



# H1 2024 DIRECTORS' REPORT



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## COMPANY INFORMATION

### Parent Company Registered Office

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Garofalo Health Care S.p.A.

Piazzale Belle Arti, 6 – Rome 00196

### Parent Company Legal Details

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Subscribed and paid-in share capital 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

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
GIANCARLA BRANDA	Independent Director
FRANCA BRUSCO	Independent Director
FEDERICO FERRO-LUZZI	Independent Director
LUCA MATRIGIANI	Independent Director
ALBERTO OLIVETI	Independent Director

### CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

FRANCA BRUSCO  
FEDERICO FERRO LUZZI  
GIANCARLA BRANDA

### APPOINTMENTS AND REMUNERATION COMMITTEE

FEDERICO FERRO LUZZI  
FRANCA BRUSCO  
ALBERTO OLIVETI

### 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. GROUP STRUCTURE

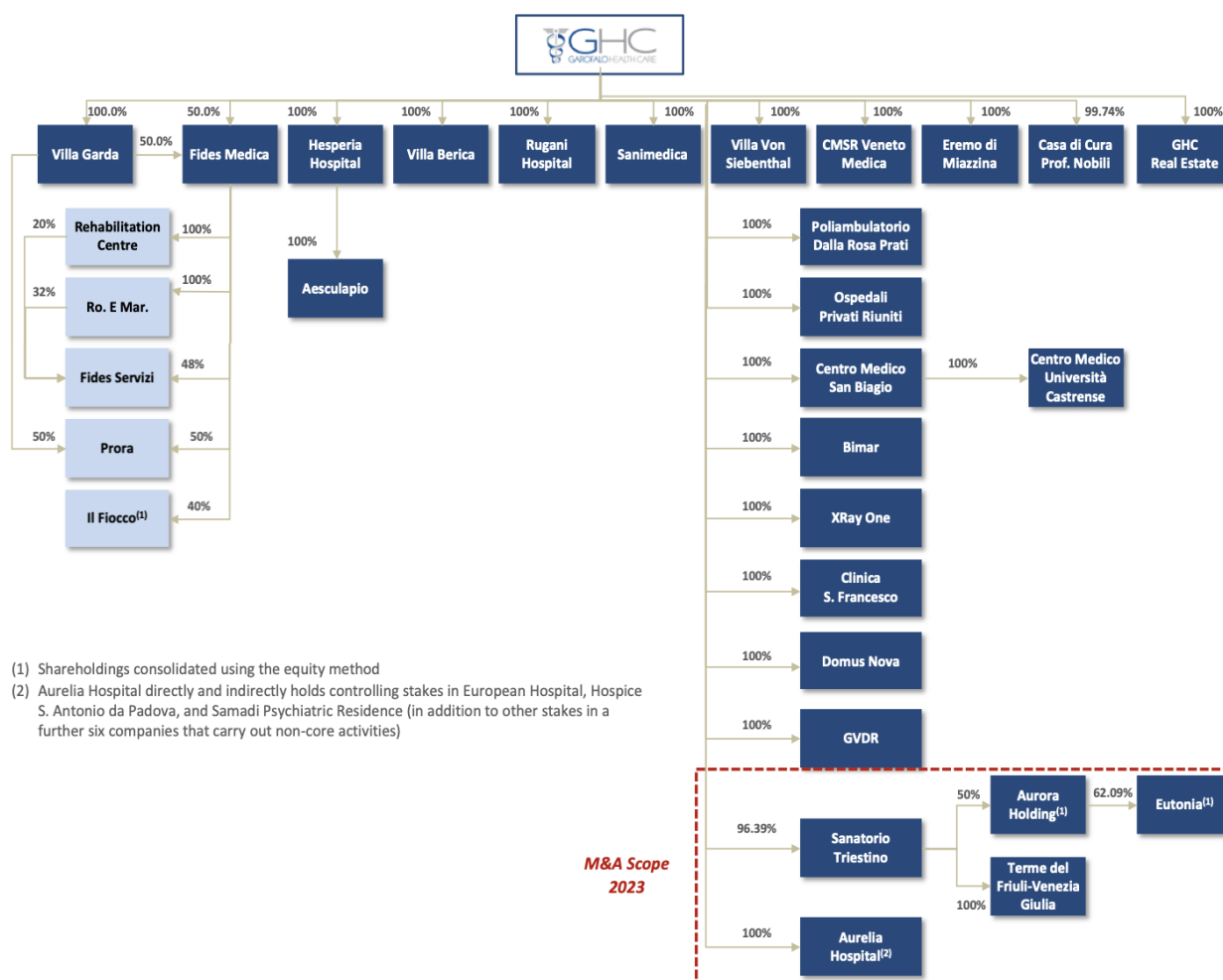
### Overview of the Group's healthcare facilities

The GHC Group is an Italian accredited private healthcare leader operating, at June 30, 2024, through 37 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 specialties, the use of cutting-edge technologies and highly-qualified personnel.

The Group currently 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.

### The Garofalo Healthcare Group

The chart below shows the GHC Group's structure at June 30, 2024, 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 details the main specialties provided by the Group, broken down geographically, by sector and by segment.

Sector	ACUTE	POST-ACUTE		OUTPATIENT	DEPENDENCY CARE
		Long-term care	Rehabilitation		
Main services provided	<ul style="list-style-type: none"> <li>Wide range of specialisations in acute patient therapy, including:                             <ul style="list-style-type: none"> <li>Heart surgery</li> <li>Cardiology (clinical and interventional)</li> <li>Orthopaedics</li> <li>Diabetology</li> <li>Urology</li> <li>Otorhinolaryngology</li> <li>General surgery</li> <li>Vascular Surgery</li> <li>Gynaecology</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Long-term hospitalisations for patients suffering from:                             <ul style="list-style-type: none"> <li>Disabling chronic conditions</li> <li>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</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Rehabilitation treatments, including:                             <ul style="list-style-type: none"> <li>Cardiology</li> <li>Neurology</li> <li>Neuromotor</li> <li>Nutritional</li> <li>Respiratory</li> <li>Physiotherapy</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Outpatient services, consultations, and diagnostic services performed by hospital and non-hospital facilities:                             <ul style="list-style-type: none"> <li>Doppler echocardiogram</li> <li>Holter test</li> <li>Doppler vascular ultrasound</li> <li>Myocardial perfusion imaging</li> <li>CT and Cardiac CT</li> <li>Ultrasound</li> <li>MRI</li> <li>Nuclear medicine</li> <li>Laboratory analyses</li> <li>Outpatient dialysis</li> <li>Ophthalmology</li> <li>Dental services</li> <li>PET/CT</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Assistance and treatment of specific conditions, including:                             <ul style="list-style-type: none"> <li>Severe disabilities</li> <li>Patients with LIS (Locked-in Syndrome) or with amyotrophic lateral sclerosis in the terminal phase (NAC Departments - High Chronic Neurological Complexity Unit)</li> <li>Complex disabilities, mainly motor or clinical assistance and functional (Healthcare Assistance Continuity)</li> <li>Patients with severe acquired brain injury disabilities</li> <li>Psychiatric disorders and disorders related to the use of psychoactive substances</li> </ul> </li> </ul>

## Brief description of the companies of the GHC Group

The GHC Group's 37 clinics are diversified by Region and by sector, as shown below.

Italian regions	no. Reporting Entities (24)	no. Clinics (37)	no. legal entities (legal persons) (36)	Segment	
				Hospital	Social/Dependency Care
Veneto	Villa Berica	1	1	✓	
	CMSR Veneto Medica	1	1		✓
	Sanimedica	1	1		✓
	Villa Garda	1	1	✓	
	Centro Medico S. Biagio	1	2 <sup>(1)</sup>		✓
	Clinica S. Francesco	1	1	✓	
	GVDR	4	1		✓
Lombardy	XRay One	1	1		✓
Friuli Venezia-Giulia	Centro Medico Università Castrense	1	1		✓
	Sanatorio Triestino	1	2 <sup>(2)</sup>	✓	
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>(3)</sup>	8 <sup>(4)</sup>	5 <sup>(5)</sup>		✓
Lazio	Villa Von Siebenthal	1	1		✓
	Aurelia Hospital	1	7 <sup>(6)</sup>	✓	
	European Hospital	1	1	✓	
	Hospice S. Antonio da Padova	1	1		✓
	Samadi Residential Psychiatric Care Facility	1	1		✓

(1) Also includes Bimar S.r.l.

(2) Also includes Terme del Friuli Venezia-Giulia S.r.l.

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

(4) 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

(5) 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.

(6) Aurelia Hospital also includes other companies performing non-core activities (Ram S.r.l., Finaur S.r.l., Gestiport 86 S.p.A., Axa Residence S.p.A., Video 1 S.r.l., Radio IES S.r.l.)

## Significant shareholders

The table below reports the Garofalo Health Care S.p.A. ownership structure at June 30, 2024, including significant equity interests.

Garafalo Health Care S.p.A. shareholders	No. share	% shares with voting rights	Voting rights	% voting rights
Controlling shareholder (*)	58,696,090	66.25%	58,696,090	65.02%
Market	29,907,422	33.75%	31,580,422	34.98%
<b>Total shares with voting rights at the Shareholders' Meeting</b>	<b>88,603,512</b>	<b>100.00%</b>	<b>90,276,512</b>	<b>100.00%</b>
Treasury shares (**)	1,596,488		(**)	
<b>TOTAL:</b>	<b>90,200,000</b>			

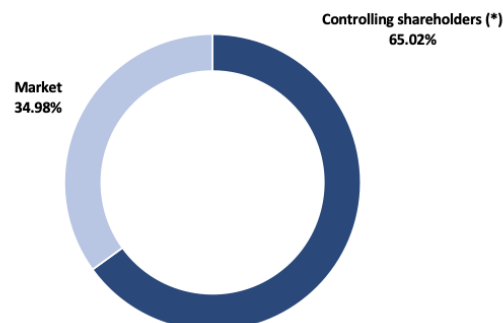
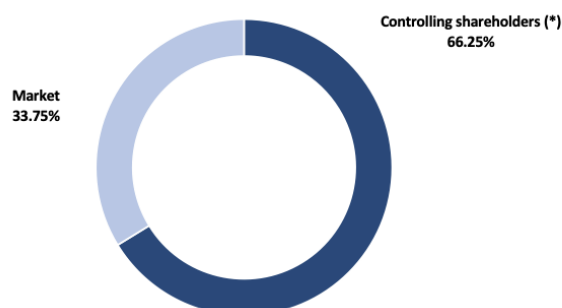
(\*) includes shares held directly and indirectly by the Chief Executive Officer Maria Laura Garofalo  
 (\*\*) Treasury shares with suspended voting rights at the publication date of this Report

Garafalo Health Care S.p.A. shareholders with stakes greater than 5%	No. share	% shares with voting rights	Voting rights	% voting rights
Larama 98 S.p.A. (***)	45,516,000	51.37%	45,516,000	50.42%
Maria Laura Garofalo	11,299,490	12.75%	11,299,490	12.52%
Fondazione Enasarco	4,760,620	5.37%	4,760,620	5.27%

(\*\*\*) linked to Maria Laura Garofalo

Percentage of shares with voting rights

Voting rights percentage



As previously reported, in accordance with Article 127-quinquies of the CFA, Article 7 of the By-Laws states that each share held by the same shareholder for a continuous period of at least 24 months from the date of registration in the special list specifically established by the Company (the "List") confers two votes. In accordance with Article 127-quinquies, paragraph 7, of the CFA, Article 7 of the By-laws states that shares held prior to the commencement date of trading, and hence prior to the date of registration in the List, are also to be considered for the purpose of completing the period of continuous ownership required for multi-voting rights. For further information, please refer to the Multi-Voting Rights Regulation available from the Company's website, [www.garofalohealthcare.com](http://www.garofalohealthcare.com), which in accordance with Article 143-*quater* of the Regulation adopted by Consob with Motion No. 11971 of May 14, 1999, as supplemented and amended (the "Issuers' Regulation") also presents the identification details of the shareholders who have applied for registration in the List, with indication of their individual holdings – in any event exceeding the threshold indicated by Article 120, paragraph 2 of the CFA – date of registration and date of attainment of multi-vote rights.

### GHC share performance in H1 2024

Garofalo Health Care S.p.A. been listed on the Euronext Milan market organised and managed by Borsa Italiana S.p.A. since November 9, 2018, while on March 25, 2021 GHC's shares were admitted to the Euronext STAR Milan - Segmento Titoli con Alti Requisiti (stringent requirements) Segment.

In H1 2024, the GHC share price rose 11.1%<sup>1</sup>.

It should also be noted that since the day it was listed (November 9, 2018 at Euro 3.34 per share), it has remained at all times above its placement price.

The table below outlines GHC share performance for the period covered:

Key stock exchange indicators for H1 2024 (Euro)	
IPO offer price on November 9, 2018	3.34
Official price at June 28, 2024	5.0661
Official price as of January 2, 2024 (first trading day of the year)	4.5615
Number of GHC ordinary shares at June 28, 2024	90,200,000
Number of GHC ordinary shares at January 2, 2024	90,200,000
Treasury shares held on June 28, 2024	1,596,488
Ordinary shares in circulation on June 28, 2024	88,603,512
Treasury shares held on January 2, 2024	1,651,267
Ordinary shares in circulation on January 2, 2024	88,548,733
Market capitalisation on June 28, 2024 <sup>2</sup>	448,874,252
Market capitalisation on January 2, 2024 <sup>3</sup>	403,915,046

### Coverage of GHC stock by financial analysts

At June 30, 2024, the GHC share was covered by 2 financial brokers (Equita SIM and Mediobanca), who actively followed the GHC Group during the year with dedicated studies and analyses, consistently offering Buy or Outperform recommendations.

<sup>1</sup> Calculated as the difference between the price of the GHC share at January 2, 2024 (Euro 4.5615) and that at June 28, 2024 - last trading day of the period (Euro 5.0661)

<sup>2</sup> Calculated net of treasury shares held by the Company on the same date.



## 2. GROUP PERFORMANCE

### GHC Group financial highlights

The H1 2024 results indicate a significant increase both in terms of revenues and Op. EBITDA on the same period of the previous year.

The operating performance indicators for H1 2024 compared with the same period of 2023 are presented below.

In this regard, we highlight that the H1 2024 figures include the full contribution of the companies Sanatorio Triestino S.p.A.<sup>3</sup>, acquired on May 4, 2023 and therefore consolidated only for two months in H1 2023, and of the Aurelia Hospital Group, acquired on November 16, 2023 and therefore not included in the H1 2023 figures.

Consolidated figures	H1 2024		H1 2023		2024 vs. 2023	
	Euro '000	%	Euro '000	%	Euro '000	%
<b>Revenues</b>	<b>251,513</b>	<b>100.0%</b>	<b>186,663</b>	<b>100.0%</b>	<b>64,850</b>	<b>34.7%</b>
Total operating costs (excl. Adjustments <sup>4</sup> )	(203,466)	-80.9%	(148,414)	-79.5%	(55,052)	37.1%
<b>Adjusted Op. EBITDA</b>	<b>48,047</b>	<b>19.1%</b>	<b>38,249</b>	<b>20.5%</b>	<b>9,798</b>	<b>25.6%</b>
Other Costs ("Adjustments")	(42)	0.0%	259	0.1%	(301)	-116.2%
<b>Operating EBITDA</b>	<b>48,005</b>	<b>19.1%</b>	<b>38,508</b>	<b>20.6%</b>	<b>9,497</b>	<b>24.7%</b>
Amortisation, depreciation and write-downs	(12,386)	-4.9%	(10,080)	-5.4%	(2,306)	22.9%
Impairments and other provisions	(2,204)	-0.9%	(2,417)	-1.3%	214	-8.8%
<b>EBIT</b>	<b>33,415</b>	<b>13.3%</b>	<b>26,010</b>	<b>13.9%</b>	<b>7,405</b>	<b>28.5%</b>
Net financial charges	(6,671)	-2.7%	(4,546)	-2.4%	(2,125)	46.7%
<b>Profit before taxes</b>	<b>26,743</b>	<b>10.6%</b>	<b>21,464</b>	<b>11.5%</b>	<b>5,279</b>	<b>24.6%</b>
Income taxes	(7,700)	-3.1%	(5,509)	-3.0%	(2,192)	39.8%
<b>Net Profit</b>	<b>19,044</b>	<b>-7.6%</b>	<b>15,955</b>	<b>-8.5%</b>	<b>3,088</b>	<b>19.4%</b>
<b>Group Net Profit</b>	<b>18,938</b>	<b>7.5%</b>	<b>15,939</b>	<b>8.5%</b>	<b>2,998</b>	<b>18.8%</b>
Minority interests	106	0.0%	16	0.0%	90	n/a

<sup>3</sup> Including majority interest in Terme del Friuli Venezia Giulia s.r.l.

<sup>4</sup> Adjustments: these include non-recurring revenues and costs and one-off costs (e.g. M&A costs)

## 2024 Consolidated Revenues Overview

GHC consolidated revenues in H1 2024 amounted to Euro 251,513 thousand, up 34.7% on Euro 186,663 thousand in H1 2023.

The increase in revenues of Euro 64,850 thousand is due for Euro 55,219 thousand to the change in scope (Euro 48,661 thousand concerning the Aurelia Group and Euro 6,558 thousand Sanatorio Triestino), and with Euro 9,632 thousand concerning the increased production of the companies at like-for-like consolidation scope.

Consolidated revenues in Euro thousands	H1 24 Actual	H1 23 Actual	H1 24 vs. H1 23 Euro '000	H1 24 vs. H1 23 %
<b>Total</b>	<b>251,513</b>	<b>186,663</b>	<b>64,850</b>	<b>34.7%</b>
<i>of which repayments of "additional COVID costs"</i>	-	1,225	(1,225)	-100.0%
<i>of which Sanatorio Triestino + Aurelia Hospital</i>	58,656	3,437	55,219	n.a

The increased production of the companies at like-for-like consolidation scope (+5.3% on H1 2023) was driven mainly by the increase in services provided to private patients and to outside-region patients, up respectively 7.9% and 9.1% on H1 2023. This confirms the popularity of the Group's clinics and the increasing demand for healthcare services on the Italian market.

## 2024 Consolidated Costs Overview

Consolidated operating costs in H1 2024, net of Adjustments, totalled Euro 203,466 thousand, increasing Euro 55,052 thousand (+37.1%) on Euro 148,414 thousand in H1 2023.

The increase stems for Euro 48,279 thousand from the change in scope and only for Euro 6,773 thousand from the companies at like-for-like scope, as a result of the increased production volumes, highlighting a less proportional increase in operating costs than revenues, thanks to close control of the main operating costs.

## 2024 Consolidated Operating EBITDA and Adjusted Operating EBITDA

Consolidated Operating EBITDA Adjusted<sup>5</sup> amounted to Euro 48,047 thousand, up 25.6% on Euro 38,249 thousand in H1 2023. The increase of Euro 9,798 thousand relates for Euro 6,292 thousand to the change in scope, of which Euro 5,015 thousand concerning the Aurelia Group and Euro 1,277 thousand Sanatorio Triestino, with Euro 3,506 thousand relating to the companies at like-for-like consolidation scope.

The Adjustments, negative for Euro 42 thousand at June 30, 2024, entirely comprises M&A costs, decreasing on the first half of 2023, in which they were overall positive for Euro 259 thousand as the COVID reimbursements related to previous years were received for Euro 1,307 thousand, net of the COVID costs incurred for Euro 639 thousand in H1 2023 and M&A costs for Euro 410 thousand.

In terms of margins, the Adjusted Operating EBITDA Margin of the Group was 19.1%, decreasing on H1 2023, as impacted by the consolidation of the newly-acquired companies, Sanatorio Triestino and the Aurelia Group, for which the GHC Group's efficiency and reorganisation measures have already supported an improved performance in 2024, although - as expected - require a certain period of time before the full benefits emerge. Excluding the changes to the consolidation scope, the Adjusted Operating EBITDA Margin for H1 2024 was 21.4%, improving on 20.5% for the same period of the previous year.

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

Consolidated Op. EBITDA and Adj. Op. EBITDA in Euro thousands	H1 24 Actual	H1 23 Actual	H1 24 vs. H1 23 Euro '000	H1 24 vs. H1 23 %
<b>Op. EBITDA</b>	<b>48,005</b>	<b>38,508</b>	<b>9,497</b>	<b>24.7%</b>
+ additional COVID costs (net reimbursements)	-	(669)	669	-100.0%
+ M&A costs	42	410	(368)	-89.8%
<b>Adjusted Op. EBITDA</b>	<b>48,047</b>	<b>38,249</b>	<b>9,798</b>	<b>25.6%</b>
of which Sanatorio Triestino + Aurelia Hospital	6,858	566	6,292	n.a
Op. EBITDA Margin (%)	19.1%	20.6%	-	-
Adjusted Op. EBITDA Margin (%)	19.1%	20.5%	-	-

### 2024 Consolidated EBIT overview

EBIT in H1 2024 was Euro 33,415 thousand, up Euro 7,405 thousand (+28.5%) on Euro 26,010 thousand in H1 2023.

This result includes amortisation, depreciation and write-downs in the period of Euro 12,386 thousand, increasing Euro 2,306 thousand on H1 2023, mainly due to change in the consolidation scope, in addition to the adjustments and other provisions for Euro 2,204 thousand, decreasing Euro 213 thousand on H1 2023 due to the lower net provisions for healthcare lawsuits (accruals net of the relative releases).

Consolidated EBIT in Euro thousands	H1 24 Actual	H1 23 Actual	H1 24 vs. H1 23 Euro '000	H1 24 vs. H1 23 %
<b>Op. EBITDA</b>	<b>48,005</b>	<b>38,508</b>	<b>9,497</b>	<b>24.7%</b>
- Amortisation of intangible assets	(583)	(467)	(116)	24.8%
- Depreciation of property, plant & equip.	(11,569)	(9,493)	(2,076)	21.9%
- Write-downs	(235)	(120)	(115)	95.8%
<b>Amortisation, depreciation and write-downs</b>	<b>(12,386)</b>	<b>(10,080)</b>	<b>(2,306)</b>	<b>22.9%</b>
- End of mandate provisions	(12)	(13)	1	-7.7%
- Healthcare lawsuit provisions	(2,670)	(1,828)	(842)	46.0%
- Local Health Authority risk provisions	(1,230)	(986)	(244)	24.7%
- Other risk provisions	(20)	(22)	2	-9.1%
+ Release of provisions	1,728	432	1,296	300.1%
<b>Impairments and other provisions</b>	<b>(2,204)</b>	<b>(2,417)</b>	<b>213</b>	<b>-8.8%</b>
<b>= EBIT</b>	<b>33,415</b>	<b>26,010</b>	<b>7,405</b>	<b>28.5%</b>
EBIT Margin (%)	13.3%	13.9%	-	-

### 2024 Consolidated Net Profit overview

The Net Profit was Euro 19,044 thousand, an increase of Euro 3,088 thousand on Euro 15,955 thousand in H1 2023.

This amount takes account of net financial charges of Euro 6,671 thousand and income taxes of Euro 7,700 thousand, respectively increasing Euro 2,125 thousand and Euro 2,192 thousand on H1 2023.

The increase in net financial charges mainly derives from the increased average financial debt in 2024 compared to 2023, following the acquisitions of Sanatorio Tristino and of the Aurelia Group, in addition to the higher interest rates.

The increase in taxes is attributable to both the higher profit before taxes and the loss of certain tax benefits present in the previous year.

## GHC Group Q2 2024 financial highlights

The operating performance indicators for Q2 2024 compared with the same period of 2023 are presented below.

Consolidated figures	Q2 2024		Q2 2023		Q2 2024 vs. Q2 2023	
	Euro '000	%	Euro '000	%	Euro '000	%
<b>Revenues</b>	<b>125,377</b>	<b>100.0%</b>	<b>94,378</b>	<b>100.0%</b>	<b>30,999</b>	<b>32.8%</b>
Total operating costs (exc. Adjustments)	(102,402)	-81.7%	(74,891)	-79.4%	(27,511)	36.7%
<b>Adjusted Op. EBITDA</b>	<b>22,975</b>	<b>18.3%</b>	<b>19,487</b>	<b>20.6%</b>	<b>3,488</b>	<b>17.9%</b>
Other Costs ("Adjustments")	(21)	0.0%	(781)	-0.8%	760	-97.3%
<b>Operating EBITDA</b>	<b>22,954</b>	<b>18.3%</b>	<b>18,706</b>	<b>19.8%</b>	<b>4,249</b>	<b>22.7%</b>
Amortisation, depreciation and write-downs	(6,418)	-5.1%	(5,076)	-5.4%	(1,342)	26.4%
Impairments and other provisions	(723)	-0.6%	(1,584)	-1.7%	861	-54.4%
<b>EBIT</b>	<b>15,814</b>	<b>12.6%</b>	<b>12,046</b>	<b>12.8%</b>	<b>3,768</b>	<b>31.3%</b>
Net financial charges	(3,182)	-2.5%	(2,331)	-2.5%	(850)	36.5%
<b>Profit before taxes</b>	<b>12,632</b>	<b>10.1%</b>	<b>9,715</b>	<b>10.3%</b>	<b>2,918</b>	<b>30.0%</b>
Income taxes	(3,678)	-2.9%	(2,449)	-2.6%	(1,229)	50.2%
<b>Net Profit</b>	<b>8,954</b>	<b>7.1%</b>	<b>7,266</b>	<b>7.7%</b>	<b>1,688</b>	<b>23.2%</b>
<b>Group Net Profit</b>	<b>8,879</b>	<b>7.1%</b>	<b>7,251</b>	<b>7.7%</b>	<b>1,628</b>	<b>22.5%</b>
Minority interests	76	0.1%	15	0.0%	61	406.6%

## Q2 2024 Consolidated Revenues overview

In Q2 2024, the Group's consolidated revenues amounted to Euro 125,377 thousand, an increase of Euro 30,999 thousand (+32.8%) compared to Euro 94,378 thousand in the same period of 2023, due to the change in the consolidation scope for Euro 25,767 thousand, and for Euro 5,232 thousand to the higher production of the companies on a like-for-like basis (+5.8% on Q2 2023).

