities

The GHC Group is an Italian accredited private healthcare leader operating, at September 30, 2022, 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.



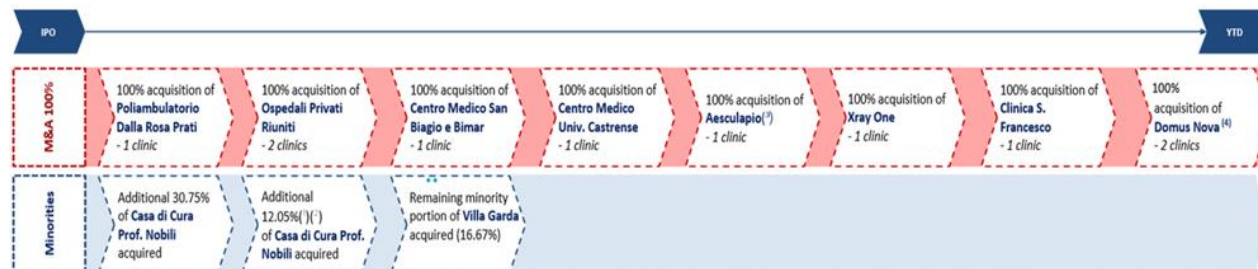
* Figures at 31.12.2021

GHC Group - Highlights^(*)

| | |
|--|---------------------------------------|
| 28 Clinics | 8 Regions |
| 1,763 Beds | ~34.5K Admissions |
| ~2.0M Outpatient services | ~4,000 Employees and collaborators |
| EE- Standard Ethics Investment Grade ESG Rating | 78% Female employees |

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, 2022, 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 share capital and 98.8% of voting rights, considering treasury shares, of Casa di Cura Prof. Nobili

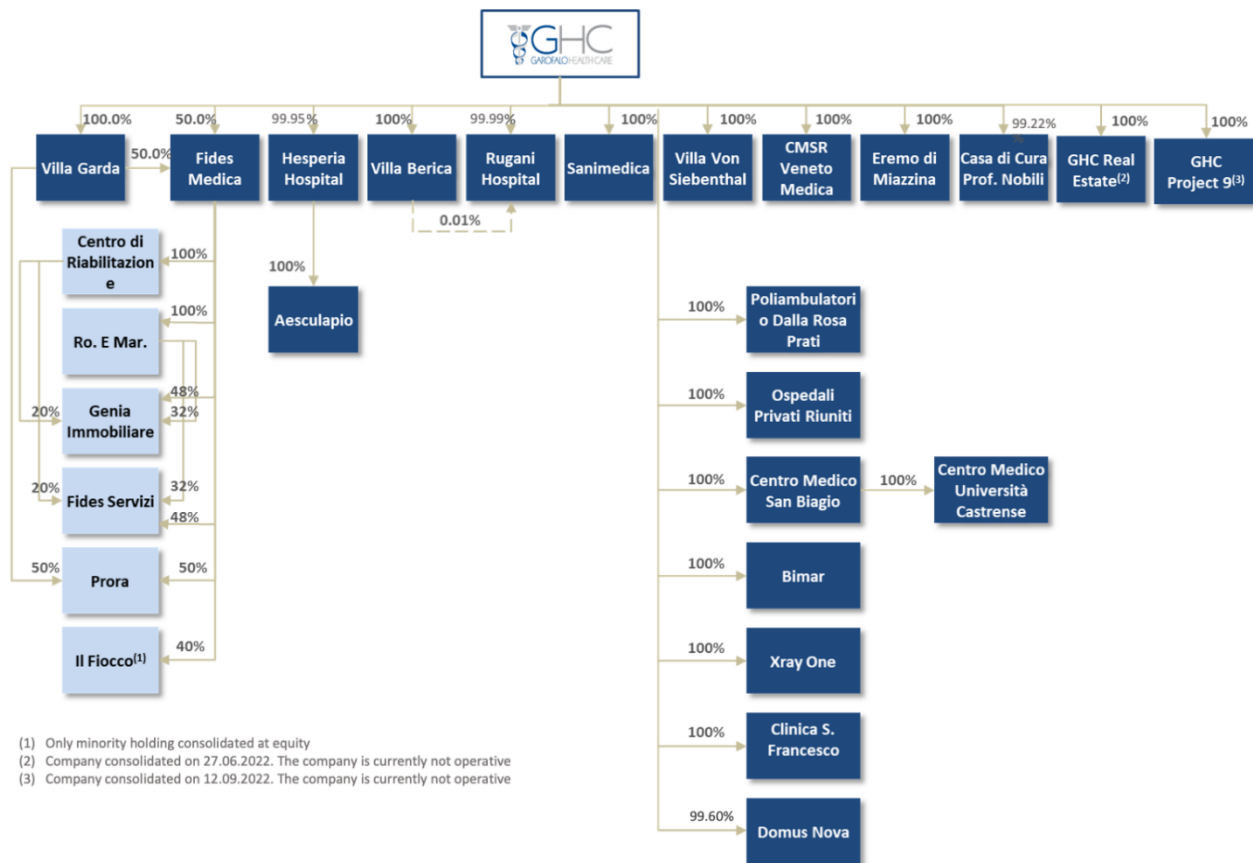
(2) On 15.01.2020 GHC increased its holding to 99.2% of voting rights

(3) Acquisition carried out by the subsidiary Hesperia Hospital

(4) On 21.07.2022, GHC further increased its holding to 99.61% of the share capital

➤ **The Garofalo Healthcare Group**

The chart below shows the GHC Group’s structure at September 30, 2022, 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:



➤ **Group activities by sector**

The following table breaks down the main specialties provided by the Group by sector and segment⁽¹⁾:

⁽¹⁾ 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.

