



INTERIM FINANCIAL REPORT AT SEPTEMBER 30, 2024



CONTENTS

COMPANY INFORMATION	3
CORPORATE BOARDS	4
1. METHODOLOGICAL NOTE	5
2. GROUP STRUCTURE	5
3. GHC GROUP FINANCIAL HIGHLIGHTS	7
4. INVESTMENTS	15
5. MANAGEMENT AND CO-ORDINATION	15
6. SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD	15
7. OUTLOOK	16
8. FINANCIAL STATEMENTS	17
9. DECLARATION OF THE EXECUTIVE OFFICER	21

COMPANY INFORMATION

Parent Company Registered Office

Garofalo Health Care S.p.A.

Piazzale Belle Arti, 6 – Rome 00196

Parent Company Legal Details

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. METHODOLOGICAL NOTE

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

The publication of the Interim Financial Report at September 30, 2024 is governed by the Regulation of Markets organised and managed by "Borsa Italiana" and, in particular, Article 2.2.3, paragraph 3.

The accounting standards used by the Group are the International Financial Reporting Standards, endorsed by the European Union ("IFRS") and in application of Legislative Decree No. 38/2005 and the other Consob financial statements provisions. The accounting policies and consolidation principles adopted are the same as those utilised for the 2023 Consolidated Annual Financial Statements, to which reference should be made.

The Interim Report at September 30, 2024 was approved by the Board of Directors on November 14, 2024.

2. GROUP STRUCTURE

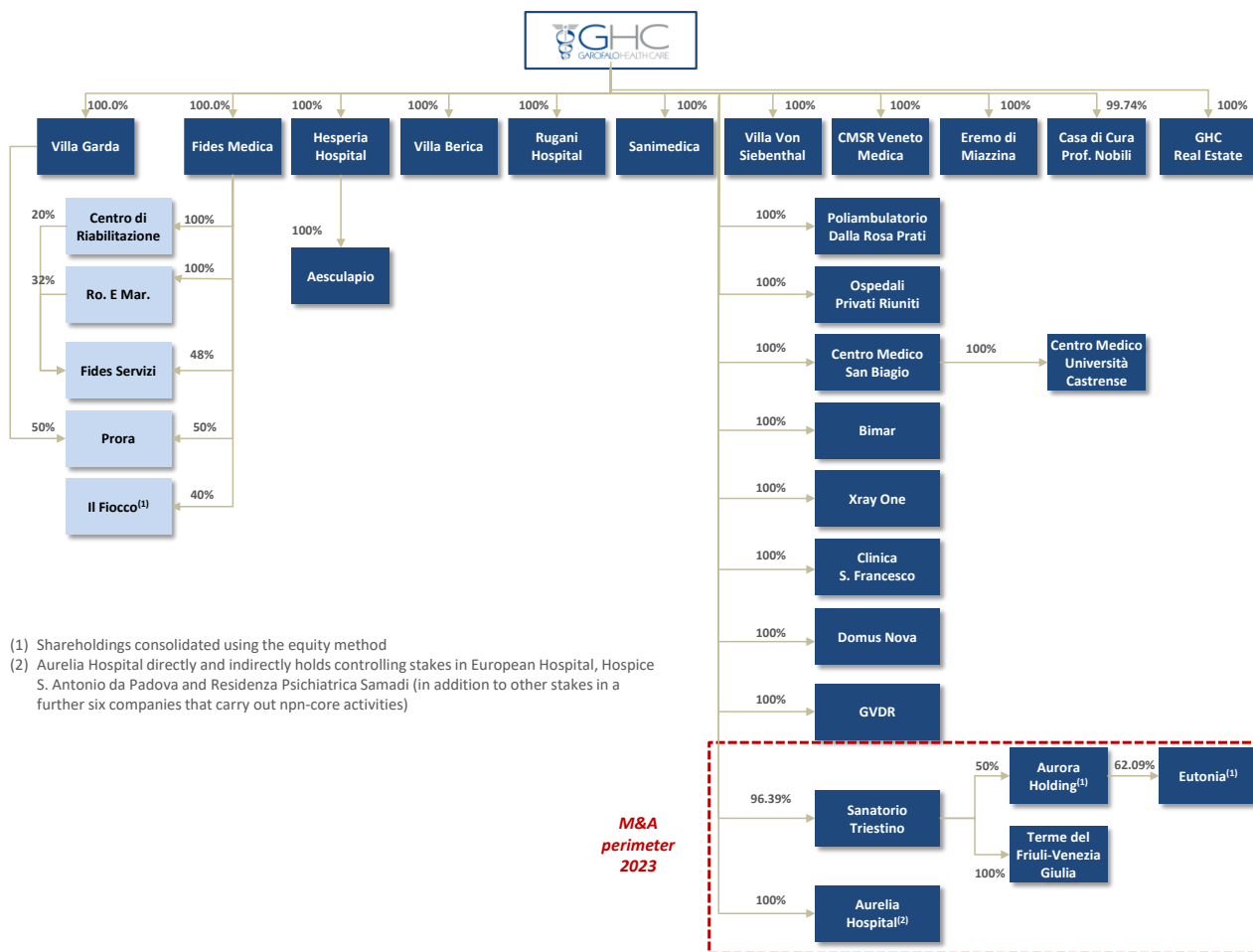
➤ Overview of the Group's healthcare facilities