Consolidated revenues <i>in Euro thousands</i>	Q2 2024	Q2 2023	Q2 2024 vs. Q2 2023 Euro '000	Q2 2024 vs. Q2 2023 %
<b>Total</b>	<b>125,377</b>	<b>94,378</b>	<b>30,999</b>	<b>32.8%</b>
<i>of which repayments of "additional COVID costs"</i>	-	-	-	n/a
<i>of which Sanatorio Triestino + Aurelia Hospital</i>	29,204	3,437	25,767	n/a

## Q2 2024 Consolidated operating costs

Consolidated operating costs for Q2 2024, net of adjustments, totalled Euro 102,402 thousand, increasing Euro 27,511 thousand (+36.7%) on Euro 74,891 thousand in Q2 2023, mainly due to the change in scope.

## Q2 2024 Consolidated Operating EBITDA and Operating EBITDA Adjusted

Consolidated Adjusted Operating EBITDA<sup>6</sup> was Euro 22,975 thousand, up 17.9% on Euro 19,487 thousand in the same period of the previous year. The increase of Euro 3,488 thousand is due for Euro 710 thousand to the companies at like-for-like consolidation scope and for Euro 2,778 thousand to the change in consolidation scope.

The Adjustments, negative for Euro 21 thousand, entirely comprise M&A costs, compared to a negative Euro 781 thousand in H1 2023 concerning M&A costs and additional COVID costs.

In terms of margins, the Adjusted Operating EBITDA Margin of the Group was 18.3%, decreasing on Q2 2023, as impacted by the consolidation of the newly-acquired companies, Sanatorio Triestino and the Aurelia Group, for which the GHC Group's efficiency and reorganisation measures have already supported an improved performance in 2024,

<sup>6</sup>This indicator adjusts operating EBITDA for non-recurring revenues and costs and one-off costs (e.g. M&A costs), in order to provide an adjusted metric and comparable with the company's historic figures.

although - as expected - require a certain period of time before the full benefits emerge. Excluding the changes to the consolidation scope, the Adjusted Operating EBITDA Margin for Q2 2024 was 20.4%, substantially in line with the same period of the previous year.

Consolidated Op. EBITDA and Adj. Op. EBITDA <i>in Euro thousands</i>	Q2 2024	Q2 2023	Q2 2024 vs. Q2 2023 Euro '000	Q2 2024 vs. Q2 2023 %
<b>Op. EBITDA</b>	<b>22,954</b>	<b>18,706</b>	<b>4,249</b>	<b>22.7%</b>
+ additional COVID costs (net reimbursements)	-	398	-398	-100.0%
+ M&A costs	21	383	-363	-94.6%
<b>Op. EBITDA Adjusted<sup>6</sup></b>	<b>22,975</b>	<b>19,487</b>	<b>3,488</b>	<b>17.9%</b>
<i>of which Sanatorio Triestino + Aurelia Hospital</i>	3,344	566	2,778	n/a
<i>Op. EBITDA Margin (%)</i>	18.3%	19.8%	-	-
<i>Adjusted Op. EBITDA Margin (%)</i>	18.3%	20.6%	-	-

### Q2 2024 Consolidated EBIT overview

EBIT in H1 2024 was Euro 15,814 thousand, up Euro 3,768 thousand on Euro 12,045 thousand in the same period of the previous year.

This result includes amortisation, depreciation and write-downs in the period of Euro 6,418 thousand, increasing Euro 1,342 thousand on Q2 2023, mainly due to change in the consolidation scope, in addition to the adjustments and other provisions for Euro 723 thousand, decreasing Euro 860 thousand on Q2 2023 due to the lower net provisions for healthcare lawsuits (accruals net of the relative releases).

Consolidated EBIT <i>in Euro thousands</i>	Q2 2024	Q2 2023	Q2 2024 vs. Q2 2023 Euro '000	Q2 2024 vs. Q2 2023 %
<b>Op. EBITDA</b>	<b>22,954</b>	<b>18,706</b>	<b>4,249</b>	<b>22.7%</b>
- Amortisation of intangible assets	(305)	(233)	(72)	30.8%
- Depreciation of property, plant & equip.	(5,957)	(4,887)	(1,070)	21.9%
- Write-downs	(155)	44	(200)	-454.5%
<b>Amortisation, depreciation and write-downs</b>	<b>(6,418)</b>	<b>(5,076)</b>	<b>(1,342)</b>	<b>26.4%</b>
- End of mandate provisions	(6)	(7)	1	-14.3%
- Healthcare lawsuit provisions	(764)	(1,165)	401	-34.4%
- Local Health Authority risk provisions	(558)	(563)	5	-0.9%
- Other risk provisions	41	(11)	51	-463.6%
+ Release of provisions	565	162	403	248.8%
<b>Impairments and other provisions</b>	<b>(723)</b>	<b>(1,583)</b>	<b>860</b>	<b>-54.3%</b>
<b>= EBIT</b>	<b>15,814</b>	<b>12,045</b>	<b>3,768</b>	<b>31.3%</b>
<i>EBIT Margin (%)</i>	12.6%	12.8%	-	-

## Q2 2024 Consolidated Net Profit overview

The net profit was Euro 8,954 thousand, increasing Euro 1,688 thousand on Euro 7,266 thousand in Q2 2023.

This amount takes account of net financial charges of Euro 3,181 thousand and income taxes of Euro 3,678 thousand, respectively increasing Euro 850 thousand and Euro 1,229 thousand on Q2 2023.

The increase in net financial charges mainly derives from the increased average financial debt in Q2 2024 compared to 2023, following the acquisitions made, in addition to the higher interest rates.

The increase in taxes is attributable to both the higher profit before taxes and the loss of certain tax benefits present in the previous year.

## Balance Sheet

A breakdown of the Group's condensed consolidated balance sheet at June 30, 2024 and December 31, 2023 is provided below.

Consolidated figures Uses	2024	2023	Δ vs 2023
	June	December	Euro '000
Goodwill	91,541	156,007	(64,466)
Tangible and intangible assets	575,920	473,093	102,827
Financial assets	2,191	4,754	(2,563)
<b>I Fixed capital</b>	<b>669,652</b>	<b>633,854</b>	<b>35,798</b>
Trade Receivables	119,923	100,994	18,929
Inventories	6,071	5,583	488
Trade Payables	(91,014)	(87,853)	(3,161)
<b>Net Operating Working Capital</b>	<b>34,980</b>	<b>18,724</b>	<b>16,256</b>
Other assets/liabilities	(46,320)	(38,270)	(8,050)
<b>II Net Working Capital</b>	<b>(11,340)</b>	<b>(19,546)</b>	<b>8,206</b>
Net deferred taxes	(90,959)	(59,921)	(31,038)
Provisions	(41,049)	(47,755)	6,706
<b>III Total Uses (NET CAPITAL EMPLOYED)</b>	<b>526,303</b>	<b>506,632</b>	<b>19,671</b>
<b>IV Net financial debt</b>	<b>195,222</b>	<b>205,743</b>	<b>(10,522)</b>
Minority interest shareholders' equity	11,018	2,003	9,015
Group shareholders' equity	320,064	298,886	21,178
<b>V Shareholders' Equity</b>	<b>331,082</b>	<b>300,889</b>	<b>30,193</b>
<b>VI Total sources of financing</b>	<b>526,303</b>	<b>506,632</b>	<b>19,671</b>

The Fixed capital at June 30, 2024 amounts to Euro 669,652 thousand, increasing Euro 35,798 thousand on December 31, 2023, mainly due to the completion of the Purchase Price Allocation of the Aurelia Group, which resulted in a reduction in Goodwill of Euro 64,466 thousand and a simultaneous increase, considering also the deferred taxes, of the Accreditation item for Euro 62,068 thousand and of Buildings for Euro 42,022 thousand, both included within Tangible and intangible assets. For further details, reference should be made to Notes 2, 3 and 4 of the Consolidated Financial Statements.

Net operating working capital increased overall Euro 16,256 thousand, mainly due to the normal and temporary increase of trade receivables as a result of the increased production in H1 2024 and the receivables not yet collected regarding a portion of the out-of-region production in 2023.

Other net liabilities increased Euro 8,050 thousand, mainly due to the declaration of income taxes in the period and the increase in employee payables for provisions for vacations and the fourteenth month.

With regards to the other liabilities, COVID-19 resulted in the recognition at consolidated level in 2020 and 2021 of funding advances disbursed by the main regions in which the Group operates. These advances at June 30, 2024 were unchanged on December 31, 2023 and amount to approx. Euro 10,535 thousand.

The net working capital therefore reports a net decrease of Euro 8,206 thousand, due to the net operating working capital increases, partly offset by the changes of other assets and liabilities outlined previously.

Net deferred taxes increased Euro 31,038 thousand, mainly due to the completion of the Purchase Price Allocation of the Aurelia Group, which involved the recognition of deferred tax liabilities on the increased amounts allocated to the Accreditation and Buildings items.

Provisions at June 30, 2024 decreased Euro 6,706 thousand on December 31, 2023, due to: (i) the decrease in the Post-employment benefit provision for Euro 3,345 thousand, due mainly to the movement in the rates used for the calculation as per IAS 19 (lower revaluation rate than the discount rate); ii) the decrease in the risks provisions for Euro 3,361 thousand, as a result of net accruals (excess of accruals over releases) totalling Euro 2,378 thousand, mainly concerning healthcare risks (Euro 1,159 thousand) and local healthcare authority risks (Euro 1,084 thousand), net of capital utilisations for Euro 5,739 thousand, principally concerning healthcare lawsuits (Euro 4,877 thousand) and local healthcare authority risks (Euro 660 thousand).

The net capital employed at June 30, 2024 amounted to Euro 526,303 thousand, an increase of Euro 19,671 thousand on Euro 506,632 thousand at December 31, 2023.

Group Shareholders' Equity at June 30, 2024 totalled Euro 320,064 thousand, increasing Euro 21,178 thousand on December 31, 2023, mainly due to the profit for the period (Euro 18,938 thousand), and the positive actuarial effect on the post-employment benefit IAS 19 reserve (for Euro 2,279 thousand), net of the acquisition of treasury shares (Euro 101 thousand).

### Net Financial Position

The net financial debt was determined in accordance with the framework provided by Recommendation ESMA/32-382-1138 of March 4, 2021 and Consob attention call No. 5/21 of April 29, 2021.

A breakdown of the net financial debt at June 30, 2024 and December 31, 2023 is provided below.

Consolidated figures	H1 24 Actual Euro '000	FY 23 Actual Euro '000	H1 24 vs. FY 23 Euro '000
A Available liquidity	16,379	22,684	(6,305)
B Cash and cash equivalents	-	-	-
C Other current financial assets	345	409	(64)
<b>D Liquidity</b>	<b>16,724</b>	<b>23,093</b>	<b>(6,369)</b>
E Current financial debt	22,736	28,436	(5,700)
F Current portion of non-current financial debt	35,768	36,201	(433)
<b>G Current financial debt</b>	<b>58,504</b>	<b>64,637</b>	<b>(6,132)</b>
<b>H Net current financial debt (G - D)</b>	<b>41,780</b>	<b>41,543</b>	<b>237</b>
I Non-current financial debt	153,441	164,200	(10,758)

J Debt instruments	-	-	-
K Trade payables and other non-current payables	-	-	-
<b>L Non-current financial debt (I + J + K)</b>	<b>153,441</b>	<b>164,200</b>	<b>(10,758)</b>
<b>M Total financial debt (H + L)</b>	<b>195,222</b>	<b>205,743</b>	<b>(10,522)</b>

At June 30, 2024, the Net Financial Position (NFP) of the Garofalo Health Care Group amounts to Euro 195,222 thousand, comprising gross financial debt of Euro 211,946 thousand (Euro 58,504 thousand of current financial debt and Euro 153,441 thousand of non-financial debt) and liquidity of Euro 16,724 thousand. The NFP therefore decreased Euro 10,522 thousand on December 31, 2023.

Financial liabilities for leasing amounted to 22,648 thousand Euro for the non-current portion and 5,188 thousand Euro for the current portion.

### Net Financial Debt / Net Equity

The following table illustrates the relationship between the net debt (as defined in previous sections) and shareholders' equity.

Consolidated figures	H1 24 Actual Euro '000	FY 23 Actual Euro '000
Net financial debt	195,222	205,743
Net Equity	331,082	300,889
<b>Ratio between net financial debt and net equity</b>	<b>0.59</b>	<b>0.68</b>

## 3. INVESTMENTS

### a. Recurring investments

During H1 2024, 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.

### b. Capex in long-term development and organisational restructuring

In H1 2024, the Group continued the preparatory work for a number of 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. These include, for example, the building of the new Cardiovascular Heart Centre at Aurelia Hospital.

It should be noted that in January 2024, GHC Real Estate finalised the purchase of the property where the subsidiary Aesculapio's operations are undertaken.



#### 4. SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On July 8, 2024, Garofalo Health Care S.p.A. ("GHC") agreed a loan transaction for a total amount of up to Euro 275 million with leading banks (UniCredit, Banco BPM, BNL BNP Paribas – also as Agent Bank – Monte dei Paschi di Siena), in addition to tier-1 institutional investors (Cassa Depositi e Prestiti, F2i, Anima Alternative SGR, Mediolanum Gestione Fondi, Arca).

The transaction, of up to Euro 275 million, consists of:

- Medium/long-term line of Euro 180 million, mainly for the refinancing of existing bank lines, including a Euro 130 million bank loan (unsecured, floating rate, amortizing and duration of 6 years) and a Euro 50 million non-convertible bond privately placed with leading institutional investors, i.e. "Private Placement" (unsecured, fixed rate, bullet and duration of 7 years);
- Capex line of up to Euro 70 million, available to the Group to support the M&A strategy and for organic expansion and development investments (unsecured, floating rate, amortising and duration of 7 years);
- Revolving bank line of up to Euro 25 million, aimed at supporting any working capital needs (unsecured, duration of 7 years).

The transaction was structured on a fully unsecured basis, fully removing the guarantees under the previous loan, allowing GHC to extend the average life of the debt beyond 5 years (from the current 2 years). Confirming the increasing importance of ESG issues for the Group, which already has a long-term Investment Grade EE+ ("Very Strong") ESG rating assigned by Standard Ethics, it should also be noted that the bank loan provides for the introduction of a "SDG-Linked" margin adjustment mechanism that may allow the Group a further reduction in the interest rate on the achievement of ESG targets, the latter to be defined within 12 months.

The transaction involves compliance with standard market financial covenants and also, with reference to the medium/long-term bank loan, the use of interest rate risk hedging instruments.

#### 5. OUTLOOK

The results recorded by the Group in the first half of the year, driven once again by private out-of-pocket activity, confirm the incontrovertible growth in the demand for health and social welfare services and highlight the fundamental role of private accredited operators in providing an adequate response to this demand. In this context, the Group will continue to operate by fully realizing the accredited activity, including the increased resources partly already allocated for the reduction of waiting lists, and especially to develop the activity towards private "out-of-pocket" patients, considering this growth trend structural and not temporary.

With reference to the Aurelia Hospital Group, whose marginality in the first half of 2024 was confirmed to be improved compared to the year 2023 (10% vs. 8%), it should be noted that the Lazio Region has announced that it has defined - as of 2024 - new funding mechanisms for emergency room activities and critical areas (i.e., intensive care and cardiology intensive care unit - ICU) that will result in an increase in the level of funding for the aforementioned activities compared to the past. In view of this update, which testifies to the absolute attention of the Lazio Region to the issue of health care, GHC believes to date that it can confirm the path of development and significant improvement in the performance of the Aurelia Group expected by 2024 and that it will fully unfold in the coming fiscal years, also considering the ongoing negotiations for the recognition of budget increases - well underway with regard to outpatient specialty care and general medicine.

Finally, the Group renews its commitment to the Buy & Build strategy based on organic growth and for M&A, also being able to count on the availability of a new Capex Line of up to 70€M obtained in the context of the financing deal finalized in July 2024.

## 6. GHC GROUP ORGANISATIONAL MODEL AND REGULATORY SYSTEM

### **GHC Group organisational model**

The organisational model adopted by the Group involves centralising at the Parent Company, which exercises management and co-ordination over the subsidiaries pursuant to Article 2497 of the Civil Code, the decision-making process regarding, *inter alia*, the pursuit of the strategic objectives, although ensuring full decision-making autonomy for the subsidiaries in implementing the Parent Company-defined strategy.

In particular, the parent company:

- identifies the strategic development guidelines to be pursued, sets and monitors goals for the various healthcare facilities;
- identifies the potential healthcare facilities to be acquired, managing M&A activities and the post-acquisition integration plan to achieve the potential synergies;
- manages certain specific activities for the Group, so as to rapidly achieve possible synergies in terms of the efficacy and efficiency of the business.

Likewise, each subsidiary:

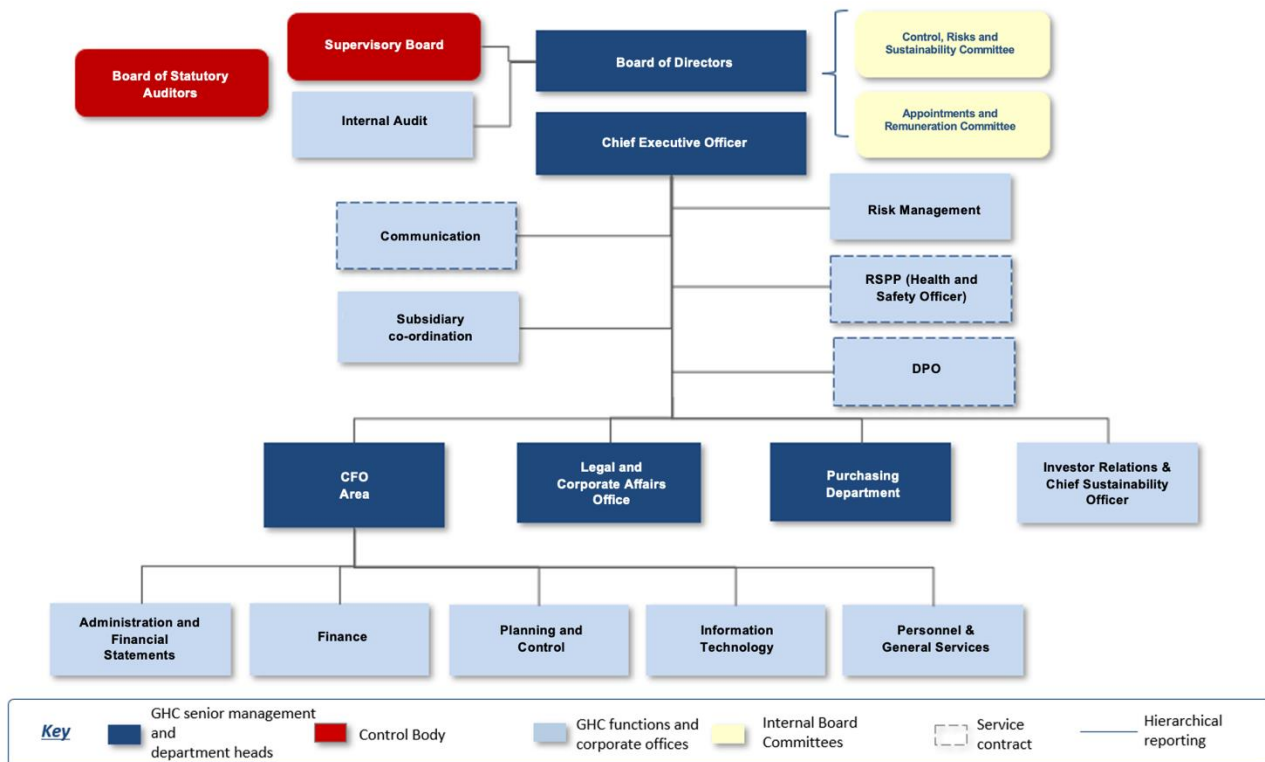
- independently manages its own healthcare and dependency care services;
- formulates and implements its own budget/business plan;
- periodically defines its financial needs.

### **Organisational model of the Parent Company**

The organisational model of the Parent Company, updated in 2022, requires the following Departments / Functions and Teams to directly report to the Chief Executive Officer of the Company:

- CFO Management Area: (i) manages the administration, finance, planning and control activities so as to ensure the use of Group economic and financial resources in line with the business plan; (ii) ensures the design, implementation and operation of the services, networks and IT applications that support and/or automate the company's production processes and uses the capacity for technological innovation as a lever of competitive advantage; (iii) ensures the management and development of human resources, all related processes and the management of the company's general services;
- Purchasing Department: handles the procurement of goods and services to support the operations of the Company, contributing to Group purchasing policies in line with corporate strategies;
- Legal and Corporate Affairs: handles the management of legal and corporate affairs, so as to guarantee the protection of the Company's interests in all appropriate forums and ensure the management of corporate obligations, as provided for also by the implementing regulations of the Authorities in charge of market control;
- Communication: ensures the coordination of the Company's external relations and institutional communication in the media, ensuring the consistency of information in view of the policies agreed with the Chief Executive Officer, and ensures the communication of information regarding GHC and each subsidiary, with the exception of regulated information;
- Risk Management: ensures the coordination at Group level of activities relating to the introduction and management of the Enterprise Risk Management process, developing and promoting the development of a risk culture and a common language on risk within the organisation in line with the Guidelines on the Internal Control and Risk Management System issued by the parent company;
- Investor Relations & Chief Sustainability Officer: (i) supports the Chief Executive Officer in managing relations with investors, lenders and other counterparties, ensuring official communication with Borsa Italiana and the market; (ii) promotes and ensures Corporate Sustainability activities in order to foster a Group sustainability culture.

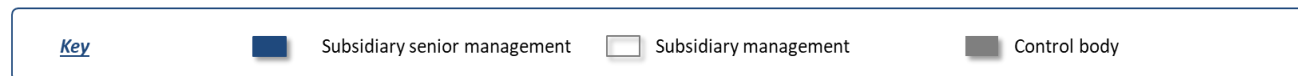
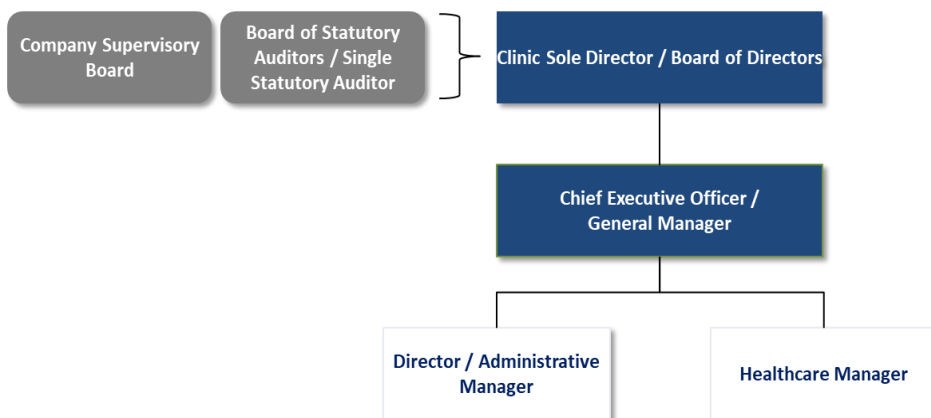
The organisational model also provides that, based on the indications provided by the Corporate Governance Code, the Internal Audit Function, which co-ordinates activities at Group level, reports directly to the Board of Directors of GHC S.p.A. in order to guarantee its autonomy and independence.



**Organisational model of the subsidiaries**

The organisational model of the subsidiaries establishes that each structure has a:

- **Chief Executive Officer / General Manager:** reports directly to the administrative body of the individual Group company or to the Sole Director;
- **Administrative Manager** who has the task of overseeing in particular administrative-accounting and financial matters and, more generally, supports the structure for “staff” matters;
- **Healthcare Manager**, responsible, *inter alia*, for the technical-functional organisation and good functioning of the sanitary-health services and the respect of the rules of protection of the operators against the risks deriving from the specific activity.



We also note that all subsidiaries are subject to mandatory or voluntary audits and have formal controls for aspects relating to risk management, the application of Law No. 262/2005 and the processing and reporting of non-financial data.

In 2018, the Board of Directors set up the Committee of Chief Executive Officers and General Managers of the subsidiaries, with coordination functions between the subsidiaries and the relevant corporate and healthcare structures and at which the Chief Executive Officer and top management of the Company may attend on invitation. This Committee, chaired on a rotating basis by one of its members, oversees the implementation of process best practices at Group level and monitors the development of the marketplace.

### **Group Regulation**

The Group Regulation ("**Regulation**"), approved by GHC's Board of Directors in 2020 and updated in 2022, identifies the areas and defines the procedures for the exercise of management and coordination by the Parent Company with respect to its subsidiaries, in accordance with the strategic objectives, development policies and management guidelines set by the Parent Company.

In fact, in the light of the above-mentioned organisational model, the management and coordination of the Parent Company is carried out in the following manners:

- definition of policy and coordination acts for the pursuit of Group interests and the development of all the constituent companies;
- prior authorisation for subsidiaries to carry out "Significant Transactions" (as defined in the Regulation);
- definition of the Group's regulatory system, information flows and other connection processes to ensure effective coordination between Group companies;
- definition of a single address of the ICRMS.

In view of the management and coordination carried out by the Parent Company, each subsidiary is required to:

- adopt and implement the policies, directives and instructions issued by the Parent Company;
- request prior authorisation from the Parent Company to carry out "Significant Transactions";
- implement and comply with the Group's regulatory system, as well as to promote the flow of information and other connection processes with the Parent Company and the other subsidiaries;
- promote the internal controls for which it is responsible in the context of the general policy of the ICRMS set by the Parent Company, ensuring that all the functions and bodies responsible for control (both of the Parent Company and of the subsidiaries) are not hindered in the exercise of their functions and that they establish strong collaborative relations with each other, without prejudice, in any event, to the responsibility of the relevant subsidiary.

Therefore, the purpose of the Regulation is to indicate:

- the strategic or operational areas in which the acts of management and coordination are carried out;
- "Significant Transactions" which must be submitted for prior authorisation by the Board of Directors or the Chief Executive Officer of the Parent Company;
- the instruments through which management and coordination is applied, namely the Group's regulatory system, information flows (as defined below), and other connecting processes, such as inter-company committees;
- the corporate processes subject to management and coordination by the Parent Company, broken down by main issues, and the responsibilities of both the Parent Company and the subsidiaries for each area.