| Sector | ACUTE | POST-ACUTE | | OUTPATIENT | DEPENDENCY CARE |
|------------------------|---|--|---|--|---|
| | | Long-term care | Rehabilitation | | |
| Main services provided | <ul style="list-style-type: none"> Wide range of specialization in acute patient therapy, including: <ul style="list-style-type: none"> Heart surgery Cardiology (clinical and interventional) Orthopaedics Diabetology Urology Otorhinolaryngology General surgery Vascular surgery Gynaecology | <ul style="list-style-type: none"> Long-term hospitalisations for patients suffering from: <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> Rehabilitation treatments, including: <ul style="list-style-type: none"> Cardiology Neurology Neuromotor Nutritional Respiratory Physiotherapy | <ul style="list-style-type: none"> Outpatient services, consultations, and diagnostic services performed by hospital and non-hospital facilities: <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> Assistance and treatment of specific conditions, including: <ul style="list-style-type: none"> 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 Psychiatric disorders and disorders related to the use of psychoactive substances |

Brief description of the companies of the GHC Group

The GHC Group's 28 clinics are diversified by Regions and by sector, as shown below.

| Italian regions | No. Reporting Entities (18) | No. Clinics (28) | No. legal entities (legal persons) (24) | Sector | |
|-----------------------|--|------------------|---|----------|------------------------------|
| | | | | Hospital | Outpatient / Dependency care |
| 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 | ✓ | |
| Veneto | • Villa Berica | 1 | 1 | ✓ | |
| | • CMSR Veneto Medica | 1 | 1 | | ✓ |
| | • Sanimedica | 1 | 1 | | ✓ |
| | • Villa Garda | 1 | 1 | ✓ | |
| | • Centro Medico S. Biagio ⁽¹⁾ | 1 | 2 | | ✓ |
| | • Clinica S. Francesco | 1 | 1 | ✓ | |
| Friuli Venezia-Giulia | • Centro Medico Università Castrense | 1 | 1 | | ✓ |
| Piedmont | • Eremo di Miazzina | 2 | 1 | ✓ | ✓ |
| Tuscany | • Rugani Hospital | 1 | 1 | ✓ | |
| Liguria | • Fides Group ⁽²⁾ | 8 ⁽³⁾ | 6 ⁽⁴⁾ | | ✓ |
| Lombardy | • XRay One | 1 | 1 | | ✓ |
| 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 Srl, 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. GHC GROUP FINANCIAL HIGHLIGHTS

3.1 GHC Group financial highlights

The 9M 2022 consolidated results, although impacted by the increase in electricity and gas prices, especially in the third quarter of the year, and by COVID-19 activities in support of the Public system, which in the early months of the year affected the full use of the production capacity of the clinics, indicate a significant increase both in terms of revenues and Operating EBITDA on the same period of the previous year.

The operating performance indicators for 9M 2022 and Q3 2022 compared with the same periods of 2021 are presented below. The 9M 2022 figures include also the full contribution of Clinica San Francesco S.r.l. (six-month contribution in 2021, as acquired on April 9, 2021) and of Domus Nova S.p.A., (two-month contribution in 2021, as acquired on July 28, 2021).

| Consolidated figures | 2022 | | 2021 | | 2022 vs 2021 | |
|--|-----------|--------|-----------|--------|--------------|--------|
| | Euro '000 | % | Euro '000 | % | Euro '000 | % |
| Revenues | 236,572 | 100.0% | 198,468 | 100.0% | 38,104 | 19.2% |
| Total operating costs (excl. "Adjustments") ² | (194,248) | -82.1% | (162,302) | -81.8% | (31,947) | 19.7% |
| Op. EBITDA Adjusted | 42,324 | 17.9% | 36,166 | 18.2% | 6,158 | 17.0% |
| Other Costs (Adjustments) ² | (729) | -0.3% | (4,139) | -2.1% | 3,410 | -82.4% |
| Operating EBITDA | 41,595 | 17.6% | 32,027 | 16.1% | 9,568 | 29.9% |
| Amortisation, depreciation & write-downs | (13,906) | -5.9% | (11,125) | -5.6% | (2,781) | 25.0% |
| Impairments and other provisions | (2,741) | -1.2% | (1,647) | -0.8% | (1,094) | 66.5% |
| EBIT | 24,948 | 10.5% | 19,255 | 9.7% | 5,692 | 29.6% |
| EBIT Adjusted | 25,677 | 10.9% | 23,395 | 11.8% | 2,282 | 9.8% |
| Net financial charges | (3,293) | -1.4% | (2,321) | -1.2% | (972) | 41.9% |
| Profit before taxes | 21,655 | 9.2% | 16,935 | 8.5% | 4,720 | 27.9% |
| Profit before taxes Adjusted | 22,384 | 9.5% | 21,074 | 10.6% | 1,310 | 6.2% |
| Income taxes | (4,863) | -2.1% | (3,871) | -2.0% | (992) | 25.6% |
| Net Profit | 16,792 | 7.1% | 13,064 | 6.6% | 3,728 | 28.5% |
| Group net profit | 16,785 | 7.1% | 13,061 | 6.6% | 3,723 | 28.5% |
| Minority interests | 7 | 0.0% | 2 | 0.0% | 5 | 193.2% |

² Adjustments: these include non-recurring revenues and costs (e.g. net impact of additional COVID costs) and one-off costs (e.g. M&A costs)

3.2 2022 Consolidated Revenues Overview

GHC consolidated revenues in 9M 2022 amounted to Euro 236,572 thousand, up 19.2% on Euro 198,468 thousand in the same period of 2021.

The revenue increase of Euro 38,104 thousand is due for Euro 29,933 thousand to the change in consolidation scope, as the income statement in 9M 2022 benefited fully from the contribution of Clinica San Francesco S.r.l. acquired on April 9, 2021, and of Domus Nova, acquired on July 28, 2021, and for Euro 8,171 thousand from the companies at like-for-like consolidation scope.

The revenue increase also benefited from the partial reimbursement of the additional COVID costs³ incurred by the Group companies, also in previous years, totalling Euro 1,569 thousand, of which Euro 1,488 thousand received by the companies at like-for-like scope and Euro 81 thousand received by Clinica San Francesco S.r.l. and Domus Nova S.p.A.

| Consolidated revenues in Euro thousands | 9M 2022 Actual | 9M 2021 Actual | 9M 22 vs. 9M 21 Euro '000 | 9M 22 vs. 9M 21 % |
|--|----------------|----------------|------------------------------|----------------------|
| Total | 236,572 | 198,468 | 38,104 | 19.2% |
| <i>of which repayments of "additional COVID costs"</i> | <i>1,569</i> | <i>1,033</i> | <i>536</i> | <i>51.9%</i> |
| <i>of which Clinica San Francesco + Domus Nova</i> | <i>49,574</i> | <i>19,641</i> | <i>29,933</i> | <i>152.4%</i> |

3.3. 2022 Consolidated Costs Overview

Consolidated operating costs for 9M 2022, net of adjustments, totalled Euro 194,248 thousand, increasing Euro 31,947 thousand (+19.7%) on Euro 162,302 thousand in the same period of 2021, of which Euro 23,698 thousand relates to the change in consolidation scope and Euro 8,249 thousand to the companies at like-for-like consolidation scope.