The GHC Group is an Italian accredited private healthcare leader operating, at September 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 specialisms, the use of cutting-edge technologies and highly-qualified personnel.

The Group currently operates in regions of northern and central Italy that have mainly 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 September 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:



(1) Shareholdings consolidated using the equity method
 (2) Aurelia Hospital directly and indirectly holds controlling stakes in European Hospital, Hospice S. Antonio da Padova and Residenza Psichiatrica Samadi (in addition to other stakes in a further six companies that carry out non-core activities)

➤ **Group activities by sector**

The following table details the main specialties provided by the Group, broken down geographically, by sector and by segment.

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

Brief description of the companies of the GHC Group

The GHC Group's 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 ⁽¹⁾		✓
	• 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 ⁽²⁾	✓	
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 ⁽³⁾	8 ⁽⁴⁾	5 ⁽⁵⁾		✓
Lazio	• Villa Von Siebenthal	1	1		✓
	• Aurelia Hospital	1	7 ⁽⁶⁾	✓	
	• 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 Srl, 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.)

3. GHC GROUP FINANCIAL HIGHLIGHTS

GHC Group Financial Highlights

The 9M 2024 results indicate an increase both in terms of revenues and Operating EBITDA on the same period of the previous year.

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

In this regard, we highlight that the 9M 2024 figures include the full contribution of the companies Sanatorio Triestino S.p.A.¹, acquired on May 4, 2023 and therefore consolidated only for five months in 9M 2023, and of the Aurelia Hospital Group, acquired on November 16, 2023 and therefore not included in the 9M 2023 figures.

¹ Including majority interest in Terme del Friuli Venezia Giulia s.r.l.

Interim Financial Report at September 30, 2024



Consolidated figures	9M 2024		9M 2023		2024 vs. 2023	
	Euro '000	%	Euro '000	%	Euro '000	%
Revenues	347,328	100.0%	263,131	100.0%	84,197	32.0%
Total operating costs (excl. Adjustments ²)	(288,395)	-83.1%	(212,162)	-80.6%	(76,233)	35.9%
Adjusted Op. EBITDA	58,933	17.0%	50,970	19.4%	7,963	15.6%
Other Costs ("Adjustments")	(65)	0.0%	(299)	-0.1%	234	-78.2%
Operating EBITDA	58,868	16.9%	50,671	19.3%	8,197	16.2%
Amortisation, depreciation and write-downs	(18,976)	-5.5%	(15,543)	-5.9%	(3,433)	22.1%
Impairments and other provisions	(2,954)	-0.9%	(2,989)	-1.1%	35	-1.2%
EBIT	36,938	10.6%	32,139	12.2%	4,799	14.9%
Net financial charges	(10,917)	-3.1%	(7,286)	-2.8%	(3,631)	49.8%
Profit before taxes	26,022	7.5%	24,853	9.4%	1,169	4.7%
Income taxes	(7,323)	-2.1%	(6,409)	-2.4%	(914)	14.3%
Net Profit	18,698	5.4%	18,444	7.0%	254	1.4%
Group Net Profit	18,559	5.3%	18,435	7.0%	124	0.7%
Minority interests	139	0.0%	9	0.0%	129	n/a

2024 Consolidated Revenues Overview

GHC consolidated revenues in 9M 2024 amounted to Euro 347,328 thousand, up 32.0% on Euro 263,131 thousand in the same period of 2023.