### **Group regulatory system**

With reference to the organisational model set out above, the Parent Company defines the Group's regulatory system by identifying specific regulatory and operational instruments (such as, by way of example, procedures, policies, guidelines, directives and recommendations) concerning the concrete methods with which management and coordination is carried out. In this regard, it should be noted that the Parent Company already in 2018 issued a specific company procedure ("Management of the corporate regulatory system" or "Procedure 0"), which seeks to define the rules for the management of the corporate regulatory system, i.e. the set of rules to be followed for the management of the Company's processes.

These instruments, defined as "top-down", are issued by the Parent Company and must be implemented by the Boards of the Subsidiaries or their delegated bodies (on the basis of any indications received from the Parent Company).

As part of the Group's overall regulatory system, in addition to adopting and applying these regulatory instruments, each subsidiary identifies and issues specific regulatory and operational instruments (such as, by way of example, procedures), in compliance with the Group's regulatory system, in order to comply with any requests or indications from the Parent Company, for which the latter may provide a reference model, or internal needs, deriving, for example, from the management of its own Quality System or other certifications or reference regulations.

## 7. RISK MANAGEMENT AND MAIN RISKS AND UNCERTAINTIES TO WHICH GAROFALO HEALTH CARE S.P.A. AND THE GROUP ARE EXPOSED

### Internal Control and Risk Management System

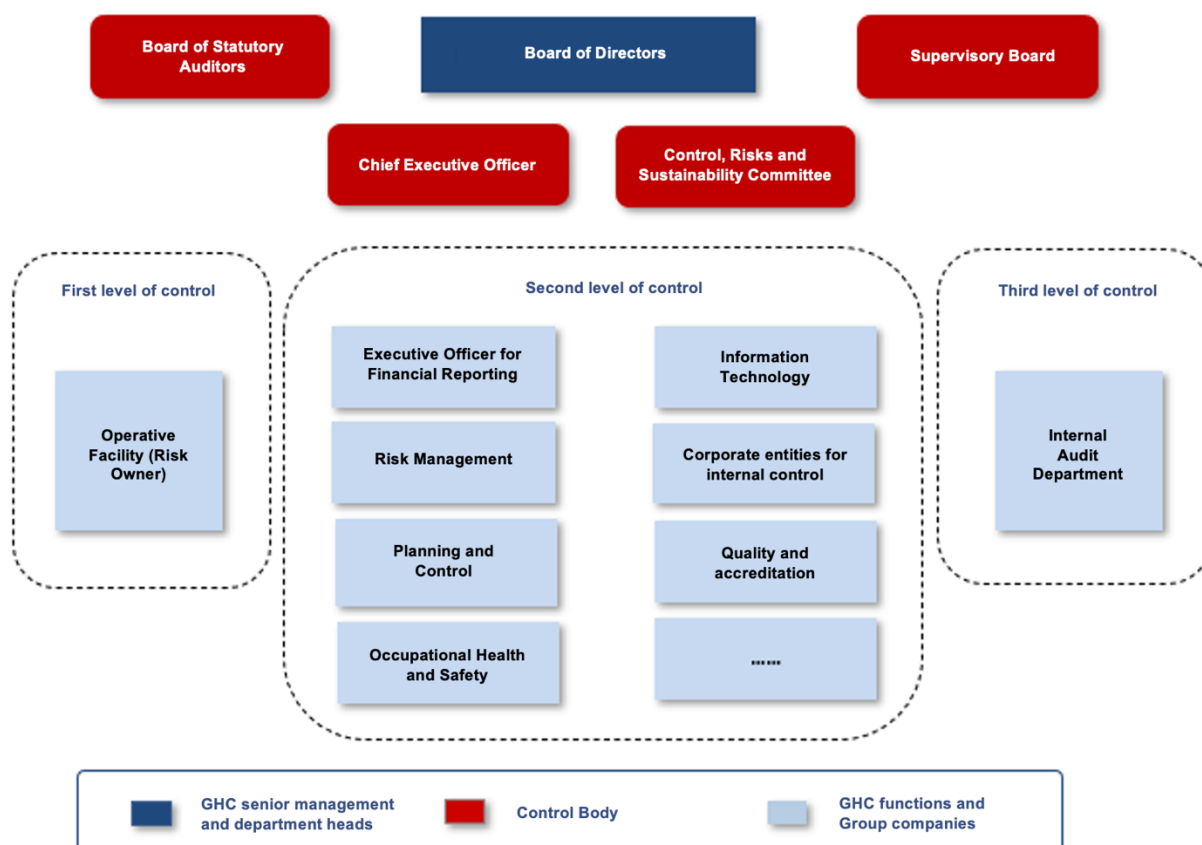
The Internal Control and Risk Management System ("ICRMS") plays a central role in GHC's decision-making process and is defined, in accordance with the principles set out in Article 6 of the new "Corporate Governance Code" adopted by the Corporate Governance Committee in January 2020, as the set of rules, procedures and organisational structures which ensure the effective and efficient identification, measurement, management and monitoring of the main business risks within the Group, in order to contribute to its sustainable success.

In this context, the Board of Directors of GHC, which bears responsibility for the ICRMS, within its role of management and coordination of the GHC Group, has prepared the "Guidelines for the Internal Control and Risk Management System" ("Guidelines"), updated to the new Corporate Governance Code, in force from January 1, 2021, in order to ensure that the organisation's principal risks are properly identified, measured, managed and monitored, in line with the Group's strategic objectives.

The main elements of the ICRMS defined for the GHC Group are:

- the presence of a Chief Executive Officer (the CEO of GHC) who is responsible for establishing and maintaining the ICRMS;
- the presence of organisational structures in charge of carrying out and assessing risk management activities (Control, Risks and Sustainability Committee, Risk Management Function and Internal Audit Function);
- the presence of an Internal Audit Function delegated by the Board of Directors to provide independent assurance on the efficiency and effectiveness of the ICRMS;
- the setting up of a risk management system in relation to the financial disclosure process introduced in compliance with the provisions of Article 154-bis of the Consolidated Finance Act;
- the establishment of a Group regulatory system involving specific communication and awareness programmes (Code of Ethics to promote and maintain an adequate level of correctness, transparency and ethics in the conduct of Group activities, Organisation and Management Model pursuant to Legislative Decree No. 231/2001).

The main parties involved in the GHC Group's Internal Control and Risk Management System are presented below.



It is important to underline that, in order to ensure the effectiveness of the ICRMS, verification and control activities are provided for on three levels for parties who have been assigned specific roles and responsibilities:

- First level: line controls (procedural, IT, behavioural, administrative-accounting, etc.), i.e. checks carried out by operational structures in order to identify and mitigate risks relating to the areas for which they are responsible;
- Second level: controls carried out by the corporate Functions with specialist supervisory responsibility for managing the Group's risks (Risk Management, Quality and Accreditation, Legal, Compliance, Occupational Health and Safety and Environment, Administration and Control etc.);
- Third level: controls carried out by the Internal Audit Function, responsible for providing independent assurance through a risk-based approach to first and second level controls, in addition to the overall architecture and functioning of the ICRMS, to identify anomalous trends and violations of procedures and regulations applicable to the organisation.

Throughout H1 2024, the Chief Executive Officer in charge of the ICRMS, the assigned risk management and control functions, and the internal audit function reported periodically to the Board of Directors on relevant events and audits conducted in accordance with the activity plan, with specific reference to the activities conducted by subsidiaries in the area of compliance with the most important applicable regulations.

### **Group information flows**

The GHC Group Information Flow Guidelines ("**Information Flows**"), also approved in 2020 by the GHC Board of Directors and updated in January 2023 to reflect organisational changes, were developed with the dual purpose of:

- representing information flows related to the application of the ICRMS Guidelines;
  - identifying and representing the main information flows within the Group in application of the Regulation.
- With reference to both cases, the Information Flows identify: (i) the responsibilities of the parties involved in these flows; (ii) the main and secondary recipients, (iii) the frequency and timing necessary to allow the Parent Company to fully exercise its management and coordination and monitor the adequacy and effectiveness of the Group's ICRMS.

During the period, the guidelines were applied to both information flows governed by the ICRMS Guidelines (see preceding point) and information flows between the Holding and its subsidiaries governed by Group Regulations and corporate procedures.

### **Enterprise Risk Management**

Enterprise Risk Management activities are considered fundamental by GHC to strengthen the Group's ability to create value for shareholders and stakeholders and to ensure the sustainability of the business over the medium/long term. More specifically, in line with the ERM model approved by the Board of Directors, the GHC Group's risk management is based on an integrated process of mapping, analysis, processing and monitoring of organisational risks, providing top management with the information necessary to make, in an informed manner, the best decisions for the achievement of the strategic objectives and for the growth and creation of value for the Group, in addition to its protection. In H1 2024, in continuity with the preceding years and in line with the Group procedure, the single Enterprise Risk Management model was updated, while the newly-acquired entities through M&A were in addition integrated, through the assessment of risks and related controls. At the same time, the cycle of Key Risk Indicator 2023 development was concluded, consolidating the 2021-2023 measurement period, so as to empirically validate the ERM assessments collected by the Risk Owners, introducing additional indicators for the management and control of the Group's IT processes so as to maximally integrate the management and control processes.

The action plans drawn up in the previous year were in addition monitored in H1 2024, consolidating the processing actions and implementing the best practices set out, in order to ensure ever closer integration between the Group companies and particularly those newly acquired (mainly the Aurelia Group).

The key roles and responsibilities identified by the GHC Group in managing these issues are presented below.

AREA	ACTOR	Main roles and responsibilities
GUIDANCE	Board of Directors	<ul style="list-style-type: none"> <li>Defines the guidelines of the Internal Control and Risk Management System</li> <li>Oversees the proper functioning, comprehensiveness and effectiveness of the ERM model</li> <li>Approves ERM Guidelines and the Risk Appetite Statement</li> </ul>
	Control, Risks and Sustainability Committee	<ul style="list-style-type: none"> <li>Oversees correct and effective application of the ERM methodology across the Group</li> <li>Prepares and proposes risk management assessments to support Board of Director decisions</li> </ul>
IMPLEMENTATION	Director Proxy holder	<ul style="list-style-type: none"> <li>Applies the guidelines defined by the Board of Directors</li> <li>Validates the ERM Guidelines and proposes the Risk Appetite Statement, with the support of the Risk Manager</li> <li>Validates the results of the Group Risk Assessment</li> </ul>
	Group Risk Management function	<ul style="list-style-type: none"> <li>Develops the methodological approach and components of the ERM model</li> <li>Coordinates and supervises Risk Assessment activities at both the holding company and subsidiaries</li> </ul>
	Risk Coordinator clinics(*)	<ul style="list-style-type: none"> <li>Co-ordinates the Risk Assessment activity</li> <li>Interfaces for the Group Risk Manager on all Risk Management issues</li> <li>Ensures adequate information and reporting flows to the Group Risk Manager</li> </ul>
	Risk Owners	<ul style="list-style-type: none"> <li>Identify and assess risks at the holding company and subsidiaries</li> <li>Define and implement the risk mitigation actions defined within the Action Plans</li> </ul>
SUPERVISION	Board of Statutory Auditors	<ul style="list-style-type: none"> <li>Responsible for overseeing the adequacy of the ERM model</li> </ul>
	Internal Audit	<ul style="list-style-type: none"> <li>Monitors the effectiveness and efficiency of the model</li> <li>Contributes to the identification of risk areas</li> </ul>

(\*) The figure of the Risk Coordinator is identifiable, depending on the health facilities, in the figures of CEO, GM or Quality/Clinical Risk Manager and is supported by Administrative Directors and/or Healthcare Managers.

### ***Risks relating to regulatory changes***

The Group, whose revenues mainly stem from National Health System (SSN) activities, constantly monitors any updates in regulations, both health-related and non-health-related, that may result in a change in operating, economic and compliance conditions. Regulations are therefore analysed, including using expert third parties, assessing their possible effects also through sharing information with the Management of the Company.

In particular, on the drafting of this report, two potentially significantly impactful rules have been introduced:

- With regards to the “Tariffs Decree”, in May 2024 the timeframes for the entry into force of DM 23/06/2023 were amended, a measure that updates the baseline tariffs for (a) outpatient specialist services and (b) prosthetic care, which respectively stopped in 1996 and 1999, and developed further those newly added. The new tariffs shall therefore enter into force from January 1, 2025 both for specialised care and for prosthetic care. These tariffs, which provided for a reduction for certain services capable of negatively impacting the value of production, may be reviewed and will in any case have to be incorporated within regional regulations by means of specific provisions which, at the time of the drafting of these financial statements, appear not to have been adopted. In this context, the Group is already now adopting mitigation strategies of different kinds including, for example, participating in legal actions brought by trade associations against the application of

the tariff review, adopting business development strategies focused on the growth of business to private patients, and signing new agreements with insurance companies, private social security institutions and supplementary health care funds.

- With reference to the Implementing Decree of the "Competition Law", which establishes more competitive dynamics in the recognition of institutional accreditation and the allocation of related budgets, in H1 2024 the regions began to adopt the relevant regulations by issuing implementing decrees. On the drafting of this Report, in the Regions in which the Group is present, the selection criteria were communicated and, in certain cases, the relative tenders issued (e.g. the Tuscany Region). The Group, in any case, aware of the external nature of the risk, has already initiated specific mitigation actions including, for example, the analysis of the impact of the new general requirements set at national level, as well as of the specific and technical requirements defined at Region level (e.g. in terms of mapping the obsolescence of electromedical equipment and apparatus, and adaptation of the clinical risk control and reporting systems).

With regards to the other rules, particularly at regional level ("Outside-Region" rules, on budget amendments etc.), the Group carries out continuous monitoring in order to identify any threats and/or opportunities.

### **Cybersecurity Risks**

The Group constantly monitors possible attacks on its information systems and the relative exposure to risk, also in terms of the theft of sensitive data of a "managerial" nature of the companies and of a "personal" nature of patients. In fact, these instances can have direct effects in terms of restoration costs and penalties, as well as indirect effects in terms of restoring services and ensuring business continuity. In order to combat these risks, the Group has therefore begun to deploy structured actions to consolidate its control systems, through the adoption of mitigation actions set out in the Vulnerability Assessment carried out by leading outside experts in each of the Subsidiaries. An IT asset development process is also underway, concerning also the relative processes/organisational structure, also following the analyses carried out. A specific IT risk analysis and correlation dashboard was introduced to assess the state of exposure to threats on both the perimeter network (Internet) and the local network (PCs and Servers), as well as increase awareness of possible cyber threats. In this regard, antivirus detections, intrusions by external agents blocked, as well as any data breaches are periodically monitored through Key Risk Indicators, with annual reporting shared with the Group's Management and Control Bodies.

### ***Risks associated with the liability of the Group's healthcare facilities for injuries caused to patients by physicians in the practice of their profession at the healthcare facilities (medical mal-practice)***

The Group is exposed to the risks associated with civil liability under the law for any injuries caused to patients hospitalized or receiving care in its healthcare facilities as a result of negligence and/or wilful misconduct in the provision of healthcare by physicians and other healthcare professional malpractice, or financial risks as a result of incomplete insurance cover for potential claims. In order to mitigate these risks, the GHC Group adopts actions to reinforce patient safety through the use, on the one hand, of ad hoc procedures and practices, consistent with the main guidelines and best practices at national/international level, also introducing training and information channels to raise awareness among operators in the area of management and reporting of adverse events/near misses and serious events, on the other hand, through composite risk coverage, pursuant to Law No. 24 of March 8, 2017 (the "Gelli-Bianco Law"), through insurance at the acute and high complexity facilities (Domus Nova, Ospedali Privati Riuniti, Poliambulatorio Dalla Rosa Prati, X-Ray One, Clinica San Francesco, Casa di Cura Prof. Nobili, Villa Von Siebenthal, Sanatorio Triestino) and/or self-insurance (the remaining Facilities, setting aside an amount consistent with the volume and type of claims for which the risk of loss is estimated as probable on the basis of the opinion of external lawyers and internal analyses). On this point, moreover, the Group constantly monitors regulatory updates that could entail possible additional compliance requirements, as well as adjustments to certain coverage caps of the insurance policies, while continuously monitoring the possibility of undertaking any insurance coverage. It should be noted, in any case, that in the 2021-2023 three-year period, the level of adverse/sentinel events, measured through specific Key Risk Indicators, remained at average levels consistent with previous years and consistent with respect to the activity performed.



### Risk management in relation to financial reporting

The process to prepare the Group's financial disclosure, in view of GHC's status as a listed company, is covered by a particularly structured process set out in a specific Company Procedure ("Closure of Accounts"), which governs activities relating to the preparation of the statutory financial statements and the consolidated annual, half-year and quarterly financial statements, drawn up in accordance with IAS/IFRS. In particular, within the scope of the above-mentioned Procedure, it should be underlined that the Company has identified a "Focal Point" for each subsidiary (financial reporting manager) who, based on the guidelines set by the Parent Company, is responsible for carrying out the operational activities related to the compliance with Law No. 262/2005 and is responsible, together with the Chief Executive Officer/General Manager, for the sub-certification of the financial information related to the individual Company

It should also be noted that, within the buy-and-build strategy that points to M&A as one of the main drivers of short-term and medium-term growth since going public, GHC has developed a standard process that allows for the quick harmonisation of the target within the Group, especially with regard to aspects relating to financial reporting. This process is based on the transfer to the Target of the set of Group specific Regulations, Procedures and applications, which ensure its full consolidation within the scope in compliance with the strict deadlines provided for by the regulations for companies listed on regulated markets. This integration process, coordinated by the Parent Company, allows GHC to consolidate the Target within the first 60 days of its acquisition, ensuring execution capability and effective risk mitigation.

Finally, also for the purpose of ensuring strict compliance with the certification requirements set out in Law 262/2005, the GHC Group decided to adopt an approach consistent with the methodologies currently in use in the area of analysis and monitoring of the ICFR ("Internal Control over Financial Reporting") and in line with the structure and nature of the Group.

### Interest rate risk

The Group's interest rate risk derives mainly from medium and long-term bank debt at variable rates. The Group in fact at June 30, 2024 has a loan agreement in place whose variable component is the 6M Euribor rate. In order to estimate the potential operating-financial impact associated with a change in the rate, a sensitivity analysis was carried out on the period under review, simulating the effect of a 1% increase and a 0.25% decrease in this parameter.

\* in Euro

Sensitivity Analysis:	H1 2024
Average medium/long-term loans at variable rate	151,897,595
Interest expense	4,284,919
<b>Sensitivity +1% annually</b>	
Interest expense +1%	5,044,407
<b>Change in interest expense on medium/long-term loans</b>	<b>759,488</b>
<b>Sensitivity -0.25%</b>	
Interest expense with -0.25%	4,095,047
<b>Change in interest expense on medium/long-term loans</b>	<b>(189,872)</b>

***Risks associated with environmental issues and health and safety legislation***

The Group's production activities are subject to environmental protection and occupational health and safety legislation. Workplace safety, health and hygiene are ensured through constant updates and performance of the mandatory legal inspections, in addition to the adoption of specific policies, management systems and procedures. The Group also relies on specific workplace health and safety consultants.

With regards to environmental risks, the main focus is the disposal of hazardous healthcare waste, particularly concerning the infection risk, in terms of which the Group companies take the necessary measures to ensure that they comply with laws and regulations applicable to the health sector.

At present, there are no "direct" risks related to climate change, continuing in any case with the analysis activities for the identification of possible critical issues and/or opportunities (e.g. in relation to the transition to renewable energy).

***Risks associated with the protection of personal and sensitive data and the implementation of the GDPR***

In conducting its activities, the Group engages in substantial and ongoing processing of personal and healthcare data and particularly data regarding patients and medical and paramedical personnel. Accordingly, the Group must comply with both Regulation (EC) No. 679/2016 on personal data protection ("GDPR") and Legislative Decree No. 196/2003 (the "Privacy Code"), in addition to the orders issued by Italy's Personal Data Protection Authority. Each Group company has introduced structures and constantly updates internal procedures to implement their personal data processing operations in compliance with law and has appointed a Data Protection Officer ("DPO") who supervises compliance with GDPR and other European and Italian personal data protection rules, also through specific audit activities.

***Risks associated with the administrative liability of companies for criminal offences pursuant to Legs. Decree No. 231/2001***

The Group companies are exposed to the risk of incurring penalties deriving from the potential offences pursuant to Legislative Decree No. 231/01 in the event that the Group's organisation and management model on "the administrative responsibility of legal persons and of companies and associations, including those without legal personality" is found to be inadequate.

In order to create a set of rules to prevent unlawful conduct deemed potentially relevant to the application of this legislation, GHC adopted and constantly updates (i) the organisation and management model as per Article 6, paragraph 1, letter a) of Legislative Decree No. 231/2001 (the "231 Model"), (ii) adopted the Group Ethics Code and (iii) appointed a Supervisory Board.

The Group companies with organisational autonomy have (i) adopted and updated their own 231 Model, consistent with the 231 Model approved by the Parent Company, (ii) adopted the Group Code of Ethics and (iii) set up their Supervisory Boards. During 2023, Legislative Decree No. 24/23 on Whistleblowing was implemented by updating the Group's Code of Ethics, the 231 Models of the Group companies and introducing an IT platform in line with the regulations.

### **Credit Risk**

This risk is managed by each Group company and the respective Directors and is periodically monitored by the Parent Company through financial and operating reports. The maximum exposure to the credit risk for the Group at June 30, 2024 is represented by the book value of the assets recorded in the consolidated accounts under trade receivables.

The Group considers this risk as moderate, in view of the fact that GHC's receivables almost entirely concern public sector counterparties (hospital authorities and/or healthcare authorities), for whom a particular risk of insolvency is not considered. In particular, in H1 2024, the Group closely monitored the collection of its trade receivables and does not report reduced average collection times from its public sector counterparties.

Therefore, according to the information currently available, the Company does not consider additional specific risks to have arisen on the recoverability of receivables from these parties.

### **Liquidity risk**

Liquidity risk is managed by the individual Group companies and the respective Directors and is periodically monitored by the Parent Company through financial and operating reports. In this manner, the Group aims to ensure adequate coverage of its financial needs, monitoring loans, credit lines granted and relative utilisations in order to ensure optimum management of the resources and any temporary excess liquidity. In addition, the Group seeks to maintain an optimal capital structure so as to optimise its borrowing costs. In H1 2024, the Group closely monitored its financial situation and did not require significant liquidity or working capital support. Therefore, on the basis of the information currently available, the Company expects that the liquidity and credit lines currently available, in addition to those that will be generated from operating activities, will permit the Group to satisfy its requirements deriving from investment activities, working capital management and the repayment of debt in accordance with their contractual maturities.

### **Key Risk Indicator**

The measurement of our key risk indicators did not point to any specific critical issues, in confirmation of the output in previous years, specifically concerning the ongoing coverage of risks related to the broader scope of Human Capital (i.e. recruiting, retention, training and rules of conduct), the essential consistency over the years in the numbers regarding patient and employee safety, the linear trend in the Group's reputation and in vendor relations.

Additional indicators pertaining to the management and control of the Group's IT processes were also measured, highlighting, against a backdrop of a general increase in IT attacks, the substantial resilience of the Group's control safeguards.

## **8. OTHER INFORMATION**

### **Corporate governance and shareholders**

The Company has adopted the corporate governance code approved in January 2020 by the Corporate Governance Committee (promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria) (the "**Corporate Governance Code**") and the corporate governance structure implemented by Garofalo Health Care S.p.A. has been designed in accordance with the recommendations set out in the Corporate Governance Code.

In accordance with Article 123-*bis* of the CFA, the Company is required to prepare a corporate governance and ownership structure report containing a general outline of the corporate governance system adopted by the Group and information on the ownership structure, including the adoption of the Corporate Governance Code, the main governance practices applied and the features of the risk management and internal control system with regards to the financial disclosure process.

This report was approved by the Board of Directors on March 14, 2024 and is available on the Company website [www.garofalohealthcare.com](http://www.garofalohealthcare.com), in the Governance/Shareholders' Meeting section. The Company is organised according to the traditional administration and control model, which includes the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

The current Company By-Laws were approved by the Shareholders' Meeting in extraordinary session on September 26, 2018 and entered into effect on November 9, 2018, the trading commencement date of the Company shares on the Mercato Telematico Azionario (MTA) managed by Borsa Italiana S.p.A., and are available on the company website ([www.garofalohealthcare.com](http://www.garofalohealthcare.com), in the "Governance/Corporate Governance" section), in the updated version of January 26, 2021 following the share capital increase with exclusion of pre-emption rights in accordance with Article 2441, paragraph 4 of the Civil Code, approved by GHC's Board of Directors on January 20, 2021 and latterly on May 20, 2022 as the Board of Directors did not exercise the power granted by the Extraordinary Shareholders' Meeting of September 26, 2018 regarding the free increase of the share capital to service the Stock Grant plan. The By-Laws are the document that establishes the Company's essential characteristics and lays down the main rules for its organization and functioning, in addition to governing the composition, powers and relations of the Company's boards. The By-Laws also contain a description of the rights held by the shareholders and the manner in which those rights are exercised.

The main governing body is the Board of Directors, which bears primary responsibility for setting and pursuing the strategic objectives of the Company and the Group of which it is a part.

The Board of Directors of Garofalo Health Care S.p.A., which bears responsibility for the internal control and risk management system, in its role of guidance and coordination of the GHC Group, has prepared the "Guidelines for the Internal Control and Risk Management System" in order to ensure that the organization's principal risks are properly identified, measured, managed and monitored, in line with the Group's strategic objectives. The document laying down the Guidelines for the Internal Control and Risk Management System was approved by the Board of Directors on April 18, 2019 and subsequently amended on October 12, 2022.

In particular, the document sets out the relevant rules and principles, duties and responsibilities and methods of coordination of the main participants in the GHC Group's Internal Control and Risk Management System. The Internal Control and Risk Management System plays a central role in the decision-making process of Garofalo Health Care S.p.A. as a listed company, and is defined, in accordance with the principles set out in Article 6 of Borsa Italiana's Corporate Governance Code, as the set of rules, procedures and organisational structures which ensure the effective and efficient identification, measurement, management and monitoring of the main business risks, in order to contribute to the sustainable success of the Company.