The increase in production costs in 9M 2022 was also influenced by increasing energy prices, estimated to be approx. Euro 3.8 million, of which Euro 3.3 million relating to the companies at like-for-like consolidation scope.

Total Adjustments of Euro 729 thousand comprise non-recurring costs for Euro 654 thousand, mainly regarding charges incurred (net of reimbursements) by the Group companies to deal with the COVID-19 emergency, and one-off costs of Euro 75 thousand related to M&A's. Non-recurring costs decreased Euro 3,410 thousand on 9M 2021, of which Euro 1,737 thousand due to the reduced COVID costs, which totalled Euro 1,214 thousand, the recognition of greater reimbursements for Euro 523 thousand and lower M&A costs, amounting to Euro 1,673 thousand, since in the first nine months of 2021 costs were incurred to acquire Clinica San Francesco S.r.l. and Domus Nova S.p.A..

3.4. 2022 Consolidated Operating EBITDA and Operating EBITDA Adjusted

Consolidated Operating EBITDA Adjusted⁴ totalled Euro 42,324 thousand, increasing 17.0% on Euro 36,166 thousand in the same period of the previous year, benefitting from the full contribution of the acquisitions of Domus Nova S.p.A. and Clinica San Francesco S.r.l., amounting to Euro 8,821 thousand in 9M 2022.

Overall, the 9M 2022 Group Operating EBITDA Adjusted margin was 17.9%.

| Consolidated Op. EBITDA and Op. EBITDA Adj. in Euro thousands | 9M 2022 Actual | 9M 2021 Actual | 9M 22 vs. 9M 21 Euro '000 | 9M 22 vs. 9M 21 % |
|--|----------------|----------------|------------------------------|----------------------|
| Op. EBITDA Reported | 41,595 | 32,027 | 9,568 | 29.9% |
| <i>+ additional COVID costs (net reimbursements)</i> | <i>654</i> | <i>2,391</i> | <i>(1,737)</i> | <i>-72.6%</i> |
| <i>+ M&A costs</i> | <i>75</i> | <i>1,748</i> | <i>(1,673)</i> | <i>-95.7%</i> |
| Op. EBITDA Adjusted | 42,324 | 36,166 | 6,158 | 17.0% |
| <i>of which Clinica San Francesco + Domus Nova *</i> | <i>8,821</i> | <i>2,586</i> | <i>6,235</i> | <i>241.1%</i> |

³ Non-recurring 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.

⁴ This indicator adjusts operating EBITDA for non-recurring revenues and costs (e.g. net impact of additional COVID costs) and for one-off costs (e.g. M&A costs), in order to provide an adjusted metric and comparable with the company's historic figures.

| | | | | |
|--------------------------------|-------|-------|---|---|
| Op. EBITDA Reported Margin (%) | 17.6% | 16.1% | - | - |
| Op. EBITDA Adjusted Margin (%) | 17.9% | 18.2% | - | - |

* in 2021, Clinica San Francesco contributed only for six months, and Domus Nova for only two months.

3.5. 2022 Consolidated EBIT and EBIT Adjusted Overview

EBIT Adjusted in 9M 2022 was Euro 25,677 thousand, up Euro 2,282 thousand (+9.8%) on Euro 23,395 thousand in the same period of the previous year.

This result includes amortisation, depreciation and write-downs in the period of Euro 13,906 thousand, increasing Euro 2,781 thousand on 9M 2021, mainly due to the change in consolidation scope (Euro 1,649 thousand), in addition to valuation adjustments and other provisions for Euro 2,741 thousand, increasing Euro 1,094 thousand on 9M 2021, both due to greater provisions at organic scope (Euro +792 thousand) and the change in consolidation scope (Euro +302 thousand).

EBIT Reported, net of Adjustments, was Euro 24,948 thousand, up Euro 5,692 thousand (+29.6%) on 9M 2021.

| Consolidated EBIT and EBIT Adj. in Euro thousands | 9M 2022 Actual | 9M 2021 Actual | 9M 22 vs. 9M 21 Euro '000 | 9M 22 vs. 9M 21 % |
|--|-----------------|-----------------|------------------------------|----------------------|
| Op. EBITDA Adjusted | 42,324 | 36,166 | 6,158 | 17.0% |
| - Amortisation of intangible assets | (639) | (434) | (205) | 47.1% |
| - Depreciation of property, plant & equip. | (12,884) | (10,615) | (2,269) | 21.4% |
| - Write-downs | (384) | (76) | (308) | 406.0% |
| Amortisation, depreciation and write-downs | (13,906) | (11,125) | (2,781) | 25.0% |
| - End of mandate provisions | (35) | (49) | 14 | -27.7% |
| - Healthcare lawsuit provisions | (1,839) | (1,364) | (475) | 34.8% |
| - Local Health Authority risk provisions | (1,383) | (1,094) | (289) | 26.4% |
| - Other risk provisions | (65) | (150) | 85 | -56.7% |
| + Release of provisions | 582 | 1,010 | (428) | -42.4% |
| Impairments and other provisions | (2,741) | (1,647) | (1,094) | 66.4% |
| = EBIT Adjusted | 25,677 | 23,395 | 2,282 | 9.8% |
| - Other costs (Adjustments) | (729) | (4,139) | 3,410 | -82.4% |
| = EBIT Reported | 24,948 | 19,255 | 5,692 | 29.6% |
| EBIT Adjusted Margin (%) | 10.9% | 11.8% | - | - |
| EBIT Reported Margin (%) | 10.5% | 9.7% | - | - |

3.6. 2022 Consolidated net profit overview

The Net Profit was Euro 16,792 thousand, an increase of Euro 3,728 thousand on Euro 13,064 thousand in 9M 2021.