The increase in revenues of Euro 84,197 thousand is due for Euro 74,306 thousand to the change in scope (Euro 67,351 thousand concerning the Aurelia Group and Euro 6,955 thousand Sanatorio Triestino), and with Euro 9,891 thousand concerning the increased production of the companies at like-for-like consolidation scope.

Consolidated revenues in Euro thousands	9M24 Actual	9M23 Actual	9M24 vs. 9M23 Euro '000	9M24 vs. 9M23 %
Total	347,328	263,131	84,197	32.0%
<i>of which "additional COVID costs" reimbursements</i>		1,307	(1,307)	-100.0%
<i>of which Sanatorio Triestino + Aurelia Hospital</i>	81,361	7,055	74,306	n.a.

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

The increased production of the companies at like-for-like consolidation scope was due mainly to the increase in services provided to private patients and to outside-region patients, up respectively 7.5% and 6.5% on 9M 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 the first nine months of 2024, net of Adjustments, totalled Euro 288,395 thousand, increasing Euro 76,233 thousand (+35.9%) on Euro 212,162 thousand in the same period of 2023.

The increase stems for Euro 67,966 thousand from the change in scope and for Euro 8,267 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.

2024 Consolidated Operating EBITDA and Adjusted Operating EBITDA

Consolidated Adjusted³ Operating EBITDA amounted to Euro 58,933 thousand, up 15.6% on Euro 50,970 thousand in 9M 2023. The increase of Euro 7,963 thousand relates for Euro 6,340 thousand to the change in scope, of which Euro 5,132 thousand concerning the Aurelia Group and Euro 1,208 thousand Sanatorio Triestino, with Euro 1,624 thousand relating to the companies at like-for-like consolidation scope.

The Adjustments, negative for Euro 65 thousand in 9M 2024, entirely comprises M&A costs, decreasing on the first nine months of 2023, in which they were negative for Euro 299 thousand as a result of the COVID costs incurred in the first nine months of 2023 for Euro 802 thousand and the M&A costs for Euro 804 thousand, partially offset by the reimbursement of the COVID costs relating to the previous years for Euro 1,307 thousand.

In terms of margins, the Adjusted Operating EBITDA Margin of the Group was 17.0%, decreasing on 9M 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 9M 2024 was 19.3%, substantially in line with the same period of the previous year.

Consolidated Op. EBITDA & Adj. Op. EBITDA in Euro thousands	9M24 Actual	9M23 Actual	9M24 vs. 9M23 Euro '000	9M24 vs. 9M23 %
Reported Op. EBITDA	58,868	50,671	8,197	16.2%
+ additional COVID costs (net of reimbursements)		(505)	505	-100.0%
+ M&A costs	65	804	(739)	-91.9%
Adjusted Op. EBITDA	58,933	50,970	7,963	15.6%
of which Sanatorio Triestino + Aurelia Hospital	6,340	753	5,586	n.a
Reported OP. EBITDA Margin (%)	16.9%	19.3%	-	-
Adjusted OP. EBITDA Margin (%)	17.0%	19.4%	-	-

2024 Consolidated EBIT overview

EBIT in 9M 2024 was Euro 36,938 thousand, up Euro 4,799 thousand (+14.9%) on Euro 32,139 thousand in 9M 2023.

This result includes amortisation, depreciation and write-downs in the period of Euro 18,976 thousand, increasing Euro 3,433 thousand on 9M 2023, mainly due to change in the consolidation scope, in addition to the adjustments and other provisions for Euro 2,954 thousand, decreasing Euro 35 thousand on 9M 2023 due to the lower net provisions for healthcare lawsuits (accruals net of the relative releases).

³This indicator adjusts operating EBITDA for non-recurring revenues and costs (e.g. net impact of additional COVID 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.