#### 2024-2026 Performance Share Plan

On April 29, 2024, and on the proposal of the Board of Directors, the Shareholders' Meeting approved a new long-term incentive plan, the "2024-2026 Performance Share Plan" (the "**Performance Share Plan**"), reserved for the Chief Executive Officer of the Company, in addition to key personnel of the Company and/or of the Group, as identified at the sole discretion of the Board of Directors, in consideration of the Remuneration Policy and having heard - for members of the BoD - the opinion of the Appointments and Remuneration Committee.

The Performance Share Plan is divided into three three-year cycles: 2024-2026, 2025-2027 and 2026-2028.

The purposes of the Performance Share Plan are:

- a) to promote the creation of sustainable value for the Company, shareholders and stakeholders, also in accordance with the indications of the Corporate Governance Code;
- b) guide management towards decisions that pursue the creation of value for the Group over the medium to long term;
- c) reinforce the policy of loyalty and engagement of staff members considered important to the Group;
- d) attract, motivate and retain personnel with the appropriate individual and professional skills to pursue and achieve the core business development objectives of the Company and the Group.

The free assignment and subsequent delivery of the shares are conditional on the achievement of predetermined performance objectives for each of the three cycles into which the Performance Share Plan is divided.

For further details on the Performance Share Plan, please refer (i) to the Remuneration Report prepared pursuant to Article 123-ter of the Consolidated Finance Act and Article 84-quater of the Consob Issuers' Regulation, approved by the Board of Directors on March 14, 2024, (ii) to the "Disclosure Document regarding the incentive plan known as the "2024-2026 Performance Share Plan" prepared in accordance with Article 84-bis and Annex 3A, Schedule 7 of the Consob Issuers' Regulation.

### ***Treasury shares and shares of holding companies***

At June 30, 2024, the Company held 1,596,488 treasury shares<sup>(7)</sup>.

At June 30, 2024, neither the Company nor the other Group companies held parent company shares, nor had made purchases or disposals during the year of these shares, even through trust companies or nominees.

### ***Health, environment and personnel***

The Company and the Group operate in accordance with the principles of protecting worker health and safety and safeguarding the environment. In H1 2024, there were no events affecting workplace health and safety nor damages to the environment. For further information on and analysis regarding the matter, reference should be made to the "Consolidated non-financial report" prepared regarding financial year 2023 and published on the company's website.

### ***Related party transactions***

Pursuant to Consob Resolution No. 17221 of March 12, 2010 as subsequently amended, it is reported that in H1 2024 the Group did not conclude any significant transactions or transactions with a significant effect on the Group's financial position or operating result for the year with related parties.

The information on related party transactions required by Consob Communication No. DEM/6064293 of July 28, 2006 is presented and disclosed in financial statements. For a more detailed account, refer to the notes on "Related party transactions" of the Company's consolidated condensed interim financial statements at June 30, 2024.

In accordance with Consob Resolution No. 17221 of March 12, 2010 and subsequent amendments, the Company adopted a related party transactions procedure by motion of the Board of Directors of November 27, 2018, as subsequently amended on June 22, 2021 (with entry into force on July 1, 2021), available, also pursuant to Article 2391-bis of the Civil Code, on the Company website [www.garofalohealthcare.com](http://www.garofalohealthcare.com) in the Governance/Corporate Governance section.

### ***Management and coordination activity***

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.

### ***Opt-out from the obligation to publish disclosure documents on undertaking significant corporate transactions***

On the admission to trading of shares on the main segment (Mercato Telematico Azionario) of the Italian Stock Exchange, in addition to the press release published on October 30, 2018, the company communicated the application of the simplified regime as per Article 70, paragraphs 8 and 71, paragraph 1-bis, of the Issuers' Regulation, applying therefore the exception from publication of the required disclosure documents as per Article 70, paragraphs 6 and 71, paragraph 1 of the Issuers' Regulation concerning significant merger, spin-off, share capital increase through conferment of assets in kind, acquisition, and sales operations.

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<sup>(7)</sup> The treasury share purchases made by the Group are reported through Press Releases published on the Company website

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***Secondary offices***

Garofalo Health Care S.p.A. did not have any branch offices at June 30, 2024.

Mr. Alessandro Maria Rinaldi

Legal representative



# CONSOLIDATED FINANCIAL STATEMENTS

at June 30, 2024



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**Parent Company Registered Office**

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**Garofalo Health Care S.p.A.**

Piazzale Belle Arti, 6 – Rome 00196

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**Parent Company Legal Details**

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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

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
GIANCARLA BRANDA	Independent Director
FRANCA BRUSCO	Independent Director
FEDERICO FERRO-LUZZI	Independent Director
LUCA MATRIGIANI	Independent Director
ALBERTO OLIVETI	Independent Director

### CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

FRANCA BRUSCO  
 FEDERICO FERRO LUZZI  
 GIANCARLA BRANDA

### APPOINTMENTS AND REMUNERATION COMMITTEE

FEDERICO FERRO LUZZI  
 FRANCA BRUSCO  
 ALBERTO OLIVETI

### 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

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CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2024

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**Consolidated Interim Financial Statements at June 30, 2024**
**Consolidated balance sheet at June 30, 2024**

<i>in Euro thousands</i>					
		June 30, 2024	of which related parties	December 31, 2023	of which related parties
Goodwill	Note 2	91,541		156,007	
Other intangible assets	Note 3	281,478		219,258	
Property, plant and equipment	Note 4	293,615		252,989	
Investment property	Note 5	826		846	
Equity investments	Note 6	1,364		1,386	
Other non-current assets	Note 7	826		3,368	
Other non-current assets	Note 8	1,722		2,238	
Deferred tax assets	Note 9	12,728		14,850	
<b>TOTAL NON-CURRENT ASSETS</b>		<b>684,102</b>		<b>650,942</b>	
Inventories	Note 10	6,071		5,583	
Trade receivables	Note 11	119,923	3,030	100,994	1,895
Tax receivables	Note 12	4,280		7,939	
Other receivables and current assets	Note 13	7,578		7,652	
Other current financial assets	Note 14	345		409	2,797
Cash and cash equivalents	Note 15	16,379		22,684	
<b>TOTAL CURRENT ASSETS</b>		<b>154,577</b>		<b>145,260</b>	
<b>TOTAL ASSETS</b>		<b>838,678</b>		<b>796,202</b>	

**Consolidated Interim Financial Statements at June 30, 2024**

<i>in Euro thousands</i>		June 30, 2024	of which related parties	December 31, 2023	of which related parties
Share capital	Note 16	31,570		31,570	
Legal reserve	Note 16	1,088		614	
Other reserves	Note 16	268,468		245,903	
Group result	Note 37	18,938		20,799	
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>		<b>320,064</b>		<b>298,886</b>	
Minority interest capital and reserves	Note 16	10,912		1,929	
Minority interest result	Note 37	106		74	
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>331,082</b>		<b>300,889</b>	
Employee benefits	Note 17	16,160		19,505	
Provisions for risks and charges	Note 18	24,890		28,251	
Non-current financial payables	Note 19	153,441		164,200	
Other non-current liabilities	Note 20	2,626		4,182	
Deferred tax liabilities	Note 9	103,686		74,770	
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>300,803</b>		<b>290,908</b>	
Trade payables	Note 21	91,014	1,200	87,853	4,604
Current financial payables	Note 22	58,504		64,637	
Tax payables	Note 23	5,788		4,475	
Other current liabilities	Note 24	51,487		47,442	
<b>TOTAL CURRENT LIABILITIES</b>		<b>206,793</b>		<b>204,406</b>	
<b>TOTAL LIABILITIES</b>		<b>507,596</b>		<b>495,313</b>	
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>838,678</b>		<b>796,202</b>	

**Consolidated Interim Financial Statements at June 30, 2024**
**H1 2024 Consolidated income statement**

<i>in Euro thousands</i>		For the period ended June 30			
		2024	of which related parties	2023	of which related parties
Revenues from services	Note 25	247,236		182,514	
Other revenues	Note 26	4,277	116	4,149	
<b>TOTAL REVENUES</b>		<b>251,513</b>		<b>186,663</b>	
Raw materials and consumables	Note 27	38,595		25,295	
Service costs	Note 28	96,444	384	74,951	400
Personnel costs	Note 29	56,798		39,205	
Other operating costs	Note 30	11,673		8,703	
<b>TOTAL OPERATING COSTS</b>		<b>203,508</b>		<b>148,155</b>	
<b>TOTAL EBITDA</b>		<b>48,005</b>		<b>38,508</b>	
Amortisation, depreciation and write-downs	Note 31	12,386		10,080	
Impairments and other provisions	Note 32	2,204		2,417	
<b>TOTAL AMORTISATION, DEPRECIATION, WRITE-DOWNS, PROVISIONS AND</b>		<b>14,590</b>		<b>12,498</b>	
<b>EBIT</b>		<b>33,415</b>		<b>26,010</b>	
Financial income	Note 33	143		34	
Financial charges	Note 34	(6,922)		(4,663)	
Results of investments at equity	Note 35	108		83	
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>		<b>(6,671)</b>		<b>(4,546)</b>	
<b>PROFIT BEFORE TAXES</b>		<b>26,743</b>		<b>21,464</b>	
Income taxes	Note 36	7,700		5,509	
<b>NET PROFIT FOR THE PERIOD</b>	<b>Note 37</b>	<b>19,044</b>		<b>15,955</b>	
Attributable to:					
Group	Note 37	18,938		15,939	
Minority interests	Note 37	106		16	
<b>Basic and diluted earnings per share (in Euro)</b>	<b>Note 38</b>	<b>0.21</b>		<b>0.18</b>	

**Consolidated Interim Financial Statements at June 30, 2024**
*H1 2024 Consolidated Comprehensive Income Statement*

<i>Euro thousands</i>	June 30, 2024	June 30, 2023
<b>NET PROFIT FOR THE PERIOD</b>	<b>19,044</b>	<b>15,955</b>
<b>Other components of the comprehensive income that will not subsequently be reclassified in profit/(loss) for the year</b>		
Actuarial gains/(losses) on defined employee benefit plans	2,999	517
Tax effect	(720)	(124)
<b>Total other components of comprehensive income that will not subsequently be reclassified to profit/(loss) for the period net of income taxes</b>	<b>2,279</b>	<b>393</b>
<b>Other components of the comprehensive income that may be subsequently reclassified to profit/(loss) for the year</b>		
Fair value of derivative instruments		
Tax effect		
<b>Total other comprehensive items that may be subsequently reclassified to profit/(loss) for the period net of income taxes</b>		
<b>Profit/(loss) recognised to equity</b>	<b>2,279</b>	<b>393</b>
<b>Total comprehensive income</b>	<b>21,323</b>	<b>16,348</b>
Attributable to:		
Group	21,217	16,332
Minority interests	106	16

**Consolidated Interim Financial Statements at June 30, 2024**
**Statement of changes in consolidated shareholders' equity at June 30, 2024**

in Euro thousands	Share capital	Legal reserve	Other reserves	Group net profit	Group shareholders' equity	Minority interest capital & reserves	Minority interest net profit	Total consolidated net equity
<b>December 31, 2022</b>	<b>31,570</b>	<b>532</b>	<b>225,542</b>	<b>21,426</b>	<b>279,070</b>	<b>76</b>	<b>7</b>	<b>279,153</b>
Allocation of result	-	82	21,344	(21,426)	-	7	(7)	-
Acquisition of treasury shares	-	-	(448)	-	<b>(448)</b>	-	-	<b>(448)</b>
Change in consolidation scope	-	-	(15)	-	<b>(15)</b>	660	-	<b>645</b>
Comprehensive profit/(loss)	-	-	393	15,939	<b>16,332</b>	-	16	<b>16,348</b>
Other movements	-	-	(4)	-	<b>(4)</b>	-	-	<b>(4)</b>
<b>June 30, 2023</b>	<b>31,570</b>	<b>614</b>	<b>246,812</b>	<b>15,939</b>	<b>294,935</b>	<b>743</b>	<b>16</b>	<b>295,694</b>
<b>December 31, 2023</b>	<b>31,570</b>	<b>614</b>	<b>245,903</b>	<b>20,799</b>	<b>298,886</b>	<b>1,929</b>	<b>74</b>	<b>300,889</b>
Allocation of result	-	474	20,325	(20,799)	-	74	(74)	-
Acquisition of treasury shares	-	-	(101)	-	<b>(101)</b>	-	-	<b>(101)</b>
Change in consolidation scope	-	-	-	-	-	-	-	-
Comprehensive profit	-	-	2,279	18,938	<b>21,217</b>	-	106	<b>21,323</b>
Other movements	-	-	62	-	<b>62</b>	8,909	-	<b>8,971</b>
<b>June 30, 2024</b>	<b>31,570</b>	<b>1,088</b>	<b>268,468</b>	<b>18,938</b>	<b>320,064</b>	<b>10,912</b>	<b>106</b>	<b>331,082</b>



## Consolidated Interim Financial Statements at June 30, 2024

## Consolidated cash flow statement for the period ended June 30, 2024

In Euro thousands	June	
	2024	2023
<b>OPERATING ACTIVITIES</b>		
<b>Profit for the period</b>	<b>19,044</b>	<b>15,955</b>
<i>Adjustments for:</i>		
- <i>Amortisation and depreciation</i>	12,151	9,960
- <i>Provisions for employee benefit liabilities</i>	475	393
- <i>Provisions net of releases for risks and charges</i>	2,204	2,417
- <i>Provisions net of releases for doubtful debt provision</i>	235	121
- <i>Interest from discounting</i>	914	864
- <i>Other non-cash adjustments</i>	5,376	186
- <i>Change in investments in associates valued under the equity method</i>	(108)	(83)
- <i>Change in other non-current assets and liabilities</i>	(797)	54
- <i>Net change in deferred tax assets and liabilities</i>	1,297	149
- <i>Payments for employee benefits</i>	(1,039)	(629)
- <i>Payments for provisions for risks and charges</i>	(5,565)	(1,469)
<i>Changes in operating assets and liabilities:</i>		
<i>(Increase) decrease in trade and other receivables</i>	(19,164)	(5,318)
<i>(Increase) decrease in inventories</i>	(488)	(159)
<i>Increase (decrease) in trade and other payables</i>	3,161	1,552
<i>Other current assets and liabilities</i>	7,249	3,838
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>24,946</b>	<b>27,831</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
<i>Investments in intangible assets</i>	(792)	(687)
<i>Investments in tangible assets</i>	(7,728)	(6,746)
<i>(Investments)/disposals in financial assets</i>	2,430	(1,145)
<i>Sale of tangible assets</i>	491	313
<i>Acquisition Sanatorio Triestino</i>	-	(10,516)
<b>CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)</b>	<b>(5,600)</b>	<b>(18,780)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<i>Issue of medium/long term loans</i>	-	7,518
<i>Repayment of medium/long-term loans</i>	(22,730)	(11,663)
<i>Issue/(repayment) of short-term loans</i>	(16)	(189)
<i>Changes in other financial payables</i>	(2,805)	(2,904)
<i>(Acquisition) treasury shares</i>	(101)	(450)
<b>NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)</b>	<b>(25,651)</b>	<b>(7,688)</b>
<b>TOTAL CASH FLOWS (D=A+B+C)</b>	<b>(6,305)</b>	<b>1,363</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD (E)</b>	<b>22,684</b>	<b>31,382</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD (F=D+E)</b>	<b>16,379</b>	<b>32,745</b>
<b>Additional information:</b>		
Interest paid	4,875	2,934
Income taxes paid	925	2,862

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT JUNE 30, 2024

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## **Note 1. Accounting standards and preparation basis for the Consolidated Financial Statements at June 30, 2024**

### **1.1 Company information**

The publication of the Group's consolidated half-year financial statements for the period ended June 30, 2024 was approved by the Board of Directors on September 12, 2024.

GHC S.p.A. is a listed limited liability company domiciled in Italy with its registered office at Piazzale delle Belle Arti 6, Rome.

### **1.2 General Principles**

The condensed consolidated half-year financial statements of the GHC Group for the period ended June 30, 2024 (the "**Consolidated Half-Year Financial Statements**") were prepared as per IAS 34.

The accounting standards adopted for the preparation of the condensed consolidated half-year financial statements are those utilised for the 2023 consolidated financial statements of the Group, with the exception of the adoption of the new standards and amendments in force from January 1, 2024. Reference should be made to the subsequent section for further details.

The consolidated interim financial statements are presented in thousands of Euro and all the amounts are rounded to the nearest thousand, unless otherwise specified.

The Consolidated Interim Financial Statements have been prepared based on the historical cost principle, except for derivative financial instruments that have been recognized at fair value.

The consolidated half-year financial statements, in the absence of uncertainties or doubts about the ability to continue business in a foreseeable future, have been prepared on the basis of business continuity. Based on the aforementioned principle, the Company was considered able to continue its business and therefore the assets and liabilities were accounted for on the assumption that the company will be able to carry out its activities and meet its liabilities during the normal course of business activity.

### **1.3 Financial Statements**

The Consolidated Interim Financial Statements of the Company consist of the Balance Sheet, Income Statement, Comprehensive Income Statement, Statement of Changes in Shareholders' Equity, Cash Flow Statement and Notes.

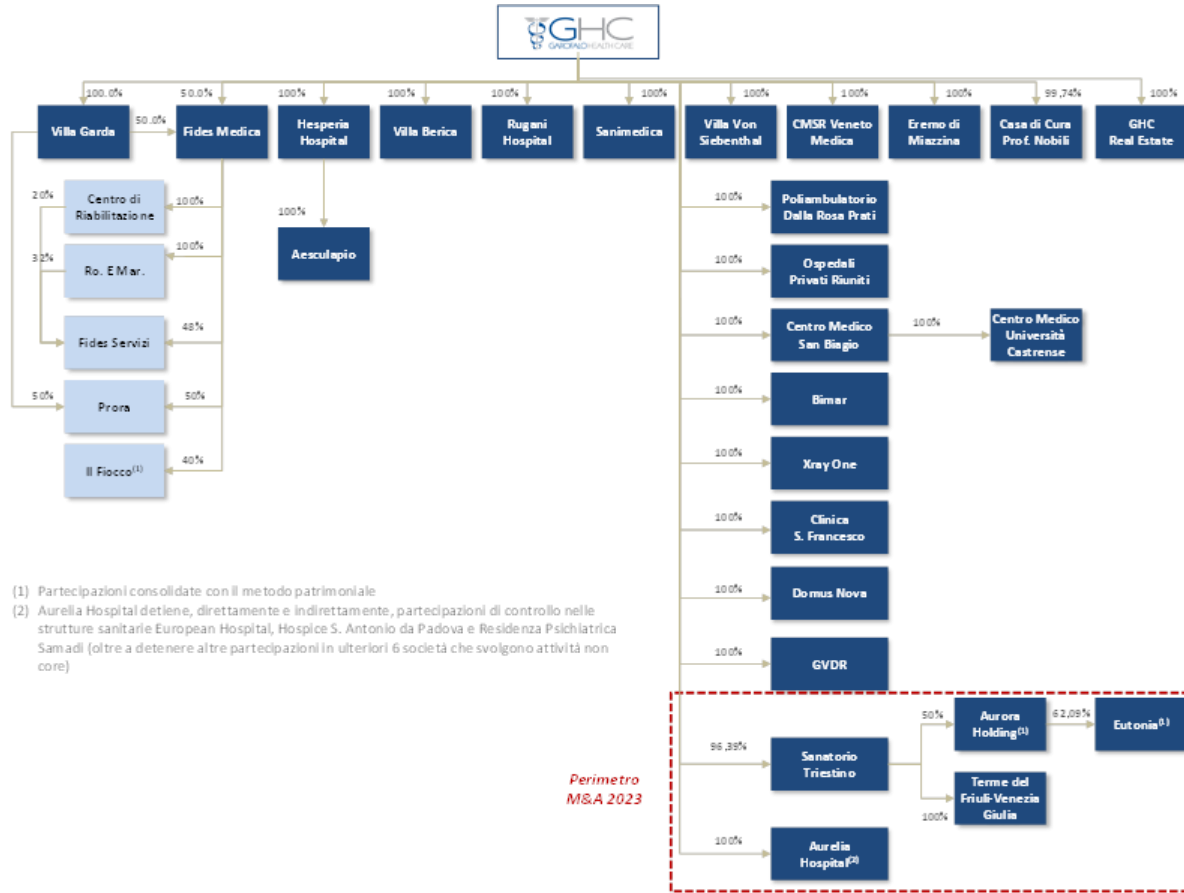
The Balance Sheet has been classified on the basis of the operating cycle, with the distinction between current/non-current items. Based on this distinction, assets and liabilities are considered current if they are to be realized or settled in the normal operating cycle. The revenue and cost items recorded during the year are presented in two tables: an income statement, which reflects the analysis of the aggregate costs by nature, and a comprehensive income statement. Lastly, the cash flow statement was prepared using the indirect method for

**Consolidated Interim Financial Statements at June 30, 2024**

determining the cash flows deriving from operating activities. With this method, the profit of the year is adjusted for the effects of the transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

**1.4 Group Structure**

The composition of the Group at June 30, 2024 is provided below:



## Consolidated Interim Financial Statements at June 30, 2024

### 1.5 Consolidation principles and consolidation scope

The Consolidated Interim Half-Year Financial Statements include the financial statements of GHC and of its subsidiaries at June 30, 2024.

The details of the consolidated companies are shown below.

Company	Registered office	Relationship with the Parent Company	Consolidation Method	Percentage held (direct and indirect) at June 30	Percentage held (direct and indirect) at December 31
				2024	2023
Garofalo Health Care S.p.A.	Rome	Parent company	Line-by-line	Parent company	Parent company
Hesperia Hospital Modena S.r.l.	Modena	Subsidiary	Line-by-line	100%	100%
Casa di Cura Villa Berica S.r.l.	Vicenza	Subsidiary	Line-by-line	100%	100%
Rugani Hospital S.r.l.	Monteriggioni (SI)	Subsidiary	Line-by-line	100%	100%
CMSR Veneto Medica S.r.l.	Altavilla Vicentina (VI)	Subsidiary	Line-by-line	100%	100%
Sanimedica S.r.l.	Altavilla Vicentina (VI)	Subsidiary	Line-by-line	100%	100%
L'Eremo di Miazzina S.r.l.	Cambiasca (VB)	Subsidiary	Line-by-line	100%	100%
Casa di Cura Villa Garda S.r.l.	Garda	Subsidiary	Line-by-line	100%	100%
Villa Von Siebenthal S.r.l.	Genzano di Roma (RM)	Subsidiary	Line-by-line	100%	100%
Casa di Cura Prof. Nobili S.r.l.	Castiglione dei Pepoli (BO)	Subsidiary	Line-by-line	99.74%	99.74%
F.I.D.E.S. Medica S.r.l.	Piombino	Subsidiary	Line-by-line	100%	100%
Centro di Riabilitazione S.r.l.	Genoa	Subsidiary	Line-by-line	100%	100%
Ro. E. Mar S.r.l.	Piombino	Subsidiary	Line-by-line	100%	100%
Fides Servizi S.c.a.r.l.	Genoa	Subsidiary	Line-by-line	100%	100%
Prora S.r.l.	Genoa	Subsidiary	Line-by-line	100%	100%
Il Fiocco S.c.a.r.l. *	Genoa	Associate	Equity Method	40%	40%
Poliambulatorio Dalla Rosa Prati S.r.l.	Parma	Subsidiary	Line-by-line	100%	100%

\* The equity investment is held by the subsidiary Fides Medica S.r.l.

## Consolidated Interim Financial Statements at June 30, 2024

Ospedali Privati Riuniti S.r.l.	Bologna	Subsidiary	Line-by-line	100%	100%
Centro Medico San Biagio S.r.l.	Fossalta di Portogruaro (VE)	Subsidiary	Line-by-line	100%	100%
Centro Medico Università Castrense S.r.l.	San Giorgio di Nogaro (UD)	Subsidiary	Line-by-line	100%	100%
Bimar S.r.l.	Fossalta di Portogruaro (VE)	Subsidiary	Line-by-line	100%	100%
Aesculapio S.r.l.	San Felice sul Panaro (MO)	Subsidiary	Line-by-line	100%	100%
XRay One S.r.l.	Poggio Rusco (MN)	Subsidiary	Line-by-line	100%	100%
Clinica San Francesco S.r.l.	Verona	Subsidiary	Line-by-line	100%	100%
Domus Nova S.r.l.	Ravenna	Subsidiary	Line-by-line	100%	100%
GHC Real Estate S.p.A.	Rome	Subsidiary	Line-by-line	100%	100%
GHC Project 9 S.r.l.	Rome	Subsidiary	Line-by-line	100%	100%
Gruppo Veneto Diagnostica e Riabilitazione S.r.l.	Cadoneghe (PD)	Subsidiary	Line-by-line	100%	100%
Sanatorio Triestino S.p.A.	Trieste	Subsidiary	Line-by-line	96.39%	96.39%
Terme del Friuli Venezia Giulia S.r.l.	Trieste	Subsidiary	Line-by-line	96.39%	96.39%
Aurora Holding S.r.l.	Trieste	Associate	Equity Method	48.20%	48.20%
Eutonia S.r.l. Sanità e salute	Trieste	Associate	Equity Method	29.92%	29.92%
Aurelia Hospital S.r.l.	Rome	Subsidiary	Line-by-line	100%	100%
Casa di Cura Sant'Antonio da Padova S.r.l.	Rome	Subsidiary	Line-by-line	99.89%	99.89%
European Hospital S.p.A.	Rome	Subsidiary	Line-by-line	99.89%	99.89%
RAM S.r.l.	Rome	Subsidiary	Line-by-line	54.66%	54.66%
Samadi S.p.A.	Rome	Subsidiary	Line-by-line	77.98%	77.98%
Axa Residence S.p.A.	Anzio (RM)	Subsidiary	Line-by-line	98.90%	98.90%
Finaur S.r.l.	Rome	Subsidiary	Line-by-line	53.38%	53.38%
Gestiport '86 S.p.A.	Rome	Subsidiary	Line-by-line	53.39%	53.39%
Video 1 S.r.l. in liquidation	Rome	Subsidiary	Line-by-line	98.91%	98.91%
Radio IES S.r.l.	Rome	Subsidiary	Line-by-line	98.91%	98.91%

The ultimate parent of the Issuer is Raffaele Garofalo & C. S.A.p.A. with its registered office in Rome.