This amount includes net financial charges of Euro 3,293 thousand, increasing Euro 972 thousand on 9M 2021, mainly due to the higher Group debt following the latest acquisitions, in addition to income taxes of Euro 4,863 thousand, rising Euro 992 thousand on 9M 2021, mainly due to the improved pre-tax result.

3.7. GHC Group Q3 2022 financial highlights

The operating performance indicators for Q3 2022 compared with the same period of 2021 are presented below.

| Consolidated figures | Q3 2022 | | Q3 2021 | | Q3 2022 vs. Q3 2021 | |
|---|---------------|---------------|---------------|---------------|---------------------|--------------|
| | Euro '000 | % | Euro '000 | % | Euro '000 | % |
| Revenues | 70,285 | 100.0% | 64,995 | 100.0% | 5,290 | 8.1% |
| Total operating costs (exc. Adjustments) ² | (59,131) | -84.1% | (53,573) | -82.4% | (5,558) | 10.4% |
| Op. EBITDA Adjusted | 11,154 | 15.9% | 11,422 | 17.6% | (268) | -2.3% |
| Other Costs (Adjustments) ² | (414) | -0.6% | (1,653) | -2.5% | 1,240 | -75.0% |
| Operating EBITDA | 10,740 | 15.3% | 9,768 | 15.0% | 972 | 10.0% |
| Amortisation, depreciation & write-downs | (4,676) | -6.7% | (4,205) | -6.5% | (472) | 11.2% |

| | | | | | | |
|-------------------------------------|--------------|-------------|--------------|--------------|----------------|---------------|
| Impairments and other provisions | (511) | -0.7% | (359) | -0.6% | (152) | 42.4% |
| EBIT | 5,553 | 7.9% | 5,205 | 8.0% | 348 | 6.7% |
| EBIT Adjusted | 5,967 | 8.5% | 6,858 | 10.6% | (891) | -13.0% |
| Net financial charges | (1,188) | -1.7% | (840) | -1.3% | (348) | 41.4% |
| Profit before taxes | 4,366 | 6.2% | 4,365 | 6.7% | 1 | 0.0% |
| Profit before taxes Adjusted | 4,779 | 6.8% | 6,019 | 9.3% | (1,239) | -20.6% |
| Income taxes | (826) | -1.2% | (1,074) | -1.7% | 248 | -23.1% |
| Net Profit | 3,540 | 5.0% | 3,291 | 5.1% | 250 | 7.6% |
| Group net profit | 3,541 | 5.0% | 3,292 | 5.1% | 248 | 7.5% |
| Minority interests | (1) | 0.0% | (1) | 0.0% | (0) | 60.4% |

3.8. Consolidated revenues – Q3 2022

In Q3, GHC consolidated revenues totalled Euro 70,285 thousand, increasing Euro 5,290 thousand (+8.1%) on Euro 64,995 thousand in the same period of 2021, of which Euro 3,509 thousand due to the change in consolidation scope and Euro 1,781 thousand to the companies at like-for-like consolidation scope.

| Consolidated revenues <i>in Euro thousands</i> | Q3 22 | Q3 21 | Q322 vs. Q321 Euro '000 | Q322 vs. Q321 % |
|---|---------------|---------------|----------------------------|--------------------|
| Total | 70,285 | 64,995 | 5,290 | 8.1% |
| <i>of which repayments of "additional COVID costs"</i> | 81 | 172 | (91) | -52.9% |
| <i>of which 2021 M&A (Clinica San Francesco + Domus Nova)</i> | 14,289 | 10,780 | 3,509 | 32.6% |

3.9. Consolidated operating costs – Q3 2022

Consolidated operating costs for Q3 2022, net of Adjustments, totalled Euro 59,131 thousand, increasing Euro 5,558 thousand (+10.4%) on Euro 53,573 thousand in Q3 2021.

This increase is mainly attributable to increased energy prices, estimated at approx. Euro 2.1 million.

The Adjustments of Euro 414 thousand comprise non-recurring costs for Euro 390 thousand, mainly regarding charges incurred (net of reimbursements) by the Group companies to deal with the COVID-19 emergency, and one-off costs of Euro 24 thousand related to M&A's. The decrease of Euro 1,240 thousand on the previous period is chiefly due to lower M&A costs than in Q3 2021, which stemmed from the acquisition of Domus Nova S.p.A.

3.10. Q3 2022 Consolidated Operating EBITDA and Operating EBITDA Adjusted

As a result of the revenue and cost trends described above, consolidated Operating EBITDA Adjusted⁽⁵⁾ was Euro 11,154 thousand, decreasing Euro 268 thousand (-2.3%) from Euro 11,422 thousand in the Q3 2021. The Group's Operating EBITDA Adjusted Margin in Q3 2022 was 15.9%, down from 17.9% in the previous quarter, chiefly due to the sharp increase in energy prices from July 2022.

By contrast, Operating EBITDA Reported of Euro 10,740 thousand was up Euro 972 thousand (+9.9%) on Q3 2021, chiefly due to the lower impact of net COVID and M&A costs.

⁵ This indicator adjusts operating EBITDA for non-recurring revenues and costs (e.g. net impact of additional COVID costs) and for one-off costs (e.g. M&A costs), in order to provide an adjusted metric and comparable with the company's historic figures.

| <i>Consolidated Op. EBITDA and Op. EBITDA Adj.</i> in Euro thousands | Q3 2022 Actual | Q3 2021 Actual | Q3 22 vs. Q3 21 Euro '000 | Q3 22 vs. Q3 21 % |
|---|----------------|----------------|------------------------------|----------------------|
| Op. EBITDA Reported | 10,740 | 9,768 | 972 | 9.9% |
| + additional COVID costs (net reimbursements) | 390 | 735 | (345) | -46.9% |
| + M&A costs | 24 | 918 | (894) | -97.4% |
| Op. EBITDA Adjusted | 11,154 | 11,422 | (268) | -2.3% |
| <i>of which 2021 M&A (Clinica San Francesco + Domus Nova)</i> | 1,715 | 881 | 834 | 94.6% |
| <i>Op. EBITDA Reported Margin (%)</i> | 15.3% | 15.0% | - | - |
| <i>Op. EBITDA Adjusted Margin (%)</i> | 15.9% | 17.6% | - | - |

3.11. Q3 2022 Consolidated EBIT and EBIT Adjusted Overview

EBIT Adjusted in Q3 2022 was Euro 5,967 thousand, decreasing Euro 891 thousand (-13.0%) on Euro 6,858 thousand in the same period of the previous year.