Interim Financial Report at September 30, 2024



Consolidated EBIT in Euro thousands	9M24 Actual	9M23 Actual	9M24 vs. 9M23	9M24 vs. 9M23
			Euro '000	%
Reported Op. EBITDA	58,868	50,671	8,197	16.2%
- Amortisation, depreciation and write-downs	(1,045)	(743)	(301)	40.5%
- Depreciation of property, plant & equip.	(17,561)	(14,657)	(2,904)	19.8%
- Write-downs	(371)	(143)	228	159.6%
Amortisation, depreciation and write-downs	(18,976)	(15,543)	(3,433)	22.1%
- End of mandate provisions	(18)	(19)	0	-2.3%
- Healthcare lawsuit provisions	(3,616)	(2,161)	(1,455)	67.3%
- Local Health Authority risk provisions	(1,623)	(1,383)	(239)	17.3%
- Other risk provisions	(37)	(82)	(45)	-54.8%
+ Release of provisions	2,341	656	1,685	256.8%
Impairments and other provisions	(2,954)	(2,989)	35	-1.2%
= Reported EBIT	36,938	32,139	4,799	14.9%
Reported EBIT Margin (%)	10.6%	12.2%	-	-

2024 Consolidated Net Profit overview

The Net Profit was Euro 18,698 thousand, an increase of Euro 254 thousand on Euro 18,444 thousand in 9M 2023.

This amount takes account of net financial charges of Euro 10,917 thousand and income taxes of Euro 7,323 thousand, respectively increasing Euro 3,631 thousand and Euro 914 thousand on 9M 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 transaction costs for the portion not yet settled regarding the previous bank loan repaid in July 2024.

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 Q3 2023 financial highlights

The operating performance indicators for Q3 2024 compared with the same period of 2023 are presented below.

In this regard, it is noted that the third quarter of 2024 includes the contribution of the companies Sanatorio Triestino and of the Aurelia Hospital Group, while Q3 2023 includes only the results of Sanatorio Triestino.

Consolidated figures	3Q2024		3Q2023		Q3 2024 vs. Q3 2023	
	Euro '000	%	Euro '000	%	Euro '000	%
Revenues	95,815	100.0%	76,469	100.0%	19,347	25.3%
Total operating costs (excl. Adjustments)	(84,929)	-88.6%	(63,747)	-83.4%	(21,182)	33.2%
Adjusted Op. EBITDA	10,886	11.4%	12,722	16.6%	(1,835)	-14.4%
Other Costs ("Adjustments")	(23)	0.0%	(558)	-0.7%	535	-95.9%
Operating EBITDA	10,863	11.3%	12,163	15.9%	(1,300)	-10.7%
Amortisation, depreciation and write-downs	(6,590)	-6.9%	(5,463)	-7.1%	(1,127)	20.6%
Impairments and other provisions	(750)	-0.8%	(571)	-0.7%	(178)	31.2%
EBIT	3,524	3.7%	6,129	8.0%	(2,605)	-42.5%
Net financial charges	(4,246)	-4.4%	(2,740)	-3.6%	(1,506)	55.0%
Profit before taxes	(722)	-0.8%	3,389	4.4%	(4,111)	-121.3%
Income taxes	377	0.4%	(901)	-1.2%	1,277	-141.8%
Net Profit	(346)	-0.4%	2,489	3.3%	(2,834)	-113.9%
Group Net Profit	(378)	-0.4%	2,496	3.3%	(2,874)	-115.2%
Minority interests	33	0.0%	(7)	0.0%	40	-568.5%

Consolidated revenues – Q3 2024

In Q3 2024, Group consolidated revenues totalled Euro 95,815 thousand, increasing Euro 19,347 thousand (+25.3%) on Euro 76,469 thousand in the same period of 2023, almost entirely relating to the Aurelia Hospital Group (Euro 18,691 thousand).

Consolidated revenues in Euro thousands	Q3 2024	Q3 2023	Q3 2024 vs. Q3 2023 Euro '000	Q3 2024 vs. Q3 2023 %
Total	95,815	76,469	19,346	25.3%
<i>of which "additional COVID costs" reimbursements</i>	<i>0</i>	<i>82</i>	<i>(82)</i>	<i>-100.0%</i>
<i>of which Aurelia Hospital</i>	<i>18,691</i>	<i>0</i>	<i>18,691</i>	<i>n.a.</i>

Consolidated operating costs – Q3 2024

Consolidated operating costs for Q3 2024, net of adjustments, totalled Euro 84,929 thousand, increasing Euro 21,182 thousand (+33.2%) on Euro 63,747 thousand in Q3 2023, mainly due to the change in scope.

Q3 2024 Consolidated Operating EBITDA and Adjusted Operating EBITDA

Consolidated Adjusted Operating EBITDA amounted to Euro 10,886 thousand, decreasing Euro 1,835 thousand on Euro 12,721 thousand in the same period of the previous year, almost entirely due to the companies at like-for-like consolidation scope as a result of events, circumscribed and already resolved, that have affected the operational activities of some Group structures involving a different scheduling of production activities.