### ***1.6 Summary of the main accounting standards***

The accounting policies used, in addition to the consolidation criteria and methods applied to these condensed consolidated half-year financial statements at June 30, 2024, are the same as those adopted for the preparation of the consolidated financial statements at December 31, 2023, to which reference should be made for greater details.

The condensed consolidated half-year financial statements at June 30, 2024 do not however include all of the information required for the annual financial statements and should therefore be read together with the consolidated financial statements at December 31, 2023.

### ***1.7 Discretionary valuations and significant accounting estimates***

The preparation of the Financial Statements requires Directors to apply accounting standards and methodologies which, under certain circumstances, are based on assessments that require a high degree of subjectivity, on estimates based on historical experience and assumptions that are considered from time to time with reference to their reasonableness depending on the circumstances. The application of these estimates and assumptions affects the determination of the amounts shown in the financial statements, such as those shown in the balance sheet, in the income statement and in the cash flow statement, as well as the information provided. Estimates and assumptions are periodically reviewed and the effect of a change in an accounting estimate is immediately recognized through the income statement. The main processes of estimation and discretionary evaluation are related to the recognition and valuation of the financial statement items indicated below.

#### *Period of depreciation of tangible assets and amortization of intangible assets and impairment test*

Amortisation and depreciation of assets with definite useful life of tangible assets and intangible assets and the forecast data used for the purposes of impairment tests require a discretionary valuation by the directors, which is revised at each reporting date in order to verify that the amounts recorded are representative of the best estimate of costs that may be incurred by the Group and, if significant changes are detected, the amounts are reviewed and updated.

With regard to the impairment test, reference should be made to the paragraph "Impairment of assets" below in the present consolidated financial statements at June 30, 2024.

#### *Legal proceedings*

The Company is a party to various legal proceedings concerning claims for damages related to operations, tax, labour law or other contractual relations. These disputes are subject to many uncertainties, and the outcome of the individual positions is not accurately predictable, often generating complex legal issues.

A provision is made in relation to a dispute or a request for compensation if the loss is probable and there will be an outflow of funds and when the amount can be reasonably estimated. If an outflow of funds becomes probable, but the amount cannot be estimated, this fact is reported in the notes.

Since these provisions are estimates, the resolution of some of these positions may require the Company to make payments in excess of the amounts provisioned or may require the Company to make payments in an amount that could not reasonably be estimated. The Company monitors the status of legal proceedings and regularly consults with legal and tax experts. Therefore, provisions for legal proceedings of the Company may change as a result of future developments on these matters.

### *Business combinations*

Accounting for business combinations entails allocating the difference between purchase cost and net carrying amount to the assets and liabilities of the acquired business. For the majority of assets and liabilities this difference is allocated by recognizing the assets and liabilities at fair value. If positive, the unallocated portion is recognized as goodwill. If negative, it is recognized in the income statement. The Group bases its allocations on available information and, for the more significant business combinations, on external appraisals.

### *Deferred tax assets*

Deferred tax assets are recognized with respect to deductible temporary differences between the values of assets and liabilities expressed in the financial statements compared to the corresponding tax value and tax losses that can be carried forward, to the extent that the existence of adequate future taxable profit is likely, with respect to which these losses may be used. A discretionary assessment is required of the directors to determine the amount of deferred tax assets that can be accounted for, related to the estimate of probable timing and the amount of future taxable profits.

### *Liabilities for employee benefits (employee severance indemnity - "TFR") and provisions to the supplementary indemnity provision*

The evaluation of the severance indemnity is carried out using actuarial valuations. The actuarial valuation requires the development of assumptions about discount rates, future salary increases, turnover and mortality rates. Due to the long-term nature of these plans, these estimates are subject to uncertainty.

### *Value adjustments on receivables*

Value adjustments on receivables represent the best possible estimate made by management, based on the information held at the date of preparation of the financial statements

The estimates and assumptions are made by the directors with the support of the company departments involved and, where appropriate, of independent specialists and are reviewed periodically.

## ***1.8 New accounting standards, interpretations and amendments adopted by the Group***

The accounting standards adopted for the preparation of the condensed consolidated half-year financial statements are those utilised for the 2023 consolidated financial statements of the Group, with the exception of the adoption of the new standards and amendments in force from January 1, 2024. The Group has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect. Various amendments are applied for the first time in 2024, but did not impact the Condensed Consolidated Half-Year Financial Statements of the Group.

### Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Supplementary Information, to clarify the characteristics of reverse factoring agreements and requests to give further disclosure of such agreements. The disclosure requirements included in the amendments are intended to assist financial statement users in understanding the effects on an entity's liabilities, cash flows, and exposure to liquidity risk of reverse factoring arrangements. The transition requirements clarify that an entity does not have to provide disclosures in interim financial statements for the first year of application of the amendments. Consequently, the amendments had no impact on the Group's condensed consolidated half-year financial statements.



### Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued an amendment to IFRS 16 to specify the requirements that a selling lessor uses in measuring the lease liability arising from a sale & lease back transaction, to ensure that the selling lessor does not recognize a gain or loss by reference to the right-of-use retained by the lessor. These amendments had no impact on the Group's condensed consolidated half-year financial statements.

### Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB published amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by the right to defer maturity;
- That the right of subordination must exist at financial year-end;
- The classification is not impacted by the probability of whether the entity will exercise its subordination right;
- Only where a derivative embedded in a convertible liability is itself an equity instrument the maturity of the liability shall have no impact on its classification.

In addition, a requirement has been introduced to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to deferral is subject to compliance with covenants within 12 months. These amendments had no impact on the Group's condensed consolidated half-year financial statements.

There are no accounting standards, amendments and interpretations issued not yet in force that may have a significant impact on these Condensed Consolidated Half-Year Financial Statements and the next annual financial statements.

### ***1.9 Seasonality***

The sector in which the Group operates is expected to be fully operational in H1, given that some services are provided to a lesser extent in the second half of the year as a result of the holiday periods in August and December.

This information is provided to enable better understanding of the results, though management has concluded that this is not a "highly" seasonal industry as per IAS 34.

## Consolidated Interim Financial Statements at June 30, 2024

### Note 2 Goodwill

Goodwill breaks down as follows:

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>
	2024	2023
Goodwill – CMSR Veneto Medica CGU	11,230	11,230
Goodwill – Villa Von Siebenthal CGU	2,957	2,957
Goodwill – Rugani Hospital CGU	6,935	6,935
Goodwill – Fides Group CGU	17,647	17,645
Goodwill – Casa di Cura Prof. Nobili CGU	47	47
Goodwill - Poliambulatorio Dalla Rosa Prati CGU	10,080	10,080
Goodwill– Ospedali Privati Riuniti CGU	3,006	3,006
Goodwill – Centro Medico San Biagio CGU	2,275	2,275
Goodwill – Aesculapio CGU	3	3
Goodwill – XRay One Srl CGU	629	629
Goodwill – Clinica San Francesco CGU	6,719	6,719
Goodwill – Domus Nova S.r.l. CGU	9,109	9,109
Goodwill - GVDR CGU	12,321	12,321
Goodwill – Aurelia Hospital/ European Hospital CGU	3,875	73,050
Goodwill – Samadi CGU	2,857	-
Goodwill – Casa di Cura S. Antonio da Padova CGU	1,850	-
<b>Total Goodwill</b>	<b>91,541</b>	<b>156,007</b>

Goodwill consists of the difference between the fair value of the amount transferred and the net value of the amounts at the acquisition date of the identifiable assets acquired and of the liabilities assumed identifiable at fair value.

This item decreased by a total of EUR 64,466 due to the final quantification of the Aurelia Group's goodwill following the completion of the so-called Purchase Price Allocation, through which the Cash Generation Units within the Aurelia Group were identified. In this regard it should be recalled that, according to the relevant international accounting standards, in identifying the so-called Cash Generating Units it is necessary to refer to the way in which the management manages the company's activities and decides on the continuation or disposal

of the individual businesses; more specifically, international accounting standards give relevance to management “segment reporting,” i.e., the internal reporting structure that constitutes the normal point of reference for management in the internal breakdown of the enterprise or group into relatively autonomous and homogeneous business units, for which economic and financial information is available to support the strategic planning and control process. In this context, three distinct Cash Generation Units have been identified within the Aurelia Group, namely the “CGU Aurelia Hospital/ European Hospital,” which represent an integrated healthcare complex in the same city with similar activities, the “CGU Samadi,” and the “CGU St. Anthony of Padua,” each of which carry out different activities in the healthcare field.

In order to calculate the value to be allocated, the acquisition value of the investment was compared with the book shareholders’ equity at a date close to the acquisition date (October 31, 2023). In this regard, we highlight that the book Shareholders’ Equity of the above CGU’s was reduced by a total of Euro 1,651 thousand to take account of a better definition of the fair value of the assets and liabilities at the time of acquisition, as per IFRS 3. The Purchase Price Allocation was carried out according to the full goodwill criterion, i.e. where the price for 100% of the share capital is compared with 100% of the book shareholders’ equity, which resulted in a reduction of provisional goodwill as a result of the following movements:

- Reclassification to the Accreditation item for Euro 62,068 thousand, partially offset by the deferred taxes, calculated on the value of the accreditation, recognised as an increase to goodwill (Euro 17,876 thousand);
- Reclassification to Buildings for Euro 42,022 thousand, partially offset by the deferred taxes, calculated on the value of the buildings, recognised as an increase to goodwill (Euro 11,145 thousand);
- Increase to Goodwill of Euro 10,603 thousand following both the above improved definition of the fair value of the assets and of the liabilities which comprise the CGU’s at the acquisition date, amounting to Euro 1,651 thousand, and the application of the “full goodwill” method, which involved a recognition of Euro 8,952 thousand as a counter-entry to minority interest Shareholders’ Equity.

#### ***Verification of impairment of goodwill and intangible assets with indefinite useful life (impairment test)***

Goodwill and accreditation acquired through business combinations were allocated for the purpose of verifying the impairment loss of the cash generating units identified for the Group at the level of the individual entity, except for the companies Centro di Riabilitazione S.r.l., Ro.E Mar. S.r.l., Fides Medica S.r.l., Fides Servizi S.r.l., Prora S.r.l., identified as a single CGU, Fides Group, Centro Medico San Biagio S.r.l., Bimar S.r.l. and Studio Schio S.r.l. (now merged into Centro Medico San Biagio S.r.l.), also identified as a single CGU Centro Medico San Biagio, in addition to the companies Aurelia Hospital S.p.A and European Hospital S.p.A. which were identified as a single CGU as representing an integrated healthcare complex with similar activities.

At June 30, 2024, the Group has not performed an impairment test on assets with indefinite useful life in the absence of a trigger event since December 31, 2023.

## Consolidated Interim Financial Statements at June 30, 2024

### Note 3 Other intangible assets

The breakdown of the item Other intangible assets at June 30, 2024, compared with the same values at December 31, 2023, is as follows:

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Concessions, licenses, trademarks and similar rights	441	349	92
Development	474	569	(95)
Accreditation	277,905	215,837	62,068
Software	1,995	1,869	126
Industrial patents	35	15	19
Other intangible assets	266	296	(30)
Assets in progress and advances	363	322	41
<b>Total other intangible assets</b>	<b>281,478</b>	<b>219,258</b>	<b>62,220</b>

The table below shows the movements in individual items of Other intangible assets during the period ended June 30, 2024.

<i>in Euro thousands</i>	<i>Concessions, licences, trademarks and similar rights</i>	<i>Development</i>	<i>Software</i>	<i>Accreditation</i>	<i>Industrial patents and intellectual property rights</i>	<i>Other intangible assets</i>	<i>Assets in progress and advances</i>	<i>Total</i>
<b>Net value at December 31,</b>	<b>349</b>	<b>569</b>	<b>1,869</b>	<b>215,837</b>	<b>15</b>	<b>296</b>	<b>322</b>	<b>219,258</b>
Acquisition	46	-	448	-	-	61	237	792
Amortisation	(61)	(95)	(393)	-	-	(33)	-	(581)
Increase	-	-	-	-	22	-	-	22
Decrease	-	-	-	-	(2)	(73)	-	(75)
Transfers/Reclassifications	107	-	71	-	(1)	15	(196)	(5)
Change in consolidation	-	-	-	62,068	-	-	-	62,068
<b>Net value at June 30, 2024</b>	<b>441</b>	<b>474</b>	<b>1,995</b>	<b>277,905</b>	<b>35</b>	<b>266</b>	<b>363</b>	<b>281,478</b>

## Consolidated Interim Financial Statements at June 30, 2024

### Concessions, licences, trademarks and similar rights

Concessions, licences, trademarks and similar rights, amounting to Euro 441 thousand at June 30, 2024, increased on December 31, 2023 by Euro 92 thousand, relating to investments made in H1 2024 for Euro 46 thousand (mainly by Clinica San Francesco S.r.l. for Euro 33 thousand), net of the relative amortisation, in addition to the effect of the entry into service of a software previously recognised to assets in progress and in development (Euro 107 thousand).

### Development costs

The item Development costs, amounting to Euro 474 thousand at June 30, 2024, changed solely as a result of amortisation for the period.

### Software

Software refers to the applications used by the administrative offices of Group companies to keep the accounts and for management aspects relating to healthcare activity.

During the first half of 2024, the Group made software investments of Euro 448 thousand, mainly concerning the companies Poliambulatorio Dalla Rosa Prati S.r.l. (Euro 187 thousand), Garofalo Health Care S.p.A. (Euro 29 thousand), C.M.S.R. VENETO MEDICA S.r.l. (Euro 42 thousand), Casa di Cura Villa Garda S.r.l. (Euro 29 thousand) and Domus Nova S.r.l. (Euro 30 thousand).

### Accreditation

The Accreditation account concerns the activities related to the administrative process by which the Group's facilities qualify as fit to provide healthcare and social-care services on behalf of the Regional Health Service (SSR). Institutional accreditation is issued by the Region and is conditional on continuing satisfaction of the technological, infrastructural and personal requirements defined by national and regional provisions. The account includes the fair value emerging on acquisition for the Group companies, the acquisition of the accreditation emerging on the completion of the Group's Purchase Price Allocation, and residually the acquisition of accreditation by Rugani Hospital S.r.l.. A breakdown of the account at June 30, 2024 is illustrated below:

<i>in Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Rugani Hospital CGU	337	337	
Fides Medica Group CGU	8,257	8,257	-
Casa di Cura Prof. Nobili CGU	4,942	4,942	-
Poliambulatorio Dalla Rosa Prati CGU	13,396	13,396	-
Ospedali Privati Riuniti CGU	35,176	35,176	-
Centro Medico San Biagio e Bimar CGU	52,744	52,744	-
Centro Medico Università Castrense CGU	4,166	4,166	-
Aesculapio CGU	2,624	2,624	-
XRy One CGU	16,877	16,877	-
Clinica San Francesco CGU	41,841	41,841	-
Domus Nova CGU	12,996	12,996	-
GVDR CGU	13,854	13,854	
Sanatorio CGU	8,627	8,627	
Aurelia Hospital/European Hospital CGU	54,405		54,405

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Samadi CGU	3,946		3,946
Sant'Antonio CGU	3,717		3,717
<b>Total Accreditation</b>	<b>277,905</b>	<b>215,837</b>	<b>62,068</b>

The fair value of the accreditation of all the above acquisitions, with the exception of that for Rugani Hospital S.r.l., was estimated through the purchase price allocation process of the acquired CGUs, by applying a technique based on the discounting of the economic results deriving from “in-agreement” services (multi-period excess earnings technique).

The increase of the item, amounting to Euro 62,068 thousand, derives from the completion of the Aurelia Group's Purchase Price Allocation. More precisely, the fair value of the accreditation of the transaction to purchase the Aurelia Group, for which the Aurelia Hospital/European Hospital, Sant'Antonio and Samadi CGU's were defined, was estimated through the consolidated purchase price allocation process of the acquired CGUs, by applying a technique based on the discounting of the economic results deriving from “in-agreement” services (multi-period excess earnings technique).

The fair value was calculated on the following assumptions:

- As the acquisition was made in 2023, the provisional data for the Purchase Price Allocation was estimated from the total 2023 figure and the first forecast year was considered to be fiscal year “n+1”. The forecast data was prepared by the facilities of the investees and shared with GHC Group management, and was submitted to the Board of Directors of the individual companies involved for approval.
- Given that it deals with unlevered results (that is, gross of financial income and charges), the base rate is 6.404%. The base rate used increased by 2 percentage points to take into account the fact that intangible assets are being valued and not the entire company.
- Finally, in calculating the Fair Value, the future tax charge to which a potential acquirer may be subjected following the acquisition of the intangible asset under valuation was taken into consideration. Therefore, the intangible asset was increased by a tax step-up based on the current rate of 28.8%.

The Group has not carried out an impairment test on accreditations at June 30, 2024, as not required by IAS 36 in the interim financial statements in the absence of a trigger event since December 31 of the previous year.

### Other intangible assets

The account includes residual categories of assets, which, given their scarce significance, are not in a specific item. The balance at June 30, 2024 was Euro 266 thousand.

### Assets in progress and advances

The item, amounting to Euro 363 thousand, principally comprises projects under development for applications and software, carried out mainly by Casa di cura Prof. Nobili S.r.l. (Euro 81 thousand), Clinica San Francesco S.r.l. (Euro 51 thousand) and Domus Nova S.r.l. (Euro 71 thousand).

### Note 4 Property, plant and equipment

The table below presents a breakdown of Property, plant and equipment at June 30, 2024 compared with December 31, 2023.

## Consolidated Interim Financial Statements at June 30, 2024

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Land & buildings	221,834	181,689	40,146
Leasehold improvements	5,084	4,070	1,014
Plant & machinery	14,473	15,459	(986)
Industrial & commercial equipment	26,041	26,080	(39)
Other assets	5,467	5,298	169
Right-of-use	18,460	17,320	1,140
Assets in progress and advances	2,256	3,072	(817)
<b>Total</b>	<b>293,615</b>	<b>252,989</b>	<b>40,627</b>

The following tables show the changes in the item in question for the year ended June 30, 2024.

<i>in Euro thousands</i>	<i>Land and buildings</i>	<i>Leasehold improvements</i>	<i>Plant and machinery</i>	<i>Industrial and commercial equipment</i>	<i>Other assets</i>	<i>Rights-of-use</i>	<i>Assets in progress and advances</i>	<i>Total</i>
<b>Net value at December 31, 2023</b>	<b>181,689</b>	<b>4,070</b>	<b>15,459</b>	<b>26,080</b>	<b>5,298</b>	<b>17,320</b>	<b>3,072</b>	<b>252,989</b>
Acquisition	1,763	521	559	2,833	780	2,586	1,272	10,315
Depreciation	(4,025)	(377)	(1,609)	(3,342)	(749)	(1,447)	-	(11,549)
Sales	-	-	(42)	(182)	(192)	-	-	(416)
Transfers/Reclassifications	385	869	106	652	330	-	(2,088)	255
Change in consolidation scope	42,022	-	-	-	-	-	-	42,022
<b>Net value at June 30, 2024</b>	<b>221,834</b>	<b>5,084</b>	<b>14,473</b>	<b>26,041</b>	<b>5,467</b>	<b>18,460</b>	<b>2,256</b>	<b>293,615</b>

### Land and Buildings

The account mainly includes the properties owned by the care clinics and amounted to Euro 221,834 thousand at June 30, 2024, a net increase of Euro 40,146 thousand compared to December 31, 2023 (Euro 181,689 thousand), mainly due to the following factors:

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- i. investments made by the Group of Euro 1,763 thousand, Garofalo Health Care Real Estate S.p.A. (Euro 1,293 thousand), Garofalo Health Care S.p.A. (Euro 91 thousand), Villa Von Siebenthal S.r.l. (Euro 120 thousand);
- ii. depreciation in the year of Euro 4,025 thousand;
- iii. the previously stated completion of the Aurelia Group's Purchase Price Allocation, which resulted in the allocation of goodwill on the value of the Industrial buildings for Euro 42,022 thousand.

### Leasehold improvements

The item increased by Euro 1,014 thousand on December 31, 2023, mainly as a result of the investments in the period, attributable mainly to Gruppo Veneto Diagnostica e Riabilitazione S.r.l. (Euro 251 thousand) and Domus Nova S.r.l. (Euro 102 thousand), net of amortisation in the period of Euro 377 thousand.

### Plant and machinery

Plant and machinery amounted to Euro 14,473 thousand at June 30, 2024, a net decrease of Euro 986 thousand on December 31, 2023, as a result of the following:

- i. investments amounting to Euro 559 thousand, mainly attributable to the companies Ospedali Privati Riuniti S.r.l. (Euro 244 thousand), Clinica San Francesco S.r.l. (Euro 51 thousand), Poliambulatorio Dalla Rosa Prati S.r.l. (Euro 54 thousand), Rugani Hospital S.r.l. (Euro 58 thousand) and Domus Nova S.r.l. (Euro 60 thousand);
- ii. depreciation in the period of Euro 1,609 thousand.

### Industrial and commercial equipment

Industrial and commercial equipment amounted to Euro 26,041 thousand at June 30, 2024, compared to Euro 26,080 thousand at December 31, 2023. The net decrease of Euro 39 thousand was mainly as a result of:

- iii. investments amounting to Euro 2,833 thousand, mainly attributable to Aurelia Hospital S.r.l. (Euro 441 thousand), European Hospital S.p.A. (Euro 114 thousand), Rugani Hospital S.r.l. (Euro 186 thousand), Hesperia Hospital Modena S.r.l. (Euro 320 thousand), Centro Medico San Biagio S.r.l. (Euro 139 thousand), Poliambulatorio Dalla Rosa Prati S.r.l. (Euro 134 thousand), Gruppo Veneto Diagnostica e Riabilitazione S.r.l. (Euro 102 thousand), Sanatorio Triestino S.p.A. (Euro 187 thousand) and Domus Nova S.r.l. (Euro 923 thousand);
- iv. depreciation in the year of Euro 3,342 thousand;

### Other assets

The item, which mainly includes cars, transport vehicles, EDP, furniture and fittings, amounts to Euro 5,467 thousand at June 30, 2024, with a net increase of Euro 169 thousand compared to December 31, 2023. The change in the year was mainly due to:

- i. investments amounting to Euro 780 thousand, mainly attributable to Ospedali Privati Riuniti S.r.l. (Euro 99 thousand), Domus Nova S.r.l. (Euro 87 thousand), C.MS.R. Veneto Medica S.r.l. (Euro 57 thousand), Casa di cura Prof. Nobili S.r.l. (Euro 120 thousand) and Aurelia Hospital S.r.l. (Euro 45 thousand);
- ii. depreciation in the period of Euro 749 thousand.

### Rights-of-use

The account, amounting to Euro 18,460 thousand at June 30, 2024, includes the present value of contracts relating to the rental, mainly of buildings, machinery and equipment for a fixed period of time exceeding 12



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months and for an amount exceeding Euro 5 thousand against payment of a set fee. The increase in the period of Euro 1,140 thousand is due to the contracts signed in the period of Euro 2,586 thousand, net of depreciation in the period (Euro 1,446 thousand).

### Assets in progress and advances

The item at June 30, 2024 totalled Euro 2,256 thousand, decreasing Euro 817 thousand on Euro 3,072 thousand at December 31, 2023. The decrease is mainly due to investments in the period, net of reclassifications following the completion of works..

### Note 5 Investment properties

The table below shows the breakdown of investment properties at June 30, 2024.

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Investment property	826	846	(20)
<b>Total investment properties</b>	<b>826</b>	<b>846</b>	<b>(20)</b>

The Group's investment properties primarily refer to the apartments owned by L'Eremo di Miazzina S.r.l. of Euro 673 thousand, by Hesperia Hospital Modena S.r.l. of Euro 16 thousand and by FI.D.ES. Medica S.r.l. for Euro 137 thousand. These are properties not intended for industrial use or for use in the Group's core business, held specifically for investment purposes. Accordingly, pursuant to IAS 40, such investment properties have been classified as investments and measured according to the cost model. The value recognized is represented by historical cost, less cumulative depreciation charges. The change for the period is attributable solely to the depreciation for the period amounting to Euro 20 thousand.

The useful life of the Group's investment properties is 33 years, and depreciation is applied on a straight-line basis.

The assets have not been let. Accordingly, neither rent revenue nor direct operating costs are expected.

There are no restrictions on the Group's ability to monetize its investment properties, nor are there any contractual obligations to purchase, build or development investment properties or carry out maintenance, repairs or improvements.

See Note 39 for information on the fair value hierarchy for investment properties. It should be noted that:

- measurement is classified to Level 3 of the fair value hierarchy, meaning it is based on unobservable inputs obtained by estimating market value according to the average values in the Italian Agency of Revenue's O.M.I. database and the Borsino Immobiliare database for properties similar to those being measured;
- it should be noted that the fair value described above is greater than the current value in use, approximated by the item's net book value.

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### Note 6 Equity investments

The value of equity investments at June 30, 2024 was Euro 1,364 thousand and concerns investments in associates for Euro 1,272 thousand and capital instruments (classified as at fair value through profit and loss) for Euro 92 thousand.

#### Investments in associates

The table below contains a breakdown of investments in associates at June 30, 2024 and December 31, 2023.

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Il Fiocco S.c.a.r.l.	670	746	(76)
Aurora Holding S.r.l.	602	547	55
<b>Total investments in associates</b>	<b>1,272</b>	<b>1,293</b>	<b>(21)</b>

The equity investments in associates refer to Il Fiocco S.c.a.r.l., in which the Group holds a 40% stake through the acquisition of the Fides Group in 2017, and to the company Aurora Holding S.r.l., held 50% by the company Sanatorio Triestino S.p.A.. Aurora Holding is in turn the parent company of Eutonia S.r.l., in which a 62.09% stake is held.

The valuation of Il Fiocco S.c.a.r.l. decreased by Euro 76 thousand on December 31, 2023, following the distribution of dividends to Fides Medica s.r.l., totalling Euro 160 thousand, net of the pro-quota net profit of Euro 84 thousand.