This result includes amortisation, depreciation and write-downs in the period of Euro 4,676 thousand, increasing Euro 471 thousand on Q3 2021, mainly due to investments made, in addition to valuation adjustments and other provisions for Euro 511 thousand, increasing Euro 152 thousand on Q3 2021

EBIT Reported, net of Adjustments, was Euro 5,553 thousand, up Euro 348 thousand (+6.7%) on 9M 2021.

| <i>Consolidated EBIT and EBIT Adj.</i> in Euro thousands | Q3 2022 Actual | Q3 2021 Actual | Q3 22 vs. Q3 21 Euro '000 | Q3 22 vs. Q3 21 % |
|---|----------------|----------------|------------------------------|----------------------|
| Op. EBITDA Adjusted | 11,154 | 11,422 | (268) | -2.3% |
| - Amortisation of intangible assets | (221) | (211) | (10) | 4.8% |
| - Depreciation of property, plant & equip. | (4,310) | (3,974) | (336) | 8.4% |
| - Write-downs | (146) | (20) | (126) | 628.6% |
| Amortisation, depreciation and write-downs | (4,676) | (4,205) | (471) | 11.2% |
| - End of mandate provisions | (11) | (16) | 5 | -29.7% |
| - Healthcare lawsuit provisions | (269) | (325) | 56 | -17.2% |
| - Local Health Authority risk provisions | (354) | (500) | 146 | -29.1% |
| + Release of provisions | 124 | 482 | (358) | -74.3% |
| Impairments and other provisions | (511) | (359) | (152) | 42.2% |
| EBIT Adjusted | 5,967 | 6,858 | (891) | -13.0% |
| - Other costs (Adjustments) | (414) | (1,653) | 1,240 | -75.0% |
| Reported EBIT | 5,553 | 5,205 | 348 | 6.7% |
| <i>EBIT Adjusted Margin (%)</i> | 8.5% | 10.6% | - | - |
| <i>EBIT Reported Margin (%)</i> | 7.9% | 8.0% | - | - |

3.12. Q3 2022 Consolidated Net Profit

The net profit in Q3 2022 was Euro 3,540 thousand, increasing Euro 250 thousand on Euro 3,291 thousand in Q3 2021.

This amount includes net financial charges of Euro 1,188 thousand, increasing Euro 348 thousand on Q3 2021, due to the higher Group debt following the acquisition of Domus Nova S.p.A. in July 2021, and income taxes of Euro 826 thousand, decreasing Euro 248 thousand on the same period of the previous year.

4. FINANCIAL HIGHLIGHTS - COMPARATIVE PRO-FORMA FIGURES

In order to ensure sufficient comparability of company results for 9M 2022 with the same period of the previous year, the Pro-Forma⁽⁶⁾ figures were prepared for 9M 2021. 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).

| Consolidated figures <i>in Euro thousands</i> | 9M 2022 | | 9M 2021 PRO-FORMA | | 2022 vs. 2021 PF | |
|--|----------------|----------------|-------------------|---------------|------------------|---------------|
| | Euro '000 | % | Euro '000 | % | Euro '000 | % |
| Revenues | 236,572 | 100.00% | 224,624 | 100.0% | 11,948 | 5.32% |
| Total operating costs (excl. non-core costs) | (194,248) | -82.11% | (186,710) | -83.1% | (7,538) | 4.04% |
| Op. EBITDA Adjusted | 42,324 | 17.89% | 37,914 | 16.9% | 4,410 | 11.63% |
| Other Costs ("Adjustments") | (729) | -0.31% | (4,139) | -1.8% | 3,410 | -82.38% |
| Operating EBITDA | 41,595 | 17.58% | 33,775 | 15.0% | 7,820 | 23.15% |
| Amortisation, depreciation & write-downs | (13,906) | -5.88% | (13,151) | -5.9% | (755) | 5.74% |
| Impairments and other provisions | (2,741) | -1.16% | (2,528) | -1.1% | (213) | 8.43% |
| EBIT | 24,948 | 10.55% | 18,096 | 8.1% | 6,852 | 37.86% |
| EBIT Adjusted | 25,677 | 10.85% | 22,235 | 9.9% | 3,442 | 15.48% |
| Net financial charges | (3,293) | -1.39% | (2,436) | -1.1% | (857) | 35.18% |
| Profit before taxes | 21,655 | 9.15% | 15,660 | 7.0% | 5,995 | 38.28% |
| Profit before taxes Adjusted | 22,384 | 9.46% | 19,799 | 8.8% | 2,585 | 13.06% |
| Income taxes | (4,863) | -2.06% | (3,941) | -1.8% | (922) | 23.39% |
| Net Profit | 16,792 | 7.10% | 11,719 | 5.2% | 5,073 | 43.29% |
| Group net profit | 16,785 | 7.09% | 11,722 | 5.2% | 5,063 | 43.19% |
| Minority interests | 7 | 0.00% | (3) | 0.0% | 10 | -3.37% |

As presented in the table above, all income statement indicators (Revenues, Operating EBITDA Adjusted, Operating EBITDA, EBIT, etc.) significantly improved on the pro-forma figures for 9M 2021.

⁽⁶⁾ 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.

5. BALANCE SHEET AND FINANCIAL POSITION

5.1. Balance Sheet

A breakdown of the Group's condensed consolidated balance sheet at September 30, 2022 and December 31, 2021 is provided below.

| Consolidated figures Uses | 2022 | 2021 | Δ vs 2021 |
|--|-----------------|----------------|-----------------|
| | September | December | Euro '000 |
| Goodwill | 70,635 | 70,265 | 370 |
| Intangible and tangible assets | 412,880 | 413,758 | (878) |
| Financial assets | 1,117 | 1,768 | (651) |
| I Fixed capital | 484,632 | 485,791 | (1,159) |
| Trade Receivables | 57,681 | 74,720 | (17,038) |
| Inventories | 4,383 | 4,322 | 61 |
| Trade payables | (44,549) | (46,239) | 1,689 |
| Net Operating Working Capital | 17,515 | 32,803 | (15,288) |
| Other assets/liabilities | (28,269) | (27,896) | (372) |
| II Net Working Capital | (10,753) | 4,907 | (15,660) |
| Net deferred taxes | (57,212) | (58,272) | 1,061 |
| Provisions | (29,641) | (29,333) | (308) |
| III Total Uses (NET CAPITAL EMPLOYED) | 387,026 | 403,093 | (16,066) |
| IV Net financial debt | 112,522 | 142,378 | (29,856) |
| Minority interest shareholders' equity | 263 | 262 | 1 |
| Group shareholders' equity | 274,242 | 260,453 | 13,789 |
| V Shareholders' Equity | 274,504 | 260,714 | 13,790 |
| VI Total sources of financing | 387,026 | 403,093 | (16,066) |

Fixed capital at September 30, 2022 amounted to Euro 484,632 thousand, a decrease of Euro 1,159 thousand on December 31, 2021. The movement relates to amortisation and depreciation in the period of Euro 13,493 thousand, exceeding investments of Euro 12,670 thousand.

Net operating working capital at September 30, 2022 decreased Euro 15,288 thousand on December 31, 2021, due to the decrease in trade receivables, mainly related to the seasonality of operating activities, which in Q3 entails the collection of receivables related to the previous months, and lower sales in the summer months.

Other assets and liabilities increased Euro 372 thousand, mainly due to the assessment of income taxes for the period.

The net working capital therefore reports a net decrease of Euro 15,660 thousand due to the net operating working capital changes and the changes of other assets and liabilities outlined previously.

Net deferred taxes decreased Euro 1,061 thousand, mainly due to the increase in the deferred tax assets of Hesperia Hospital Modena S.r.l. and Rugani Hospital S.r.l., restated using the ordinary IRES rate as the subsidised IRES rate for hospitals available until 2021 could no longer be applied for both companies.

Provisions increased compared to December 31, 2021 by Euro 308 thousand, due to: (i) the increase in the Post-employment benefit provision for Euro 280 thousand (ii) the increase in the provisions for risks for Euro 28 thousand. In greater detail, the increase in the risks provisions is due to the following combined effects: (i) net accruals (excess of provisions over releases) of Euro 2,847 thousand, mainly due for Euro 1,422 thousand to healthcare risks and for Euro 1,328 thousand to local health authority risks (ii) utilisations for Euro 2,819 thousand, mainly concerning healthcare and local health authority cases (Euro 2,611 thousand).

Net capital employed at September 30, 2022 amounted to Euro 387,026 thousand, a decrease of Euro 16,066 thousand on Euro 403,093 thousand at December 31, 2021.

At September 30, 2022, the Net Financial Position (NFP) of the Garofalo Health Care Group was Euro 112,522 thousand, with gross financial debt of Euro 161,719 thousand and liquidity of Euro 49,197 thousand. The NFP therefore decreased Euro 29,856 thousand on December 31, 2021, thanks to the cash flow generated from operating activities, enabling the settlement of the initial instalment of the loan for Euro 11,111 thousand, the lesser use of advances and credit lines for Euro 9,057 thousand and the repayment of the loan to the parent Larama (Euro 1,664 thousand).

The Group shareholders' equity at September 30, 2022 of Euro 274,242 thousand increased Euro 13,789 thousand on December 31, 2021 due to the profit for the period of Euro 16,785 thousand, net of the purchase of treasury shares of Euro 2,426 thousand, and the decrease in the actuarial reserve on the post-employment benefits for Euro 563 thousand.

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, 2022 and December 31, 2021 is provided below.

| Consolidated figures | 2022 Euro '000 | 2021 Euro '000 | Δ vs 2021 Euro '000 |
|---|-------------------|-------------------|------------------------|
| A Cash and cash equivalents | 48,893 | 41,239 | 7,654 |
| B Other liquidity | - | 39 | (39) |
| C Other current financial assets | 304 | 136 | 168 |
| D Liquidity | 49,197 | 41,414 | 7,783 |
| E Current financial debt | 15,019 | 24,163 | (9,144) |
| F Current portion of non-current financial debt | 22,425 | 21,499 | 927 |
| G Current financial debt | 37,444 | 45,662 | (8,218) |
| H Net current financial debt (G - D) | (11,753) | 4,248 | (16,001) |
| I Non-current financial debt | 124,275 | 138,130 | (13,855) |
| J Debt instruments | - | - | - |
| K Trade payables and other non-current payables | - | - | - |
| L Non-current financial debt (I + J + K) | 124,275 | 138,130 | (13,855) |
| M Total financial debt (H + L) | 112,522 | 142,378 | (29,856) |

As shown in the table above, liquidity increased Euro 7,654 thousand, thanks to operating cash flow generated, net of that used to reduce the current financial debt and capex in the period.

The current financial debt decreased Euro 8,218 thousand, mainly due to the lesser use of bank lines and advances.

The non-current financial debt decreased Euro 13,855 thousand, mainly due to the settlement of the first Unicredit loan instalment, totalling Euro 11,111 thousand, and the entire loan to the parent Larama, amounting to Euro 1,664 thousand.