The key financial highlights for H1 2024 of the associates are set out below:

<b>Il Fiocco Sc.a.r.l.</b>	<b>At June 30</b>
<i>in Euro thousands</i>	2024
Current assets	1,713
Non-current assets	244
Current liabilities	(1,546)
Non-current liabilities	
<b>Shareholders' Equity</b>	<b>411</b>
Shareholders' equity attributable to the Group	164
<b>Goodwill</b>	<b>506</b>
<b>Carrying value of the Group's investment</b>	<b>670</b>

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Il Fiocco Sc.a.r.l.	At June 30
<i>in Euro thousands</i>	2024
Revenues	3,025
Cost of sales	(2,590)
Amortisation, depreciation and write-downs	(39)
Financial charges	(0)
Profit before taxes	396
Income taxes	(115)
<b>Net profit from continuing operations</b>	<b>281</b>
Other comprehensive items which may be subsequently reclassified to profit/(loss) for the period net of income taxes	-
Other comprehensive items which may not be subsequently reclassified to profit/(loss) for the period net of income taxes	-
<b>Other comprehensive income from continuing operations</b>	<b>281</b>
	<b>of which Group</b>
	112
	of which minority interests
	169
Consolidation adjustments	(28)
<b>Net profit attributable to the Group</b>	<b>84</b>

Aurora Holding S.r.l.	At June 30
<i>in Euro thousands</i>	2024
Current assets	1,000
Non-current assets	3,707
Current liabilities	(691)
Non-current liabilities	(2,861)
<b>Shareholders' Equity</b>	<b>1,155</b>
Shareholders' equity attributable to the Group	578
<b>Goodwill</b>	<b>24</b>
Carrying value of the Group's investment	602

Aurora Holding S.r.l.	At June 30
<i>in Euro thousands</i>	2024
Revenues	1,509
Cost of sales	(1,288)
Amortisation, depreciation and write-downs	(42)
Financial charges	(30)
Profit before taxes	149
Income taxes	(45)
<b>Net profit from continuing operations</b>	<b>104</b>
Other comprehensive items which may be subsequently reclassified to profit/(loss) for the period net of income taxes	-
Other comprehensive items which may not be subsequently reclassified to profit/(loss) for the period net of income taxes	-
<b>Other comprehensive income from continuing operations</b>	<b>104</b>
	<b>of which Group</b>
	63
	of which minority interests
	41

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**Net profit attributable to the Group**
**32**

At June 30, 2024, the associates did not have any contingent liabilities or commitments.

**Capital instruments**

A breakdown of equity investments is presented below.

<i>in Euro thousands</i>	At June 30	December 31	Change
	2024	2023	2024 vs 2023
La Cassa di Ravenna S.p.A.	24	24	-
Comex S.p.A. in liquidation	7	7	-
Copag S.p.A.	6	6	-
BCC S.p.A.	1	1	-
Valpolicella Benaco Banca	5	5	-
C.O.P.A.G. S.p.A.	9	9	-
CAAF Emilia Centrale	3	3	-
Poliambulatorio Exacta S.r.l.	11	11	-
Ottica Modenese S.r.l.	11	11	-
Rete di imprese	1	1	-
Idroterapic S.r.l.	10	10	-
Other securities	2	2	-
<b>Total share capital instruments</b>	<b>92</b>	<b>92</b>	<b>-</b>

The balance of the item consists of equity investments in companies over which Hesperia Hospital Modena S.r.l., Casa di Cura Villa Garda S.r.l., Ospedali Privati Riuniti S.r.l., Centro Medico San Biagio S.r.l., Bimar S.r.l., Aesculapio S.r.l., XRay One S.r.l. and Domus Nova S.r.l. do not exercise either a dominant or a significant influence, and which in any event are less than one-fifth of share capital. The purchase cost approximates the fair value, since there is no active market for the equity interests in question, and the company plans to recover the entire purchase price upon their sale.

It should be noted that (i) in the case of the equity investment in Poliambulatorio Exacta S.r.l., the gross book value of which is Euro 63 thousand, the total impairment loss of Euro 52 thousand recognised in previous years was maintained since no signs of a recovery in value were identified.

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### Note 7 Other non-current financial assets

“Other non-current financial assets” amounted to Euro 826 thousand at June 30, 2024, decreasing Euro 2,542 thousand on December 31, 2023, mainly due to the redemption of the policies held by Sanatorio Triestino S.p.A. in the Generali Group’s “Gestione Speciale Ri.ALTO” fund for Euro 2,300 thousand.

The following table presents a breakdown of the other non-current financial assets at June 30, 2024 and December 31, 2023.

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Guarantee deposits	742	668	74
Financial receivables from others	84	2,700	(2,616)
<b>Total other non-current financial assets</b>	<b>826</b>	<b>3,368</b>	<b>(2,542)</b>

### Note 8 Other non-current assets

The following table breaks down other non-current assets at June 30, 2024 and December 31, 2023.

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Realignment substitute tax credits	912	1,132	(219)
Other receivables	810	1,107	(297)
<b>Total other non-current assets</b>	<b>1,722</b>	<b>2,238</b>	<b>(516)</b>

“Other non-current assets” at June 30, 2024 amount to Euro 1,722 thousand and include for Euro 912 thousand the receivables due beyond one year relating to the substitute tax on the realignment of the accounting and tax values of the goodwill paid by the companies C.M.S.R. Veneto Medica S.r.l (Euro 648 thousand), Fides Medica S.r.l. (Euro 172 thousand), and Rugani Hospital S.r.l. (Euro 93 thousand).

“Other receivables” of Euro 810 thousand mainly comprised the tax credit maturing beyond one year under the “Industry 4.0” decree.

### Note 9 Deferred tax assets and liabilities

The composition of “Deferred tax assets and liabilities” at June 30, 2024, compared with the situation at December 31, 2023, is presented below.

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<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Deferred tax assets	12,727	14,850	(2,123)
Deferred tax liabilities	(103,686)	(74,770)	(28,916)
<b>Net balance</b>	<b>(90,959)</b>	<b>(59,921)</b>	<b>(31,039)</b>

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the carry-forward of unused tax losses and unused tax credits can be utilised.

Deferred tax liabilities increased Euro 28,916 thousand on December 31, 2023, mainly due to the completion of the Aurelia Group's Purchase Price Allocation (Euro 29,021 thousand).

The following table presents the movements in deferred tax assets and liabilities for the first half of 2024 and the year ended December 31, 2023.

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>
	2024	2023
<b>Net opening balance</b>	<b>(59,921)</b>	<b>(56,740)</b>
Credit / (Debit) to the income statement	1,996	(417)
Other changes	(32,315)	(2,858)
Credit / (Debit) to equity	(720)	94
<b>Net closing balance</b>	<b>(90,959)</b>	<b>(59,921)</b>

**Note 10 Inventories**

The following table breaks down inventories at June 30, 2024, compared with December 31, 2023.

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Raw materials, supplies and consumables	6,071	5,583	488
<b>Inventories</b>	<b>6,071</b>	<b>5,583</b>	<b>488</b>

At June 30, 2024, inventories amounted to Euro 6,071 thousand, increasing Euro 488 thousand on December 31, 2023 (Euro 5,583 thousand). The account refers to the materials used in the clinical and hospital activities of the Group's companies.

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### Note 11 Trade receivables

Trade receivables are recognised to the financial statements at June 30, 2024 for Euro 119,923 thousand, increasing Euro 18,929 thousand on Euro 100,994 thousand at December 31, 2023, mainly due to the increase in production in the period. The breakdown is reported below.

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Receivables – private customers	17,117	34,849	(17,732)
Receivables – local health authorities	108,508	70,240	38,268
Other receivables	5,701	7,360	(1,659)
Doubtful debt provision	(11,402)	(11,455)	53
<b>Total trade receivables</b>	<b>119,923</b>	<b>100,994</b>	<b>18,929</b>

Trade receivables refer solely to provisions rendered within Italy and there are no receivables due beyond twelve months. The increase in trade receivables on December 31, 2023 derives from the increase in production.

The following is a breakdown of movements in the doubtful debt provision with an indication of accruals and uses:

<i>Euro thousands</i>	<i>December 31, 2023</i>	<i>Provisions</i>	<i>Utilisations</i>	<i>Decrease</i>	<i>Other movements</i>	<i>June 30, 2024</i>
<b>Doubtful debt provision</b>	<b>11,455</b>	<b>235</b>	<b>(220)</b>	<b>(43)</b>	<b>(25)</b>	<b>11,402</b>

The Doubtful debt provision decreased by Euro 53 thousand in H1 2024, due to the following factors:

- i. provisions for Euro 235 thousand, mainly by European Hospital S.p.A. (Euro 44 thousand), Aurelia Hospital S.r.l. (Euro 82 thousand) and Hesperia Hospital Modena S.r.l. (Euro 42 thousand);
- ii. utilisations for Euro 220 thousand by Aurelia Hospital S.r.l.;
- iii. releases for Euro 43 thousand by Aurelia Hospital S.r.l..

In terms of the mechanisms to calculate expected losses, in view of the nature of its receivables, the Company has decided to apply a loss-rate approach, which consists of determining percent loss rates on a statistical basis as a function of the losses recorded over respectively a twelve-month period and the residual lifetime of the receivables, and then adjusting these historical trends to take account of current conditions and future expectations. Consequently, the Company has divided its receivables portfolio into uniform risk classes and then determined a loss rate for each uniform portfolio thus identified on the basis of the historical default experience for each portfolio. The Company then updated the historical rates thus obtained to take account of current economic conditions and reasonable expectations regarding future economic conditions. It should therefore be clarified that the Group maintained substantially the same collection times.

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### Note 12 Tax receivables

The table below shows the breakdown of tax receivables at June 30, 2024, compared with December 31, 2023

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Receivables for IRES and IRAP applications	93	139	(46)
IRES payments on account	1,243	3,858	(2,614)
IRAP payments on account	628	784	(155)
Tax consolidation receivables	261	618	(357)
Other tax receivables	2,055	2,540	(485)
<b>Total tax receivables</b>	<b>4,280</b>	<b>7,939</b>	<b>(3,658)</b>

Tax receivables at June 30, 2024 totalled Euro 4,280 thousand, decreasing Euro 3,658 thousand on December 31, 2023, mainly due to the decrease in the IRES advances.

At June 30, 2024, the item mainly comprised tax receivables arising from IRES and IRAP taxes (Euro 1,871 thousand) and other tax receivables (Euro 2,055 thousand).

The IRES advances of Euro 1,243 thousand mainly include the receivable of Centro Medico San Biagio S.r.l. for Euro 523 thousand, FI.D.ES. Medica S.r.l. for Euro 105 thousand, Centro di Riabilitazione S.r.l. for Euro 115 thousand, Gruppo Veneto Diagnostica e Riabilitazione S.r.l. for Euro 123 thousand and Centro Medico Castrense S.r.l. for Euro 120 thousand.

Other tax receivables of Euro 2,055 thousand refer primarily to L'Eremo di Miazzina (Euro 109 thousand), Hesperia Hospital Modena S.r.l. (Euro 322 thousand), Poliambulatorio Dalla Rosa Prati S.r.l. (Euro 197 thousand), Ospedali Privati Riuniti S.r.l. (Euro 63 thousand), Centro Medico S.Biagio S.r.l. (Euro 140 thousand), Gestiport 86 S.p.A (Euro 370 thousand) and European Hospital S.p.A (Euro 580 thousand) and mainly comprise tax receivables on investments.

### Note 13 Other receivables and current assets

Other receivables and current assets amounted to Euro 7,578 thousand at June 30, 2024, a decrease of Euro 73 thousand compared to Euro 7,652 thousand at December 31, 2023.

The changes in the account were as follows:



**Consolidated Interim Financial Statements at June 30, 2024**

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Advances to suppliers	732	458	273
Other receivables	3,005	4,459	(1,454)
Employee receivables	1	28	(27)
Receivables from social security institutions	252	226	26
Other tax receivables	484	394	90
Accrued income and prepaid expenses (non-financial)	3,104	2,085	1,018
<b>Total other receivables and current assets</b>	<b>7,578</b>	<b>7,652</b>	<b>(73)</b>

The account mainly breaks down as follows:

- i. Suppliers on account amounting to Euro 732 thousand, mainly relating to Hesperia Hospital Modena S.r.l. (Euro 175 thousand) and Poliambulatorio Dalla Rosa Prati S.r.l. (Euro 460 thousand);
- ii. Other receivables totalling Euro 3,005 thousand, mainly concerning Aurelia Hospital S.r.l. (Euro 1,145 thousand), Clinica San Francesco S.r.l. (Euro 114 thousand), Hesperia Hospital Modena S.r.l. (Euro 91 thousand), Rugani Hospital S.r.l. (Euro 434 thousand), Villa Von Siebenthal S.r.l. (Euro 189 thousand), Fl.D.ES. Medica S.r.l. (Euro 160 thousand), Casa di cura S. Antonio da Padova S.r.l. (Euro 164 thousand), European Hospital S.p.A (Euro 320 thousand), Sanatorio Triestino S.p.A. (Euro 115 thousand) and Domus Nova S.r.l. (Euro 127 thousand).
- iii. Accrued income and prepayments relating to non-financial assets for Euro 3,104 thousand, mainly concerning Hesperia Hospital Modena S.r.l. (Euro 200 thousand), European Hospital S.p.A (Euro 612 thousand), Casa di Cura Prof. Nobili S.r.l. (Euro 169 thousand), Garofalo Health Care S.p.A. (Euro 222 thousand), Poliambulatorio Dalla Rosa Prati S.r.l. (Euro 157 thousand), Ospedali Privati Riuniti S.r.l. (Euro 149 thousand), Centro Medico San Biagio S.r.l. (Euro 165 thousand), Clinica San Francesco S.r.l. (Euro 257 thousand), Casa di Cura Villa Berica S.r.l. (Euro 130 thousand), Sanatorio Triestino S.p.A. (Euro 180 thousand) and Domus Nova S.r.l. (Euro 177 thousand).

**Note 14 Other current financial assets**

Other current financial assets amounted to Euro 345 thousand at June 30, 2024, a decrease of Euro 64 thousand on December 31, 2023. The balance consists primarily of financial prepayments and accrued income.

**Note 15 Cash and cash equivalents**

The changes in the account were as follows.

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<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Bank current accounts	15,976	22,309	(6,333)
Checks and cash	403	375	28
<b>Total cash and cash equivalents</b>	<b>16,379</b>	<b>22,684</b>	<b>(6,305)</b>

The amounts shown can be readily converted into cash and do not have a significant risk of change in value.

The GHC Group believes that the credit risk associated with cash and cash equivalents is limited because they primarily consist of deposits held with high standing national and international banking institutions.

The above account is also subject to the general impairment rule and the loss rate approach has therefore been used. However, in view of the fact that they are demand accounts, the expected losses over the 12 months and the expected losses of the useful life coincide.

See Note 19 Non-current financial payables – “Cash flow statement” for the breakdown of the net financial position at June 30, 2024 and December 31, 2023.

**Note 16 Shareholders' equity**
**Share capital**

At June 30, 2024, the share capital amounted to Euro 31,570 thousand, fully paid-in, and consisted of 90,200,000 ordinary shares without par value.

The table below reports the GHC Group's ownership structure at June 30, 2024, including significant equity interests

Number of ordinary shares	% share capital	Listed / Non listed	Rights and obligations
90,200,000	100%	Euronext STAR Milan	<p>Each Share entitles the owner to one vote. In accordance with Art. 127-<i>quinquies</i> of the CFA, Article 7 of the By-laws states that each share held by the same shareholder for a continuous period of at least 24 months from the date of registration in the special list specifically established by the Company confers two votes. For further information, reference should be made to paragraph 2, letter d), of the Corporate Governance Report.</p> <p>The shareholders' rights and obligations are as established in Articles 2346 <i>et seq.</i> of the Italian Civil Code and Article 7 of the By-laws with regard to multi-voting rights.</p>

Shareholder	Direct shareholder	% of ordinary share capital	% of voting share capital
	Anrama S.p.A.	65.07% <sup>(121)</sup>	63.89% <sup>(121)</sup>
	Larama 98 S.p.A.		

**Consolidated Interim Financial Statements at June 30, 2024**

Shareholder	Direct shareholder	% of ordinary share capital	% of voting share capital
Garofalo Maria Laura <sup>(1)</sup>	Garofalo Maria Laura		
Enasarco Foundation	Enasarco Foundation	5.28%	5.18%

As previously reported, in accordance with Art. 127-quinquies of the CFA, Article 7 of the By-laws states that each share held by the same shareholder for a continuous period of at least 24 months from the date of registration in the special list specifically established by the Company (the “List”) confers two votes.

After receiving valid applications for registration, the Company adds new entries to and updates the List with quarterly frequency, i.e. on March 31, June 30, September 30 and December 31 of each year, or with a different frequency in accordance with industry legislation, but always by the record date.

In accordance with Article 127-quinquies, paragraph 7, of the CFA, Article 7 of the By-laws states that shares held prior to the commencement date of trading, and hence prior to the date of registration in the List, are also to be considered for the purpose of completing the period of continuous ownership required for multi-voting rights.

According to the By-laws, multi-voting rights are also considered when evaluating quorum requirements to meet and pass resolutions based on percentages of share capital. In addition, multi-voting rights are without any effect on rights other than voting rights devolving on the basis of the possession of a particular portion of capital, such as the right to convene the Shareholders’ Meeting, the right to add items to the Agenda and the right to submit slates for the election of Directors. For further information, please refer to the Multi-Voting Rights Regulation available from the Company’s website, [www.garofalohealthcare.com](http://www.garofalohealthcare.com) which in accordance with Article 143-quater of the Consob Issuers’ Regulation also presents the identification details of the shareholders who have applied for registration in the List, with indication of their individual holdings – in any event exceeding the threshold indicated by Article 120, paragraph 2 of the CFA – date of registration and date of attainment of multi-vote rights.

### **Legal reserve**

At June 30, 2024, the legal reserve amounted to Euro 1,088 thousand, increasing Euro 474 thousand on December 31, 2023 due to the allocation of part of the net profit for 2023 resolved by the Shareholders’ Meeting on April 29, 2024, in accordance with Article 2430 of the Italian Civil Code.

### **Other reserves**

The composition of the account “Other reserves” at June 30, 2024, with a comparison to December 31, 2023, is presented below.

<sup>(1)</sup> Source: GHC Group

<sup>(2)</sup> Percentages concern number of total shares, including treasury shares

**Consolidated Interim Financial Statements at June 30, 2024**

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Extraordinary reserve	12,303	12,303	-
Shareholder capital payments reserve	5,146	5,146	-
Conferment reserves	37,006	37,006	-
Share-based payments reserve	1,722	2,154	(432)
Provision as per Article 40 By-Laws	99	4	95
Reserve - IAS 19 Post-employment benefits	383	(1,895)	2,279
First Time Adoption Reserve	2,320	2,320	-
Retained earnings	116,324	95,939	20,385
Share premium reserve	101,413	101,413	-
Reserve for treasury shares in portfolio	(7,359)	(7,601)	243
AUCAP 2021 Reserve	(883)	(883)	-
<b>Other reserves</b>	<b>268,472</b>	<b>245,903</b>	<b>22,569</b>

At June 30, 2024, the account Other Reserves amounted to Euro 268,472 thousand, a net increase of Euro 22,569 thousand compared to December 31, 2023, mainly deriving from the combined effect of:

- i. decrease of Euro 432 thousand of the Share-based payments reserve following the allocation on May 31, 2024 of the GHC S.p.A shares to the beneficiaries of the “2021-2023 Performance Share Plan”;
- ii. movement of Euro 2,279 thousand of the IAS 19 Post-employment benefit provision reserve following the changed underlying actuarial assumptions, including mainly a higher discount rate;
- iii. increase of Retained earnings of Euro 20,385 thousand following the allocation of the profit for the previous year of the consolidated companies;
- iv. decrease of Euro 243 thousand to the Treasury shares in portfolio reserve following the delivery of 74,503 shares, amounting to Euro 344 thousand, to the beneficiaries of the 2021-2023 Performance Share Plan, partially offset by the purchase of 21,924 shares for Euro 101 thousand.

The IFRS first-time adoption reserve, amounting to a positive Euro 2,320 thousand at June 30, 2024, represents the effects on shareholders’ equity of the transition to IASs/IFRSs by the Garofalo Health Care Group.

#### **Minority interest net equity**

The minority interest share of capital and reserves amounted to Euro 10,912 thousand at June 30, 2024, compared with Euro 1,929 thousand in the previous year. The increase relates to the completion of the Aurelia Group’s Purchase Price Allocation according to the “full goodwill” criterion, which therefore involved the allocation to Third parties of the fair value of the building and of the intangible assets with indefinite useful life (goodwill and accreditation), concerning the “Samadi CGU”, of which GHC does not hold 100% of the share capital.

The account at June 30, 2024 amounted to Euro 106 thousand, compared to Euro 74 thousand in the previous year.

#### **Note 17 Employee Benefits**

This account includes post-employment benefits measured according to an actuarial assessment based on the projected unit credit method performed by independent actuaries in accordance with IAS 19 – Employee Benefits.

The main demographic assumptions use by the actuary for the half-year are as follows:

- the RG48 probability of death figures provided by the General Accounting Office, by gender;
- for the pension period, it was assumed that the first pensionable requisites for the General Compulsory Insurance were achieved.
- a primary annual rate of termination of employment due to causes other than death of 9.36%;
- an annual advance probability of 2%, with a maximum of two repetitions of requests;
- a percent advance requested of 100.00%;
- The rate curve based on the effective rate of return on bonds denominated in euro issued by major companies rated AA or higher was used for the technical discounting rate.

The main financial assumptions adopted by the actuary were as follows:

	At June 30	At December 31
	2024	2023
Annual inflation rate	2.30%	4.00%
Annual real remuneration rate by category:		
Executives	2.60%	2.60%
Managers	1.70%	1.70%
White-collar	1.40%	1.40%
Annual increase in employee benefit obligation	2.68%	3.74%

The movements in the Post-Employment Benefit Provision are reported below:

<i>Euro thousands</i>	
December 31, 2023	19,505

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Financial charges	217
Net actuarial gains/(losses) recognised in the period	(3,021)
Transfer in/(out)	(1,016)
Cost for service	475
<b>June 30, 2024</b>	<b>16,160</b>

In accordance with IAS 19 – *Employee Benefits*, an analysis of the sensitivity to changes in the main actuarial assumptions used in the calculation model must be performed. The following tables show, in absolute and relative terms, changes in the liability measured according to IAS 19 (DBO) in the event of a positive or negative change of 10% in revaluation and/or discounting rates. The results obtained in thousands of Euro for the first half of 2024 are summarised in the following tables.

		June 30, 2024		
		<i>Annual discount rate</i>		
		<i>-10%</i>	<i>100%</i>	<i>10%</i>
<i>Annual inflation rate</i>	<i>-10%</i>	16,304	15,892	15,498
	<i>100%</i>	16,547	16,160	15,721
	<i>10%</i>	16,796	16,363	15,949

**Note 18 Provision for risks and charges**

“Provisions for risks and charges” at June 30, 2024 amounted to Euro 24,890 thousand (Euro 28,251 thousand at December 31, 2023) and mainly include risks provisions for healthcare cases.

A breakdown of “Provisions for risks and charges” at June 30, 2024, compared with December 31, 2023, is presented below:

## Consolidated Interim Financial Statements at June 30, 2024

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
End-of-service indemnity provisions	12	75	(63)
Provisions for risks and charges – Provisions for healthcare lawsuit risks	23,181	25,391	(2,210)
Provisions for other risks and charges	1,696	2,784	(1,088)
<b>Total provisions for risks and charges</b>	<b>24,890</b>	<b>28,251</b>	<b>(3,361)</b>

The changes in the “Provisions for risks and charges” at June 30, 2024, compared with the changes at December 31, 2023, are presented below.

<i>in Euro thousands</i>	<i>End-of-service indemnity provisions</i>	<i>Provisions for healthcare lawsuit risks</i>	<i>Other provisions for risks and charges</i>	<i>Total</i>
<b>Net value at December 31, 2023</b>	<b>75</b>	<b>25,391</b>	<b>2,784</b>	<b>28,251</b>
Provisions	12	3,900	20	3,932
Utilisations	(75)	(5,538)	(127)	(5,739)
Reversals	-	(1,656)	(71)	(1,728)
Transfers/Reclassifications	-	1,084	(910)	174
<b>Net value at June 30, 2024</b>	<b>12</b>	<b>23,181</b>	<b>1,696</b>	<b>24,890</b>

Provisions for risks and charges include the total end-of-service indemnities for directors of Euro 12 thousand at June 30, 2024, compared with a balance of Euro 75 thousand at December 31, 2023. The provisions were made by Casa di Cura Prof.Nobili S.r.l.

Provisions for healthcare lawsuits and Local Healthcare Authority risks amount to Euro 23,181 thousand at June 30, 2024, with a net decrease over December 31, 2023 of Euro 2,210 thousand. The item includes liabilities deemed probable in respect of damage claims brought by patients of the facilities in the course of their healthcare services, both under accreditation from the government and privately. The accrual has been based on a thorough analysis of the damage claims brought in and out of court and also takes account of events that have occurred at the interim reporting date, even though not reported, which the company, with the support of its legal counsel, has decided to recognise in its accounts. The account also includes the risks on the controls carried out by the Local Health Authority on clinical records and the risks of fee variations for services rendered to patients residing outside the Region.

The change in the account was due to the following factors:

- (i) Provisions amounting to Euro 3,900 thousand, of which Euro 2,670 thousand refers to healthcare cases

and Euro 1,230 thousand refers to Local Healthcare Authority (ASL) risks.

In the case of the healthcare lawsuits, the accruals refer mainly to Rugani Hospital S.r.l. for Euro 462 thousand, Hesperia Hospital Modena S.r.l. for Euro 570 thousand, Ospedali Privati Riuniti S.r.l. for Euro 535 thousand, Domus Nova S.r.l. for Euro 612 thousand and European Hospital S.p.A. for Euro 420 thousand.

For Local Healthcare Authority risks, the provisions refer mainly to Hesperia Hospital Modena S.r.l. for Euro 425 thousand, Casa di Cura Prof. Nobili S.r.l. for Euro 38 thousand, Ospedali Privati Riuniti S.r.l. for Euro 627 thousand and Domus Nova S.p.A. for Euro 140 thousand.

- (ii) Utilisations amounting to Euro 5,538 thousand, of which Euro 4,877 thousand relating to healthcare cases and Euro 660 thousand to Local Healthcare Authority risks.

Utilisations for healthcare lawsuits were mainly attributable to Aurelia Hospital S.r.l. (Euro 2,531 thousand), Ospedali Privati Riuniti S.r.l. (Euro 406 thousand), Casa di Cura Villa Berica S.r.l. (Euro 63 thousand), Casa di Cura San Francesco S.r.l. (Euro 75 thousand), Hesperia Hospital Modena S.r.l. (Euro 863 thousand) and Domus Nova S.r.l. (Euro 400 thousand) and European Hospital S.p.A. (494 thousand). For local healthcare authority risks, the utilisations refer mainly to Aurelia Hospital S.r.l. (Euro 285 thousand), Domus Nova S.r.l. (Euro 177 thousand) and Ospedali Privati Riuniti S.r.l. (Euro 93 thousand).

- (iii) Releases amounting to Euro 1,657 thousand concerning healthcare cases for Euro 1,512 thousand and Local Healthcare Authority risks for Euro 145 thousand.

With regards to the healthcare cases, the releases mainly concern Aurelia Hospital S.r.l. (Euro 379 thousand), European Hospital S.p.A. (Euro 100 thousand), Rugani Hospital S.r.l. (Euro 131 thousand), Hesperia Hospital Modena S.r.l. (Euro 312 thousand) and Domus Nova S.r.l. (Euro 548 thousand).

For Local Healthcare Authority risks, the releases mainly concerned Casa di Cura Prof. Nobili S.r.l. (Euro 61 thousand) and Domus Nova S.p.A. (Euro 84 thousand).

“Other risks and charges provisions”, which include the accruals for risks other than healthcare related, particularly regarding labour, amount at June 30, 2024 to Euro 1,696 thousand, decreasing Euro 1,088 thousand on December 31, 2023, due to the following factors:

- i. Provisions of Euro 20 thousand, concerning Casa di Cura Villa Berica S.r.l. (Euro 12 thousand) and Aurelia Hospital S.r.l. (Euro 5 thousand).
- ii. Utilisations of Euro 127 thousand, regarding Casa di Cura Villa Berica S.r.l. (Euro 60 thousand), Rugani Hospital S.r.l. (Euro 14 thousand) and Eremo di Miazzina S.r.l. (Euro 45 thousand), mainly relating to labour disputes.
- iii. Releases of Euro 71 thousand, principally concerning Domus Nova S.r.l..

#### **Note 19 Non-current financial payables**

Non-current financial payables include medium-to-long-term, floating-rate bank loans.

The following table presents the financial payables at June 30, 2024 and December 31, 2023.



## Consolidated Interim Financial Statements at June 30, 2024

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Other non-current financial payables	44,890	38,066	6,824
Medium/long-term loans and borrowings	108,551	126,134	(17,582)
<b>Total non-current financial payables</b>	<b>153,441</b>	<b>164,200</b>	<b>(10,758)</b>

The composition of “Other non-current financial payables” at June 30, 2024, compared with the situation at December 31, 2023, is presented below.

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Bonds	22,043	15,803	6,241
Financial payables for IFRS 16 Non-Current	16,150	14,948	1,202
Payables to leasing companies	6,498	6,997	(499)
Non-current financial payables - accrued financial liabilities and deferred financial income	199	318	(119)
<b>Total other non-current financial payables</b>	<b>44,890</b>	<b>38,066</b>	<b>6,824</b>

The increase in Other non-current financial payables compared to December 31, 2023 is due to the following factors:

- i. Increase of Euro 6,241 thousand of the Bonds item, concerning the bonds to the previous shareholders of the Aurelia Group, deriving from the reclassification of the amount recognised at December 31, 2023 to current financial payables. It should be noted, in fact, that the companies presenting these bonds filed writs of summons in January 2022 requesting an assessment and declaration that the bonds and related interest are not due, in that they meet the requirements of Article 2467 of the Italian Civil Code (subordination of shareholder financing). The Court, also considering the expert report (CTU) ordered by the former, issued a ruling at the beginning of July 2024 upholding the Aurelia Group companies' claim in its entirety and declaring that the bonds and the respective interest debts were not due;
- ii. Increase of Euro 1,202 thousand of “financial payables for IFRS 16”, relating to the signing of new contracts, amounting to Euro 2,405 thousand, net of the reclassification to current financial payables of the instalments maturing by June 30, 2024, amounting to Euro 1,203 thousand;
- iii. Decrease of “payables to leasing companies” for Euro 499 thousand from the reclassification to short-term of instalments maturing by June 30, 2024.

“Non-current bank payables” of Euro 108,551 thousand at June 30, 2024 decreased Euro 17,582 thousand on December 31, 2023, mainly following the reclassification to current financial payables of the portion of the payable due by June 30, 2024, amounting to Euro 16,582 thousand.

## Consolidated Interim Financial Statements at June 30, 2024

The following tables present the loans contracted by Group companies in H1 2024 and the year ended on December 31, 2023, with a breakdown into amounts set to come due within and beyond 12 months.

Description	Annual interest rate at signing	Maturity	June 30, 2024	December 31, 2023
	%		in Euro thousands	
Unicredit Line A Loan	Euribor 6M+1.57%	Dec 31, 26	82,536	93,350
Unicredit Line B Loan	Euribor 6M+1.9%	Dec 31, 27	51,598	57,299
BPER Loan	Euribor 6M+2.4%	Apr 15, 27	38	47
Cassa di Risparmio del Veneto Intesa Loan	Euribor 1M+1.1%	Sep 28, 24	160	306
BCC Roma Loan	Euribor 1M+1.7%	Mar 31, 25	126	210
Intesa 313 loan	2.90%	Jul 30, 27	492	566
Intesa 251 loan	2.25%	Jun 30, 28	957	1,069
Mediocredito Italiano FVG Loan	2.00%	Jan 1, 30	377	407
Credito cooperativo del Carso Loan	2.60%	Sep 27, 32	3,616	3,812
Intesa 099 loan	1.10%	Sep 19, 26	1,049	1,271
Intesa 287 loan	Euribor 1M+1.2%	Jul 24, 26	233	293
Intesa loan	0.95%	Mar 31, 27	3,112	3,669
Other minor	-	-	24	35
<b>Total</b>			<b>144,319</b>	<b>162,334</b>
Of which:				
Bank payables - non-current portion of loans			108,552	126,134
Bank payables - current portion of loans			35,767	36,201

The Unicredit loan provides for the covenants shown in the table below to be calculated on December 31 of each calendar year on the basis of the pro-forma consolidated financial statements, net of the effect resulting from the application of IFRS16, starting from 2021.

Parameter	Threshold value					
	31.12.2021	31.12.2022	31.12.2023	31.12.2024	31.12.2025	from 31.12.2026
Leverage Ratio (Net financial debt / EBITDA)	≤4x	≤4x	≤4x	≤3.5x	≤3.25x	≤3x
Net Debt / NE	≤1.5x	≤1.5x	≤1.5x	≤1.5x	≤1.25x	≤1x

Changes in liabilities deriving from financing activities are presented below in accordance with IAS 7 *Statement of Cash Flows*:

**Consolidated Interim Financial Statements at June 30, 2024**

<i>Euro thousands</i>	<i>At June 30, 2024</i>	<i>Cash flows</i>	<i>Other changes</i>	<i>Reclassifications</i>	<i>At December 31, 2023</i>
Other non-current financial payables	(44,889)		(3,859)	(2,964)	(38,066)
Medium/long-term loans and borrowings	(108,552)	-	1,000	16,582	(126,134)
Short-term bank loans	(52,900)	22,730	(6,132)	(16,582)	(52,916)
Other current financial debt	(5,605)	3,630	(478)	2,964	(11,721)
Current financial receivables	345	-	(64)	-	409
Cash and cash equivalents	16,379	(6,305)	-	-	22,684
<b>Net Financial Debt</b>	<b>(195,221)</b>	<b>20,054</b>	<b>(9,532)</b>	<b>-</b>	<b>(205,744)</b>

The “Cash flow” column refers to the cash flows presented in the Consolidated Cash Flow Statement.

**Note 20 Other non-current liabilities**

Other non-current liabilities, totalling Euro 2,626 thousand, mainly comprise tax receivables matured on investments in “Industry 4.0” tangible assets made by the Group companies, maturing beyond one year.

**Note 21 Trade payables**

“Trade payables”, totalling Euro 91,014 thousand at June 30, 2024, increased Euro 3,161 thousand on December 31, 2023 (Euro 87,853 thousand), due to the increase in production in the period.

A breakdown of the trade payable items at June 30, 2024 is presented below, compared with December 31, 2023:

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	<b>2024</b>	<b>2023</b>	<b>2024 vs 2023</b>
Trade payables	54,656	53,660	996
Payables to doctors	2,464	2,482	(18)
Other payables	4,258	4,765	(507)
Payables for invoices to be received	31,918	29,629	2,289
Credit notes to be received	(2,282)	(2,683)	400
<b>Total trade payables</b>	<b>91,014</b>	<b>87,853</b>	<b>3,161</b>

**Note 22 Current financial payables**

The following table presents the figures for the Group’s outstanding current financial payables at June 30, 2024, compared with December 31, 2023.

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<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Current bank payables	52,900	52,916	(16)
Other current financial payables	5,605	11,721	(6,116)
<b>Total current financial payables</b>	<b>58,504</b>	<b>64,637</b>	<b>(6,133)</b>

Current bank payables consist primarily of bank overdrafts and short-term credit facilities, together with the portion of loans to be repaid in the following year.

The composition of "Current bank payables" at June 30, 2024, compared with the situation at December 31, 2023, is presented below.

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Bank payables (short-term portion of loans)	35,768	36,201	(433)
Bank payables (current accounts)	711	3,757	(3,046)
Bank payables (advances)	16,420	12,958	3,463
<b>Total Current bank payables</b>	<b>52,900</b>	<b>52,916</b>	<b>(16)</b>

The item "short-term portion of loans" at June 30, 2024, amounting to Euro 35,768 thousand, concerns loans to be repaid within the next 12 months. The decrease of Euro 433 thousand mainly concerns the following factors:

- i. Increase following the reclassification from non-current financial payables to current financial payables of the amount due within one year, totalling Euro 16,582 thousand;
- ii. Decrease due to the repayment of amounts maturing at June 30, 2024, totalling Euro 16,856 thousand;

The "Current bank payables (current accounts)", amounting to Euro 711 thousand, consist of bank credit lines used as at June 30, 2024.

"Bank payables for advances" of Euro 16,420 thousand at June 30, 2024 increased Euro 3,463 thousand on December 31, 2023 following the increased use of the advance lines of commercial invoices.

The composition of "Other current financial payables" at June 30, 2024, compared with the situation at December 31, 2023, is presented below.

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<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Current financial payables - leasing companies	2,636	2,774	(137)
Accrued financial liabilities and deferred financial income	416	506	(89)
Financial payables for IFRS 16 Current	2,552	2,493	59
Bonds	-	5,948	(5,948)
<b>Total Other financial payables</b>	<b>5,605</b>	<b>11,721</b>	<b>(6,116)</b>

The item “Payables to leasing companies”, totalling Euro 2,636 thousand at June 30, 2024 (Euro 2,774 thousand at December 31, 2023), refers to the recognition of the current financial payable for the acquisition of leased assets accounted for according to the finance method and related primarily to the purchase of healthcare equipment. The decrease is attributable to the reclassification of the payable due within the year, net of the portions paid.

“Payables for IFRS 16”, amounting to Euro 2,552 thousand at June 30, 2024 (Euro 2,493 thousand at December 31, 2023), refer to the short-term portion of leases previously defined as operating leases. This increase is attributable to the signing of the new contracts, in addition to the reclassification of the payable due within the year, net of the portions paid.

“Bonds” reduced to zero at June 30, 2024 (Euro 5,948 thousand at December 31, 2023), following the reclassification of this amount to non-current financial payables, as a result of the judgement of the Rome Court issued at the beginning of July 2024, which declared the non-collectability of the bonds and the respective interest payables.

**Note 23 Tax payables**

Tax payables include payables relating to IRES company income taxes, IRAP regional tax, tax consolidation and other current taxes. The breakdown is as follows.

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
IRES tax payables	4,024	3,473	551
IRAP tax payables	1,613	751	862
Tax payables from tax consolidation	150	250	(100)
<b>Total Tax payables</b>	<b>5,788</b>	<b>4,475</b>	<b>1,313</b>

The IRES payable is attributable to the tax charge of the companies not included in the Group tax consolidation; the increase is due to the higher assessable amount of the companies at June 30, 2024 in view of their strong

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operating performances.

**Note 24 Other current liabilities**

At June 30, 2024, “Other current liabilities” totalled Euro 51,487 thousand and are compared below with December 31, 2023

<i>Euro thousands</i>	<i>At June 30</i>	<i>At December 31</i>	<i>Change</i>
	2024	2023	2024 vs 2023
Social security institutions	5,601	6,644	(1,043)
Tax payables	160	304	(143)
Withholding tax payables	3,775	4,342	(567)
Employee payables	14,049	9,890	4,159
Other payables	27,903	26,263	1,640
<b>Total Other current liabilities</b>	<b>51,487</b>	<b>47,442</b>	<b>4,046</b>

The increase in the item of Euro 4,046 thousand derives mainly from the following movements:

- i. decreases of “Social security payables” of Euro 1,043 thousand, mainly concerning Domus Nova S.r.l. (Euro 129 thousand), Clinica San Francesco S.r.l. (Euro 138 thousand), Casa di Cura Villa Berica S.r.l. (Euro 110 thousand), Aurelia Hospital S.r.l. (Euro 149 thousand), Sanatorio Triestino S.p.A. (Euro 106 thousand) and Hesperia Hospital Modena S.r.l. (Euro 148 thousand);
- ii. decrease in “Payables for withholding taxes” for Euro 567 thousand, mainly attributable to Casa di Cura Prof. Nobili S.r.l. (Euro 80 thousand), Casa di Cura Villa Berica S.r.l. (Euro 86 thousand), Aurelia Hospital S.r.l. (Euro 247 thousand) and Hesperia Hospital Modena S.r.l. (Euro 88 thousand);
- iii. increase in “Employee payables” for Euro 4,159 thousand, mainly attributable to the accrual of the thirteenth-month salary and of accrued vacations, mainly related to Hesperia Hospital Modena S.r.l. (Euro 503 thousand), Casa di Cura Prof. Nobili S.r.l. (Euro 154 thousand), Casa di Cura Villa Berica S.r.l. (Euro 302 thousand), Casa di Cura Villa Garda S.r.l. (Euro 117 thousand), L’Eremo di Miazzina S.r.l. (Euro 203 thousand), Rugani Hospital S.r.l. (Euro 210 thousand), Aurelia Hospital S.r.l. (Euro 608 thousand), European Hospital S.p.A. (Euro 325 thousand), Poliambulatorio Dalla Rosa Prati S.r.l. (Euro 127 thousand), Ospedali Privati Riuniti S.r.l. (Euro 179 thousand), Domus Nova S.r.l. (Euro 347 thousand) and Clinica San Francesco S.r.l. (Euro 407 thousand), Gruppo Veneto Diagnostica e Riabilitazione S.r.l. (Euro 341 thousand).

The item comprises advances received from the ASL’s (local healthcare authorities) as a measure to support companies affected by the COVID emergency (Euro 10,535 thousand).

### Note 25 Revenues from services

Total revenues amounted to Euro 251,513 thousand in H1 2024, up Euro 64,850 thousand over the previous half year. The H1 2024 figures include the full contribution of Sanatorio Triestino S.p.A. acquired on May 4, 2023 and of the Aurelia Group acquired on November 16, 2023.

The increase in revenues on the same period of the previous year is therefore due both to the greater volume of healthcare provided and to the change in the consolidation scope, as outlined above. For further details, reference should be made to the Directors' Report.

In accordance with IFRS 15, the Group recognises revenues from services at the fair value of the consideration received or to be received, including adjustments relating to the overrun of revenue budgets (established in terms of maximum acceptable spending limits by the regions for services rendered by private healthcare facilities) relating to services under accreditation, of which the regions notify each healthcare facility.

It should also be noted that revenues are accounted for when services are performed and that all revenues are derived from services provided in Italy.

The following table presents revenues from services for H1 2024 and H1 2023.

<i>Euro thousands</i>	H1				Change
	2024	% of total	2023	% of total	2024 vs 2023
Community and dependency care services	58,570	23.3%	55,070	29.5%	3,499
Total hospital services	188,666	75.0%	127,444	68.3%	61,222
<b>Total revenues from services</b>	<b>247,236</b>	<b>98.3%</b>	<b>182,514</b>	<b>97.8%</b>	<b>64,721</b>
Other revenues	4,277	1.7%	4,149	2.2%	128
<b>Total revenues</b>	<b>251,513</b>	<b>100.00%</b>	<b>186,663</b>	<b>100.0%</b>	<b>64,850</b>

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The table below shows the breakdown of revenues from community and dependency care services for H1 2024 and H1 2023.

<i>Euro thousands</i>	H1				Change
	2024	% of total	2023	% of total	0
Dependency care services	13,528	5.4%	11,598	6.2%	1,930
Community outpatient care services	45,042	17.9%	43,473	23.3%	1,569
<b>Dependency and community outpatient care services</b>	<b>58,570</b>	<b>23.3%</b>	<b>55,070</b>	<b>29.5%</b>	<b>3,499</b>

Revenues from community outpatient care and dependency care services amounted to Euro 58,570 thousand in H1 2024, accounting for 23.3% of Group revenues and increasing Euro 3,499 thousand on H1 2023, thanks to the increased production of the companies at like-for-like scope (Euro 2,272 thousand) and the change in scope (Euro 1,227 thousand).

The table below shows the breakdown of revenues from hospital services for H1 2024 and H1 2023.

<i>Euro thousands</i>	H1				Change
	2024	% of total	2023	% of total	2024 vs 2023
Acute and post-acute care services	145,505	57.9%	92,461	49.5%	53,043
Outpatient services	43,161	17.2%	34,983	18.7%	9,179
<b>Total hospital services</b>	<b>188,666</b>	<b>75.0%</b>	<b>127,444</b>	<b>68.3%</b>	<b>61,222</b>

Revenues from hospital services, totalling Euro 188,666 thousand in H1 2024, account for 75.0% of Group revenues and increased Euro 61,222 thousand on H1 2023, mainly due to the change in scope (Euro 52,907 thousand), and the increased production of the companies at like-for-like scope (Euro 8,315 thousand).

**Note 26 Other operating revenues**



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Other operating revenues totalled Euro 4,277 thousand in H1 2024, increasing Euro 128 thousand on H1 2023 (Euro 4,149 thousand), as per the following table:

<i>Euro thousands</i>	<i>At June 30</i>		<i>Change</i>
	2024	2023	2024 vs 2023
Other income - third parties	3,088	2,800	287
Gain on asset disposals	66	74	(8)
Income from insurance reimbursements	8	21	(14)
Income from tax credits	1,115	1,253	(137)
<b>Total other operating revenues</b>	<b>4,277</b>	<b>4,149</b>	<b>128</b>

The increase in the item is mainly due to the change in the consolidation scope as a result of the acquisition of the Aurelia Group and of Sanatorio Triestino of Euro 1,084 thousand, against a reduction in prior year income compared to the preceding period (Euro 843 thousand).

### **Note 27 Costs for raw materials, ancillary, consumables and goods**

Costs for raw materials, ancillary, consumables and goods amounted to Euro 38,595 thousand for the first half of 2024, increasing Euro 13,299 thousand on H1 2023, due both to the increased production and to the change in scope following the acquisition of the Aurelia Group and of Sanatorio Triestino (Euro 11,444 thousand).

The table below shows the breakdown of the account for H1 2024 and H1 2023.

<i>Euro thousands</i>	<i>At June 30</i>		<i>Change</i>
	2024	2023	2024 vs 2023
Healthcare supplies and prostheses	27,477	20,238	7,239
Medical and pharmacological material	5,926	3,328	2,599
Testing and hygienic materials	473	389	84
Change in inventories of raw materials, ancillary, consumables and goods	(488)	(159)	(328)
Other	5,206	1,500	3,705
<b>Total raw materials, ancillary &amp; consumables</b>	<b>38,595</b>	<b>25,295</b>	<b>13,299</b>

In the first half of 2024, the most significant component of the costs of raw materials, ancillary and consumables was represented by the costs of healthcare supplies and prostheses of Euro 27,477 thousand, increasing Euro 7,239 thousand on the previous period.

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The second-most significant cost component was that relating to the purchase of medical and pharmacological materials, amounting to Euro 5,926 thousand, increasing Euro 2,599 thousand on H1 2023 (Euro 3,328 thousand).

"Other" includes expenses for stationery, foodstuffs and other consumables.

**Note 28 Service costs**

Service costs amounted to Euro 96,444 thousand in H1 2024, increasing Euro 21,493 thousand on H1 2023 (Euro 74,951 thousand), as outlined below.

<i>Euro thousands</i>	<i>H1</i>		<i>Change</i>
	<b>2024</b>	<b>2023</b>	<b>2024 vs 2023</b>
Medical and nursing care services	58,666	47,038	11,628
Owned asset maintenance services	3,613	2,838	775
Catering services	2,569	1,604	965
Technical healthcare services	4,734	3,050	1,685
Cleaning costs	1,776	1,541	235
Electricity	2,863	2,283	580
Coordinated long-term contractors	665	398	266
Director fees	2,395	2,339	57
Third-party processing (tests, etc.)	2,304	1,420	884
Legal fees	720	459	261
Linen hire	516	454	62
Technical consultancy fees	1,785	1,753	32
Other	13,837	9,775	4,062
<b>Total service costs</b>	<b>96,444</b>	<b>74,951</b>	<b>21,493</b>

The increase in service costs mainly relates to the change in the consolidation scope following the acquisition of the Aurelia Group and of Sanatorio Triestino (Euro 16,430 thousand), and the increase in production in H1 2024 on the same period of the previous year.

The "Other" item of Euro 13,837 thousand in H1 2024 mainly comprises:

- (i) water, telephone, methane and gas for Euro 2,083 thousand;
- (ii) administrative, fiscal, notarial and payroll consultancy services for Euro 1,369 thousand;
- (iii) third party liability, all risk and property insurance for a total of Euro 1,065 thousand;

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- (iv) canteen services for Euro 177 thousand;
- (v) waste disposal service for Euro 1,003 thousand;
- (vi) linen washing services for Euro 371 thousand.

**Note 29 Personnel costs**

Personnel costs amounted to Euro 56,798 thousand in H1 2024, increasing Euro 17,592 thousand over Euro 39,205 thousand in H1 2023.

The table below breaks down costs for H1 2024 and H1 2023.

<i>Euro thousands</i>	<i>H1</i>		<i>Change</i>
	<b>2024</b>	<b>2023</b>	<b>2024 vs 2023</b>
Wages and salaries	41,738	28,458	13,280
Social security charges	12,162	8,456	3,707
Post-employment benefit provision	2,520	1,817	703
Other	378	475	(97)
<b>Total personnel costs</b>	<b>56,798</b>	<b>39,205</b>	<b>17,592</b>

The increase in personnel costs is mainly due to the change in consolidation scope following the acquisition of the Aurelia Group and Sanatorio Triestino (Euro 17,312 thousand).

**Note 30 Other operating costs**

Other operating costs in H1 2024 amounted to Euro 11,673 thousand, rising Euro 2,969 thousand on Euro 8,703 thousand in H1 2023.

The table below breaks down costs for H1 2024 and H1 2023.

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<i>Euro thousands</i>	<i>H1</i>		<i>Change</i>
	2024	2023	2024 vs 2023
Non-deductible VAT on a pro rata basis	8,500	6,426	2,074
Income taxes	1,250	766	484
Other operating charges	473	302	171
Non-deductible expenses	14	11	3
Associations	171	144	27
Other costs	1,265	1,054	211
<b>Total other operating costs</b>	<b>11,673</b>	<b>8,703</b>	<b>2,969</b>

The increase in the item is mainly due to the change in consolidation scope following the acquisition of the Aurelia Group and Sanatorio Triestino (Euro 3,093 thousand).

**Note 31 Amortisation, depreciation and write-downs**

Amortisation, depreciation and write-downs in H1 2024 amounted to Euro 12,386 thousand, increasing Euro 2,306 thousand over Euro 10,080 thousand in H1 2023

The table below shows the breakdown of and changes in the account in question for the periods ended June 30, 2024 and June 30, 2023.

<i>Euro thousands</i>	<i>H1</i>		<i>Change</i>
	2024	2023	2024 vs 2023
Amortisation of intangible assets	583	467	116
Depreciation of property, plant and equipment and investment property	11,569	9,493	2,076
Write-downs	235	121	114
<b>Total amortisation, depreciation and write-downs</b>	<b>12,386</b>	<b>10,080</b>	<b>2,306</b>

The increase in the item is mainly due to the change in consolidation scope following the acquisition of the Aurelia Hospital Group and Sanatorio Triestino (Euro 1,901 thousand).

For a breakdown of the items regarding amortisation and depreciation and the write-down of receivables, reference should be made to the tangible and intangible asset tables and finally to the table outlining the doubtful debt provision presented in the notes to the balance sheet.

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### Note 32 Impairments and other provisions

Impairments and other provisions amounted to Euro 2,204 thousand in H1 2024, increasing Euro 214 thousand on Euro 2,417 thousand in the previous half year.

The table below shows the breakdown of and changes in the account in question for the periods ended June 30, 2024 and June 30, 2023.

Euro thousands	H1		Change 2024 vs 2023
	2024	2023	
Provision for risks on legal cases in progress	3,900	2,814	1,086
Release of risk provisions	(1,728)	(431)	(1,298)
Other provisions	33	34	(2)
<b>Total impairments and other provisions</b>	<b>2,204</b>	<b>2,417</b>	<b>(214)</b>

Accruals for new lawsuits brought in H1 2024 total Euro 3,900 thousand and are attributable mainly to healthcare lawsuits (Euro 2,670 thousand) and to Local Healthcare Authority risks (Euro 1,230 thousand).