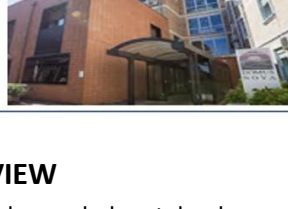
6. INVESTMENTS

6.1 Recurring investments

In 9M 2022, 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 Capex in long-term development and organisational restructuring

In 9M 2022, the Group continued investments in capex of a non-recurring nature within the framework of long-term development and organisational restructuring, with expansion projects designed to increase production capacity and diversify the type of services offered. A short description of these investments follows.

| Clinic | Main expansion investments and organisational restructuring | | Highlights |
|---|---|---|--|
| Villa Fernanda and S. Marta (Fides Group) |  | Villa Fernanda S. Marta <i>completed</i> | <ul style="list-style-type: none"> - Acquisition of a building located in Genoa, previously used as a school, to which the activities previously at the Santa Marta clinic were transferred in 2020 - The new Santa Marta clinic, allocated for dependency care activities with a focus on private patients, was opened on 28/09/2022 in the presence of the President of the Liguria Region Giovanni Toti. |
| Eremo di Miazzina |  | Expansion of Istituto Raffaele Garofalo <i>in progress</i> | <ul style="list-style-type: none"> - Acquisition of a building of around 4,000m² opposite Istituto Raffaele Garofalo, designed to improve hospital rehabilitation services, in addition to expanding and diversifying accredited specialist outpatient services which are today carried out at the IRG - The works have incurred a number of slowdowns due to difficulties in procuring certain raw materials |
| Hesperia Hospital Modena |  | Expansion and reorganisation of existing clinic <i>in progress</i> | <ul style="list-style-type: none"> - Expansion of production capacity with reorganisation of operating theatres and the creation, among others, of a new operating room and a new day-surgery, in addition to the creation of a new area for the centralised acceptance of specialised outpatient cases - The activities are currently ongoing |
| Domus Nova |  | Domus Nova and San Francesco redevelopment <i>in progress</i> | <ul style="list-style-type: none"> - Domus Nova: new reception area with reception desk, new lift, pre-operational area - San Francesco: new reception area, outpatient area on the ground floor, endoscopy department, work to comply with CPI regulations - Activities are currently underway |

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 9M 2022, in view of the continued partial difficulties related to COVID-19, it is noted that all GHC Group clinics continued to provide support to the public healthcare system, managing at the same time not to compromise its operations. The following table presents the main activities in support of the public system:

| Region | Clinic | Main activities carried out to support the public system |
|----------------|--------------------------|--|
| Emilia-Romagna | Hesperia Hospital | <ul style="list-style-type: none"> Local healthcare authority weekly operating room sessions made available in Q1 to the Policlinico and Modena for oncological senology procedures and for orthopaedic procedures. These agreements ended when the state of emergency concluded on March 31, 2022. |
| | Ospedali Privati Riuniti | <ul style="list-style-type: none"> Ward made available for COVID patients (closed in August), in addition to operating room sessions (until March) to allow the Istituto Ortopedico Rizzoli to carry out orthopaedic surgery at its clinic in Villa Regina. |
| Tuscany | Rugani Hospital | <ul style="list-style-type: none"> Wards opened in first three months dedicated to COVID patients emerging from the acute phase but still testing positive for the virus (10 beds), then closed in April |

The GHC Group 9M 2022 consolidated results, although still 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 a significant increase both in terms of revenues and Operating EBITDA on the same period of the previous year.

With reference to the 9M 2022 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 the dedicated distancing pathways, only in part reimbursed by the local health authorities.

As regards the Balance Sheet, COVID-19 resulted at consolidated level in the recognition in 2020 and 2021 to GHC clinics as a result of the COVID-19 emergency 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 2019 or that of the budget agreement. At September 30, 2022, these advances were unchanged on December 31, 2021 at approx. Euro 10.5 million. 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. SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

On October 13, 2022, Garofalo Health Care S.p.A. signed a binding agreement for the acquisition of Gruppo Veneto Diagnostica e Riabilitazione (GVDR), one of the leading accredited private diagnostic centres in the Veneto region by volume and service quality. The transaction allows the GHC Group to expand in the strategic areas of Padua, Venice and Treviso, thus strengthening its presence in the Veneto region.

The Enterprise Value of the transaction is Euro 24.0M and the Equity Value, calculated on the basis of the provisional contractual Net Financial Position at June 30, 2022 - which also includes the Post-employment benefit provision of approx. Euro 1.1M among the payables - is Euro 24.9M.

The transaction will utilise own funds and also bank debt, as GHC has a Financing Line for new acquisitions (totalling Euro 81M), for which it can draw down up to 80% of the purchase price.

The transaction is expected to be completed by the end of the year through a vehicle company wholly-owned by GHC.

This transaction, in line with the Buy & Build strategy undertaken since the IPO, confirms the Group's strategic intention to pursue M&A-driven growth, through acquisitions of excellent clinics with non-dilutive performances, also going forward.

10. OUTLOOK

In the first 9 months of 2022, compared to 2021, the Group achieved a significant increase in operating activity and in the value of production, both for the companies in the organic perimeter and for the 2 companies acquired last year. This growth made it possible to offset, in terms of operating margins, the higher costs related to energy supply prices which, especially in the third quarter of this year, recorded a significant and higher than expected increase. In the last quarter of 2022, the Group is confident that it will be able to achieve a production volume substantially in line with the same period of 2021 against an operating margin that could be affected by the uncertainty of the energy price trend.

With reference to the topic of energy, it should be noted that the Company has defined specific initiatives to support energy efficiency and is working concretely for their implementation. In particular, these initiatives concern (i) the reduction of the price of electricity and gas supply at Group level and (ii) the optimization of energy consumption through an investment plan for all Group structures. The Company expects to reap the first benefits during the next year.

11. FINANCIAL STATEMENTS

BALANCE SHEET

| | For the period ended September 30 | For the year ended December 31 |
|---|--------------------------------------|-----------------------------------|
| <i>in Euro thousands</i> | 2022 | 2021 |
| Goodwill | 70,635 | 70,265 |
| Other intangible assets | 195,773 | 195,828 |
| Property, plant and equipment | 216,213 | 217,006 |
| Investment property | 895 | 924 |
| Equity investments | 762 | 1,285 |
| Other non-current financial assets | 355 | 482 |
| Other non-current assets | 1,521 | 1,113 |
| Deferred tax assets | 10,739 | 9,660 |
| Assets for derivative financial instruments - non-current | 0 | 0 |
| Defined benefit plan activities | 0 | 0 |
| TOTAL NON-CURRENT ASSETS | 496,892 | 496,564 |
| Inventories | 4,383 | 4,322 |
| Trade receivables | 57,681 | 74,720 |
| Tax receivables | 5,523 | 6,088 |
| Other receivables and current assets | 3,116 | 3,405 |
| Other current financial assets | 304 | 175 |
| Cash and cash equivalents | 48,893 | 41,239 |
| Assets for derivative financial instruments - current | 0 | 0 |
| Assets held-for-sale | 0 | 0 |
| TOTAL CURRENT ASSETS | 119,900 | 129,948 |
| TOTAL ASSETS | 616,793 | 626,513 |

| | For the period ended September 30 | For the year ended December 31 |
|---|--------------------------------------|-----------------------------------|
| <i>in Euro thousands</i> | 2022 | 2021 |
| Share capital | 31,570 | 31,570 |
| Legal reserve | 532 | 471 |
| Other Reserves | 225,355 | 209,578 |
| Group result for the period | 16,785 | 18,834 |
| TOTAL GROUP SHAREHOLDERS' EQUITY | 274,242 | 260,453 |
| Minority interest capital and reserves | 256 | 253 |
| Minority interest result | 7 | 9 |
| TOTAL SHAREHOLDERS' EQUITY | 274,504 | 260,714 |
| Employee benefits | 12,267 | 11,987 |
| Provisions for risks and charges | 17,373 | 17,346 |
| Non-current financial payables | 124,275 | 138,130 |
| Other non-current liabilities | 2,412 | 213 |
| Deferred tax liabilities | 67,950 | 67,932 |
| TOTAL NON-CURRENT LIABILITIES | 224,278 | 235,608 |
| Trade payables | 44,549 | 46,239 |
| Current financial payables | 37,444 | 45,662 |
| Tax payables | 4,543 | 3,860 |
| Other current liabilities | 31,474 | 34,430 |
| TOTAL CURRENT LIABILITIES | 118,010 | 130,190 |
| TOTAL LIABILITIES | 342,288 | 365,798 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 616,793 | 626,513 |

INCOME STATEMENT

| <i>in Euro thousands</i> | For the period ended September 30 | |
|---|-----------------------------------|----------------|
| | 2022 | 2021 |
| Revenues from services | 230,462 | 195,682 |
| Other revenues | 6,110 | 2,786 |
| TOTAL REVENUES | 236,572 | 198,468 |
| Raw materials and consumables | 33,350 | 27,413 |
| Service costs | 97,708 | 83,481 |
| Personnel costs | 53,212 | 46,597 |
| Other operating costs | 10,707 | 8,950 |
| Amortisation, depreciation & write-downs | 13,906 | 11,125 |
| Impairments and other provisions | 2,741 | 1,647 |
| TOTAL OPERATING COSTS | 211,624 | 179,213 |
| EBIT | 24,948 | 19,255 |
| Financial income | 79 | 66 |
| Financial charges | (3,438) | (2,567) |
| Results of investments at equity | 65 | 180 |
| TOTAL FINANCIAL INCOME AND CHARGES | (3,293) | (2,321) |
| PROFIT BEFORE TAXES | 21,655 | 16,935 |
| Income taxes | 4,863 | 3,871 |
| NET PROFIT FOR THE PERIOD | 16,792 | 13,064 |
| Attributable to: | | |
| Group | 16,785 | 13,061 |
| Minority interests | 7 | 2 |

CASH FLOW STATEMENT

| In Euro thousands | September | |
|---|-----------------|-----------------|
| | 2022 | 2021 |
| OPERATING ACTIVITIES | | |
| Net Profit for the period | 16,792 | 13,064 |
| <i>Adjustments for:</i> | | |
| - Amortisation and depreciation | 13,522 | 11,047 |
| - Provisions for employee benefit liabilities | 551 | 503 |
| - Provisions net of releases for risks and charges | 2,741 | 1,647 |
| - Provisions net of releases for doubtful debt provision | 384 | 76 |
| - Interest from discounting | 1,880 | 584 |
| - Change in investments in associates valued under the equity method | (65) | (181) |
| - Change in other non-current assets and liabilities | 1,919 | (92) |
| - Net change in deferred tax assets and liabilities | (883) | 341 |
| - Payments for employee benefits | (1,012) | (774) |
| - Payments for provisions for risks and charges | (1,917) | (1,584) |
| <i>Changes in operating assets and liabilities:</i> | | |
| (Increase) decrease in trade and other receivables | 15,859 | 9,999 |
| (Increase) decrease in inventories | (61) | (177) |
| Increase (decrease) in trade and other payables | (1,689) | (3,791) |
| Other current assets and liabilities | (1,489) | 5,574 |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | 46,530 | 36,235 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Investments in intangible assets | (585) | (854) |
| Investments in tangible assets | (10,328) | (19,644) |
| (Investments)/disposals in financial assets | (36) | - |
| Sale of tangible assets | 30 | 192 |
| Dividends from associates | 163 | 120 |
| Acquisition Domus Nova | - | (31,119) |
| Acquisition Clinica San Francesco | - | (36,562) |
| CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B) | (10,755) | (87,868) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Issue of medium/long term loans | 65 | 43,401 |
| Repayment of medium/long-term loans | (11,114) | (12,551) |
| Issue/(repayment) of short-term loans | (9,057) | (1,388) |
| Changes in other financial payables | (5,589) | (3,766) |
| Share capital increase and shareholder payments | - | 40,937 |
| Use of Reserve as per Article 40 | - | (12) |
| (Acquisition) treasury shares | (2,426) | (1,692) |
| NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C) | (28,121) | 64,929 |
| TOTAL CASH FLOWS (D=A+B+C) | 7,654 | 13,296 |
| CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD (E) | 41,239 | 24,810 |
| CASH & CASH EQUIVALENTS AT END OF PERIOD (F=D+E) | 48,893 | 38,106 |
| Additional information: | | |
| Interest paid | 1,340 | 1,108 |
| Income taxes paid | 3,757 | 1,474 |

12. DECLARATION OF THE EXECUTIVE OFFICER

The Executive Officer for Financial Reporting of the company Garofalo Health Care 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, 2022 corresponds to the underlying accounting documents, records and entries.

Rome, November 14, 2022

**Executive Officer for
Financial Reporting**

(Mr. Luigi Celentano)