As regards the healthcare lawsuits, the amounts accrued in the financial statements are provisions recognised on the basis of external legal advice, and are designed to cover the risks deemed probable for damage claims brought from patients. More specifically, these amounts relate mainly to the companies Rugani Hospital S.r.l. (Euro 462 thousand), Hesperia Hospital Modena S.r.l. (Euro 570 thousand), Ospedali Privati Riuniti S.r.l. (Euro 535 thousand), Domus Nova S.r.l. (Euro 612 thousand) and European Hospital S.p.A (Euro 420 thousand).

As regards Local Healthcare Authority risks, provisions were prudentially recognized to cover any risks on controls which the Local Healthcare Authority carries out periodically on clinical records and on the risks of fee variations for services rendered to patients residing outside the Region, aspects which are defined by the competent authorities over a long period of time beyond the financial year. The provisions refer to the companies Hesperia Hospital Modena S.r.l. for Euro 425 thousand, Casa di Cura Prof. Nobili S.r.l. for Euro 38 thousand, Ospedali Privati Riuniti S.r.l. for Euro 627 thousand and Domus Nova S.r.l. for Euro 140 thousand.

The release of the provisions for risks, amounting to Euro 1,728 thousand, relates to the release of the Local Healthcare Authority risks provision for Euro 145 thousand, substantially relating to Casa di Cura San Francesco S.r.l. (Euro 61 thousand) and to Domus Nova S.r.l. (Euro 84 thousand), to the release of the provision for healthcare risks for Euro 1,512 thousand, mainly concerning Rugani Hospital S.r.l. (Euro 131 thousand), Hesperia Hospital Modena S.r.l. for Euro 312 thousand, Domus Nova S.r.l. (Euro 548 thousand), Aurelia Hospital S.r.l. (Euro 379 thousand) and European Hospital S.p.A (Euro 100 thousand), and to the release of the other risks and charges provision for Euro 71 thousand, entirely concerning Domus Nova S.r.l..

These releases relate to the settlement of certain healthcare disputes where it was necessary to review, on the basis of external legal advice, the estimate of the provision for risks with respect to the provisions made in previous years. In certain cases, in fact, the facility's non-liability was ascertained and in others, the indemnity obligation of the company was established for a lower amount than that estimated, with the consequent release of the remaining balance to the income statement.

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Other provisions at June 30, 2024 amount to Euro 33 thousand and mainly concern Casa di Cura Villa Berica S.r.l. (Euro 12 thousand) and Casa di cura Prof. Nobili spa (Euro 12 thousand).

**Note 33 Financial income**

Financial income amounted to Euro 143 thousand in H1 2024, an increase of Euro 109 thousand on H1 2023.

The table below shows the breakdown of and changes in the account in question for the periods ended June 30, 2024 and June 30, 2023.

<i>Euro thousands</i>	<i>H1</i>		<i>Change</i>
	<b>2024</b>	<b>2023</b>	<b>2024 vs 2023</b>
Interest income	126	22	105
Other income	17	12	4
<b>Total financial income</b>	<b>143</b>	<b>34</b>	<b>109</b>

The increase is mainly due to the change in consolidation scope following the acquisition of the Aurelia Group and Sanatorio Triestino (Euro 49 thousand), in addition to the increased interest rates obtained on bank deposits.

**Note 34 Financial charges**

Financial charges amount to Euro 6,922 thousand in H1 2024, increasing by Euro 2,259 thousand compared to Euro 4,663 thousand in the previous year.

The table below presents the breakdown and movement in the item in H1 2024 and H1 2023.

<i>Euro thousands</i>	<i>H1</i>		<i>Change</i>
	<b>2024</b>	<b>2023</b>	<b>2024 vs 2023</b>
Interest charges on loans	4,687	3,373	1,314
Bank interest charges	89	87	2
Interest charges on advances	273	228	45
Other interest charges	1,598	736	861
Financial charges	275	239	36
<b>Total financial charges</b>	<b>6,922</b>	<b>4,663</b>	<b>2,258</b>

The increase in financial charges is mainly attributable to "interest charges on loans" and is due to the increase in interest rates and the financial payable compared to the previous year, in addition to the change in the consolidation scope following the acquisition of the Aurelia Group and of Sanatorio Triestino (Euro 923 thousand).

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**Note 35 Results of investments at equity**

The table below presents the breakdown and movement in the item in H1 2024 and H1 2023.

<i>Euro thousands</i>	<i>H1</i>		<i>Change</i>
	2024	2023	2024 vs 2023
Share of result	108	83	25
<b>Total</b>	<b>108</b>	<b>83</b>	<b>25</b>

The item in H1 2024 amounted to Euro 108 thousand and includes the Group's share of the result of the associates Il Fiocco S.c.a.r.l. (Euro 84 thousand) and Aurora Holding S.r.l. (Euro 24 thousand).

**Note 36 Income taxes**

The table below presents the breakdown and movement in income taxes in H1 2024 and H1 2023.

<i>Euro thousands</i>	<i>H1</i>		<i>Change</i>
	2024	2023	2024 vs 2023
Current taxes	5,482	5,285	197
Deferred tax income	1,088	65	1,023
Deferred tax charges	908	83	825
Other	222	75	147
<b>Total income taxes</b>	<b>7,700</b>	<b>5,509</b>	<b>2,192</b>

In the first half of 2024, income taxes amounted to Euro 7,700 thousand, increasing Euro 2,192 thousand on the preceding year, mainly attributable to the improved results of the Group companies, in addition to the change in consolidation scope following the acquisition of the Aurelia Group and of Sanatorio Triestino (Euro 1,097 thousand).

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### Note 37 Net profit for the period

The net profit for the first half of 2024 was Euro 19,044 thousand, improving Euro 3,089 thousand on H1 2023, mainly due to the change in the consolidation scope as a result of the acquisition of the Aurelia Group and of Sanatorio Triestino.

### Note 38 Basic and diluted earnings per share

The basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders of the Parent Company by the average weighted number of ordinary shares outstanding during the period. The diluted earnings per share is calculated by dividing the profit attributable to the ordinary shareholders of the Parent Company by the average weighted number of ordinary shares outstanding.

Information is shown below for the calculation of the basic and diluted earnings per share:

<i>Euro thousands</i>	<i>H1</i>	<i>H1</i>
	<b>2024</b>	<b>2023</b>
Net profit attributed to the shareholders of the Parent company	18,938	15,939
Number of ordinary shares at end of year/period*	88,603,512	88,785,490
Earnings per share – basic (Euro)	0.21	0.18
Earnings per share – diluted (Euro)**	0.21	0.18

The number of ordinary shares decreased compared to the first half of the previous year due to the greater number of treasury shares.

\* Amount net of treasury shares

\*\* Amount net of treasury shares but including the 724,535 performance shares plan shares

### Note 39 Fair value hierarchy

The following table presents the carrying amount of outstanding financial instruments (current and non-current financing) stated in the balance sheet, with a comparison to their fair values.

<i>Financial Liabilities</i>	<i>At June 30, 2024</i>		<i>At December 31, 2023</i>	
	<i>Book value</i>	<i>Fair Value</i>	<i>Book value</i>	<i>Fair Value</i>
<i>Euro thousands</i>				
Securities investments	826	1,845	846	1,845
Loans	144,319	143,985	162,334	162,242
Capital instruments	1,305	1,305	1,293	1,293



## Consolidated Interim Financial Statements at June 30, 2024

The financial liabilities set out above have been assigned to level 2 of the fair value hierarchy (for both for H1 2024 and H1 2023).

Management has verified that the fair values of the other items approximate their carrying amounts due to the short-term maturities of these instruments.

### *Fair Value - Hierarchy*

fair value concerns the price that will be received for the sale of an asset or which will be paid for the transfer of a liability in an ordinary transaction settled between market operators, at the measurement date ("exit price").

All financial instruments at fair value, or for which disclosure is provided, are classified into the three fair value categories described below, based on the lowest level of input significant to determining overall fair value:

- Level 1: Listed prices (not adjusted) in an active market for identical assets and liabilities.
- Level 2: valuation techniques for which the lowest level of input significant to determining fair value is directly or indirectly observable;
- Level 3: valuation techniques for which the lowest level of input significant to determining fair value is not observable.

At the end of each period, the Group determines whether financial instruments measured at fair value on a recurring basis have been transferred between levels of the hierarchy and reviews their classification (on the basis of the lowest level of input significant to determining overall fair value).

### **Valuation processes**

For recurring and non-recurring measurement at fair value of instruments classified to level 3 of the fair value hierarchy, the Group uses valuation processes to establish valuation procedures and principles and analyse changes in the measurement of fair value from one period to the next.

It should be noted that there have been no changes in the levels of the fair value hierarchy used for the purpose of measuring financial instruments since the last annual financial statements and that the methodologies used in measuring this Level 2 and Level 3 fair value are consistent with the last annual financial statements.

The valuation techniques and specific considerations for level 3 input data are explained in further detail below.

### *Valuation techniques and hypotheses*

The fair value of a financial asset or liability is the price that would be received to sell an asset or that would be paid to transfer a liability in a normal transaction on the principal (or most advantageous) market at the measurement date, under current market conditions (exit price), regardless of whether the price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate the fair value:

- The fair value of securities quoted in an active market is based on the quoted price at the balance sheet date. The fair value of securities not quoted in an active market, such as bank loans or other financial liabilities, finance lease commitments or other non-current financial liabilities, is estimated on the basis of future cash flows, discounted by applying the current rates available for debt with similar terms, such

## Consolidated Interim Financial Statements at June 30, 2024

as credit risk and residual maturity. The fair value of shares is sensitive to both a possible change in expected cash flows and/or the discount rate and a possible change in growth rates. For estimation purposes, management must use the unobservable input data presented in the following tables. Management regularly assesses a series of possible alternatives to such significant input data and determines their impact on total fair value.

- The fair value of the ordinary non-listed shares was estimated through the discounted cash flow model (DCF). The valuation requires management to make assumptions with regards to the model inputs, including the projected cash flows, the discount rate, the credit risk and the volatility. The probability of differing estimates within the interval may be reasonably verified and are utilised in management's estimates of the fair value of these non-listed investments;
- The Group undertakes derivative financial instruments with a range of counterparties, principally financial institutions with allocated credit ratings. The derivatives valued using measurement techniques with market recordable data principally consist of interest rate swaps. The most utilised measurement techniques include the "swaps" models, which utilise the calculation of the present value. The models consider various inputs, including the credit quality of the counterparty and interest rate curves. All derivative contracts are fully covered by cash, thus eliminating the risk of default by the Group.

### Note 40 Commitments and Guarantees

Commitments and guarantees at June 30, 2024 are described below.

Guarantor	Beneficiary	Guarantee type	Maturity	Commitment	Borrower
Centro Medico San Biagio S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	16,498,057	GHC S.p.A.
Centro Medico Università Castrense S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	1,965,580	GHC S.p.A.
Ospedali Privati Riuniti S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	11,067,100	GHC S.p.A.
Clinica San Francesco S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	31,597,413	GHC S.p.A.
Domus Nova S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	6,613,320	GHC S.p.A.
L'Eremo di Miazzina S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	4,259,930	GHC S.p.A.
Fides Medica S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	8,756,848	GHC S.p.A.
Roemar S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	824,702	GHC S.p.A.
Fides Servizi S.c.a.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	241,341	GHC S.p.A.
Rugani Hospital S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	740,051	GHC S.p.A.
Casa di Cura Villa Berica S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	825,105	GHC S.p.A.

## Consolidated Interim Financial Statements at June 30, 2024

Villa Von Siebenthal S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	3,610,736	GHC S.p.A.
C.M.S.R. Veneto Medica S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	3,526,835	GHC S.p.A.
Casa di Cura Villa Garda S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	2,626,907	GHC S.p.A.
XRay One S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	7,918,249	GHC S.p.A.
Poliambulatorio Dalla Rosa Prati S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	2,877,228	GHC S.p.A.
Aesculapio S.r.l.	Unicredit S.p.A., Banco BPM S.p.A., Intesa San Paolo S.p.A.	Independent guarantee	15/12/2026	609,615	GHC S.p.A.
GHC S.p.A.	Carige	Omnibus Guarantee	Until revocation	325,000	Roemar S.r.l.
GHC S.p.A.	Carige	Omnibus Guarantee	Until revocation	260,000	Fides Medica S.r.l.
Fides Medica S.r.l.	Carige	Letter of indemnity	Until revocation	206,582	Il Fiocco S.c.a.r.l.
Fides Medica S.r.l.	Carige	Letter of indemnity	Until revocation	200,000	Centro di Riabilitazione S.r.l.
Fides Medica S.r.l.	Monte dei Paschi	Letter of indemnity	Until revocation	150,000	Prora Srl
Fides Medica S.r.l.	Carige	Letter of indemnity	Until revocation	80,000	Il Fiocco S.c.a.r.l.
Fides Medica S.r.l.	Intesa SanPaolo	Omnibus Guarantee	Until revocation	80,000	Prora S.r.l.
Fides Medica S.r.l.	UBI	Letter of indemnity	Until revocation	50,000	Centro di Riabilitazione S.r.l.
Fides Medica S.r.l.	Carige	Letter of indemnity	Until revocation	26,000	Il Fiocco S.c.a.r.l.
L'Eremo di Miazzina S.r.l.	Intesa SanPaolo	Letter of indemnity	31/12/2038	100,000	L'Eremo di Miazzina S.r.l.

## Guarantees given to and by third parties on behalf of the Group

Guarantor	Beneficiary	Guarantee type	Maturity	Commitment	Borrower
Intesa SanPaolo	Unione dei comuni dell'Appennino Bolognese	Letter of indemnity	31/05/2025	37,406	Casa di Cura Prof.Nobili S.r.l.
Banca Popolare di Sondrio	Privata Leasing spa	Letter of indemnity	31/03/2025	300,000	XRay One S.r.l.
Cassa di Ravenna	Zeroemission H S.r.l.	Guarantee	09/01/2028	20,000	Domus Nova S.r.l.
Medio Credito Centrale	BNL S.p.A.	Guarantee	01/07/2028	153,900	Aesculapio
Intesa SanPaolo	Amministrazione Principe Pallavicino	Letter of indemnity	31/08/2036	40,000	Prora S.r.l.
Intesa SanPaolo	Amministrazione Principe Pallavicino	Letter of indemnity	31/08/2036	20,000	Prora S.r.l.
Intesa SanPaolo	Università UniCamillus	Guarantee	04/10/2024	200,562	Ospedali Privati Riuniti Srl
Banca Prealpi San Biagio	BMFIN	Letter of indemnity	Until revocation	360,000	Centro Medico San Biagio S.r.l.
Banca Popolare di Sondrio	AMA SPA	FDI SURETY 198451/12	UNTIL REVOCAION	223,000	EUROPEAN HOSPITAL SPA
Banca Popolare di Sondrio	UNIVERSITY UNICAMILLUS	FDI SURETY 282443/22	31/12/2029	502,645	EUROPEAN HOSPITAL SPA
Banca Popolare di Sondrio	Ama Spa	Surety	13/03/2024	28,211	S.Antonio Hospice
Banca Popolare di Sondrio	Ama Spa	Surety	11/04/2024	55,484	S.Antonio Hospice

#### **Note 41 Financial risk management**

This section contains a description of the financial risks to which the Group and its subsidiaries are exposed, together with the policies and strategies employed by the Company and its subsidiaries to manage the risks concerned during the year to June 30, 2024.

It should be noted that there are no plans for changes in the risk management policies set out below.

GHC and its subsidiaries are exposed to financial risks in their activities, and in particular risks of the following types:

- Credit risk arising from commercial transactions or financing activity;
- Liquidity risk, related to the availability of financial resources and access to the credit market;
- Market risk, and more specifically:
  - a) Operational risk relating to the conduct of the business;
  - b) Foreign exchange risk relating to transactions in currency areas other than their functional currency;
  - c) Interest rate risk relating to the Company's exposure to interest-bearing financial instruments;
  - d) Price risk, due to changes in quoted commodities prices.

The management and monitoring system for the main risks involves the Group's director and management, the directors and boards of directors of the consolidated companies and company personnel.

The primary goal of risk management is to protect the company's stakeholders (shareholders, employees, customers and suppliers) and financial integrity, as well as to safeguard the environment.

The risk management policy applied by the Group regards the setting of guidelines at the central level on which to base the operational management of market, liquidity risk, cash flow risks and for the monitoring of results achieved.

For greater details on financial risk management, reference should be made to paragraph 8 of the H1 2024 Directors' Report.

#### **Note 42 Legal disputes and contingent liabilities**

##### ***Healthcare damage compensation claims***

For requests for damages for activities carried out at the clinics, the Group recognises in the financial statements a "provision for risks for healthcare cases" for all disputes whose outcome is deemed "probable" based on the opinion of the external lawyers following the case. For disputes deemed "probable", at June 30, 2024, the value of the "provision for risks for health cases" totalled Euro 16,229 thousand.

It should also be noted that there are lawsuits whose risk is deemed possible by legal advisors, against which no provisions for risks have been made, as per international accounting standards.

##### ***Administrative and other disputes***

The company Villa Von Siebenthal S.r.l. has an ongoing social security dispute, as having received a request from the INPS regional directorate for Lazio for documents in connection with inspection assessments concerning the supply of services relationship between the supplier Futura soc. coop. and Villa Von Siebenthal S.r.l.. Following the inspection, on April 4, 2017 Villa Von Siebenthal S.r.l. received consolidated assessment and notification report no. 2016003251/S1 in which it is claimed that Villa Von Siebenthal S.r.l., by virtue of the service agreement with Futura soc. coop., is jointly and severally liable with this latter company for payments of mandatory social-security contributions for the period from April 2013 to November 2015, amounting to Euro 100 thousand. In the

opinion of the company's legal counsel, the risk may be deemed "possible" and hence no liability has been recognized in respect of this proceeding.

As regards Centro di Riabilitazione S.r.l., it should be noted that an investigation which began on May 18, 2020 (the date of the search and seizure order pursuant to Articles 247 and 253 of the Italian Criminal Procedure Code) is underway, in which the health management of the facility's RSA wards is under investigation for the crime of culpable epidemic (as part of an investigation involving a total of six RSA facilities operating in Liguria). The Prosecutor's Office bases this putative crime on a numerical comparison between the raw mortality rate of previous years and that of 2020. The Rehabilitation Centre was searched and seized by the judicial police on behalf of the Public Prosecutor's Office on May 21, 2020, during which the mobile devices of the General Manager and the Operations Manager were also seized, who were then subsequently delivered the notice of investigation as a due act against the seizure made. Preliminary investigations, which were due to conclude on December 19, 2020, have been extended several times, and in the meantime, the prosecutor's office has initiated two technical consultations (the first epidemiological and the second of a forensic medical nature). Following the filing of the expert reports and upon their examination and of the material collected during the investigation, the Public Prosecutor's Office requested that the case be dismissed. We therefore trust that the case shall be closed by the preliminary hearing judge.

#### *Disputes with local healthcare authorities*

The result of a dispute between the Verbano-Cusio-Ossola local health authority and L'Eremo di Miazzina S.r.l. regarding healthcare services in 2014, 2015 and 2016 is pending. In a letter dated July 14, 2017, the Verbano-Cusio-Ossola local health authority requested that the company issue various credit notes in respect of the years indicated above, claiming a reduction due to a purported lack of continuity of care. The company rejected this claim on the basis that it had not exceeded the threshold triggering the above reduction for patients from Piedmont, and that the said reduction – particularly for the years 2014 and 2015 – could not be applied to out-of-region patients, especially in the light of the position taken by the Piedmont Region in its Regional Council Motion of November 2016. Finally, the company also argued that it had never exceeded the reduction thresholds due to a lack of continuity in care in 2016 as well. On the basis of an opinion from the company's legal counsel, the risk of loss associated with this case has been deemed "probable" and an accrual to the provision of Euro 1,927 thousand was thus recognised at June 30, 2024. In view of the age and quantity of the receivables, the company L'Eremo di Miazzina s.r.l., having heard the opinion of its legal advisors and subject to the successful outcome of any settlement agreements that may be reached between the parties, has taken legal action for receivables arising from the years 2014 and 2015. Assessments of receivables arising from subsequent years will depend on the outcome of this litigation.

In addition, on October 1, 2021, Eremo di Miazzina S.r.l. was notified by certified e-mail from the INPS of a request to regularise the contribution portion, linked to the previous INAIL dispute and concerning the correctness of the status of a number of self-employed nurses, amounting to Euro 365,000. Eremo di Miazzina immediately lodged an administrative appeal and the court hearing the case, with judgement 87/2024 published on 20/06/2024, ruled that the INPS's credit claim did not exist.

#### *Note 43 Related party transactions*

**Consolidated Interim Financial Statements at June 30, 2024**

Transactions and balances with related parties are illustrated in the tables below. The companies listed are considered related parties as they are directly or indirectly related to the majority shareholders of the Garofalo Health Care Group.

Pursuant to Consob Resolution No. 17221 of March 12, 2010, it is reported that in the first half of 2024 the Group did not conclude any significant transactions or transactions with a significant effect on the Group's financial position or operating result for the year with related parties.

Note 1.4 contains information on the Group's structure, including details regarding subsidiaries and the Parent Company.

The following table shows the total amount of related party transactions during the period ended June 30, 2024:

June 30, 2024	Receivables		Payables		Costs		Revenues	
	Fin/Tax	Trade/Other	Fin/Tax	Trade/Other	Fin.	Com.	Fin.	Com.
<i>Euro thousands</i>								
Casa di Cura Città di Roma spa	-	1,842	-	840	-	7	-	116
Aurelia '80 Srl	-	1,184	-	245	-	-	-	-
Casaleto '79 S.r.l	-	-	-	91	-	4	-	-
An.Rama.srl	-	3	-	-	-	-	-	-
LEDCON srl	-	-	-	24	-	290	-	-
A.M. Rinaldi	-	-	-	-	-	42	-	-
Maria Laura Garofalo	-	-	-	-	-	42	-	-

It should be noted that as of November 2018 GHC has adopted an internal procedure for the precise identification of the Company's related parties. This is designed to identify the principles to which the Company adheres in order to ensure the transparency and substantial and procedural correctness of related party transactions carried out, directly or through subsidiaries.

**Note 44 Significant events after June 30, 2024**

On July 8, 2024, Garofalo Health Care S.p.A. ("GHC") agreed a loan transaction for a total amount of up to Euro 275 million with leading banks (UniCredit, Banco BPM, BNL BNP Paribas – also as Agent Bank – Monte dei Paschi di Siena), in addition to tier-1 institutional investors (Cassa Depositi e Prestiti, F2i, Anima Alternative SGR, Mediolanum Gestione Fondi, Arca).

The transaction, of up to Euro 275 million, consists of:

- (i) Medium/long-term line of Euro 180 million, mainly for the refinancing of existing bank lines, including a Euro 130 million bank loan (unsecured, floating rate, amortizing and duration of 6 years) and a Euro 50 million non-convertible bond privately placed with leading institutional investors, i.e. "Private Placement" (unsecured, fixed rate, bullet and duration of 7 years);
- (ii) Capex line of up to Euro 70 million, available to the Group to support the M&A strategy and for organic expansion and development investments (unsecured, floating rate, amortising and duration of 7 years);
- (iii) Revolving bank line of up to Euro 25 million, aimed at supporting any working capital needs (unsecured, duration of 7 years).

The transaction was structured on a fully unsecured basis, fully removing the guarantees under the previous loan, allowing GHC to extend the average life of the debt beyond 5 years (from the current 2 years). Confirming the increasing importance of ESG issues for the Group, which already has a long-term Investment Grade EE+ ("Very Strong") ESG rating assigned by Standard Ethics, it should also be noted that the bank loan provides for the introduction of a "SDG-Linked" margin adjustment mechanism that may allow the Group a further reduction in the interest rate on the achievement of ESG targets, the latter to be defined within 12 months.

The transaction involves compliance with standard market financial covenants and also, with reference to the medium/long-term bank loan, the use of interest rate risk hedging instruments.

#### **Note 45 Remuneration of the Board of Directors and Board of Statutory Auditors**

The remuneration to members of the Board of Directors of Garofalo Health Care S.p.A. and the companies under its direct or indirect control, in all capacities and forms, during the periods ended June 30, 2024 and June 30, 2023 amounted to Euro 2,395 thousand and Euro 2,339 thousand, respectively.

The remuneration accrued to the Board of Statutory Auditors of Garofalo Health Care S.p.A and its direct and indirect subsidiaries for H1 2024 and H1 2023 amounted to Euro 275 thousand and Euro 211 thousand.

#### **Note 46 Number of employees**

**Consolidated Interim Financial Statements at June 30, 2024**

The following table provides a concise comparison of the number of employees by category at June 30, 2024, compared to December 31, 2023.

<i>Employees by category</i>	<i>Number of employees at 30/06/2024</i>	<i>Number of employees at 31/12/2023</i>
Executives	20	15
White-collar	699	764
Doctors	110	105
Technical	242	262
Nurses/auxiliaries	1,591	1,543
Blue-collar	108	78
<b>Total</b>	<b>2,770</b>	<b>2,767</b>

It should be clarified that the figure indicated in the table above refers to the exact number of employees at June 30, 2024.

***Note 47 Information on share-based remuneration plans***

At June 30, 2024, the shares relating to the first cycle of the “Performance Share” plan have been allocated.

For further details, reference should be made to paragraph 10.2 Remuneration schemes based on financial instruments in the H1 2024 Directors’ Report.

***Note 48 Positions or transactions arising from exceptional and/or unusual transactions***

In accordance with Consob Communication No. DEM/6064293 of July 28, 2006, the company did not undertake any atypical or unusual transactions as set out in the Communication.

Mr. Alessandro Maria Rinaldi

Legal representative



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AUDITORS' REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT JUNE 30,  
2024

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# Garofalo Health Care S.p.A.

Review report on the interim condensed consolidated  
financial statements as at June 30, 2024



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# Review report on the interim condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of  
Garofalo Health Care S.p.A.

## Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated balance sheet, the consolidated income statement, the comprehensive consolidated income statement, the statement of changes in consolidated shareholders' equity and consolidated cash flow statement and the related explanatory notes of Garofalo Health Care S.p.A. and its subsidiaries (the Garofalo Health Care Group") as of 30 June 2024. The Directors of Garofalo Health Care S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

## Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Garofalo Health Care Group as of June 30, 2024 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Rome, September 12, 2024

EY S.p.A.  
Signed by: Andrea Eronidi, Statutory Auditor

*This report has been translated into the English language solely for the convenience of international readers*