The Adjustments, negative for Euro 23 thousand, entirely comprise M&A costs, compared to a negative Euro 558 thousand in 9M 2023 concerning M&A costs and additional COVID costs.

In terms of margins, the Adjusted Operating EBITDA Margin of the Group was 11.4%, decreasing on Q3 2023, as impacted mainly by the consolidation of 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 Q3 2024 was 14.0%.

Consolidated Op. EBITDA & Adj. Op. EBITDA in Euro thousands	Q3 2024	Q3 2023	Q3 2024 vs. Q3 2023 Euro '000	Q3 2024 vs. Q3 2023 %
Reported Op. EBITDA	10,863	12,163	(1,300)	-10.7%
<i>+ additional COVID costs (net of reimbursements)</i>	<i>0</i>	<i>164</i>	<i>(164)</i>	<i>-100.0%</i>
<i>+ M&A costs</i>	<i>23</i>	<i>394</i>	<i>(371)</i>	<i>-94.2%</i>
Adjusted Op. EBITDA	10,886	12,721	(1,835)	-14.4%
<i>of which Aurelia Hospital</i>	<i>118</i>	<i>-</i>	<i>n.a.</i>	<i>n.a.</i>
<i>Reported Op. EBITDA Margin (%)</i>	<i>11.3%</i>	<i>15.9%</i>	<i>-</i>	<i>-</i>
<i>Adjusted Op. EBITDA Margin (%)</i>	<i>11.4%</i>	<i>16.6%</i>	<i>-</i>	<i>-</i>

Q3 2024 Consolidated EBIT

EBIT in 9M 2024 was Euro 3,524 thousand, decreasing Euro 2,605 thousand on Euro 6,129 thousand in the same period of the previous year.

This result includes amortisation, depreciation and write-downs in the period of Euro 6,590 thousand, increasing Euro 1,127 thousand on Q3 2023, mainly due to change in the consolidation scope, in addition to the adjustments and other provisions for Euro 750 thousand, increasing Euro 178 thousand on Q3 2023.

Interim Financial Report at September 30, 2024



Consolidated EBIT <i>in Euro thousands</i>	Q3 2024	Q3 2023	Q3 2024 vs. Q3 2023 Euro '000	Q3 2024 vs. Q3 2023 %
Reported Op. EBITDA	10,863	12,163	(1,300)	-10.7%
- Amortisation, depreciation and write-downs	(462)	(276)	(185)	67.1%
- Depreciation of property, plant & equip.	(5,992)	(5,164)	(828)	16.0%
- Write-downs	(136)	(23)	(113)	492.5%
Amortisation, depreciation and write-downs	(6,590)	(5,463)	(1,127)	20.6%
- End of mandate provisions	(6)	(6)	(60)	4.3%
- Healthcare lawsuit provisions	(946)	(333)	(614)	184.3%
- Local Health Authority risk provisions	(393)	(397)	(5)	-1.1%
- Other risk provisions	(16)	(60)	(43)	n.a.
+ Release of provisions	612	224	388	173.2%
Impairments and other provisions	(750)	(572)	(178)	31.1%
= Reported EBIT	3,524	6,128	(2,605)	-42.5%
<i>Reported EBIT Margin (%)</i>	<i>3.7%</i>	<i>8.0%</i>	-	-

Q3 2024 Consolidated Net Result

The net result was a loss of Euro 346 thousand, decreasing Euro 2,834 thousand on a profit of Euro 2,489 thousand in Q3 2023.

The amount takes account of net financial charges of Euro 4,246 thousand and of income taxes of Euro 377 thousand. Net financial charges increased Euro 1,506 thousand on Q3 2023, due both to the one-off accounting impact of approx. Euro 900 thousand from the settlement of the previous medium/long-term loan in July, in addition to the increased average financial debt in Q3 2024 compared to 2023.

The decrease of Euro 1,277 thousand in income taxes is due to the lower result for Q3 2024 compared to the same period of the previous year.

Balance Sheet

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

Consolidated figures Uses	2024	2023	Δ vs 2023
	September	December	Euro '000
Goodwill	91,541	156,007	(64,465)
Tangible and intangible assets	574,746	473,093	101,653
Financial assets	2,612	4,754	(2,142)
I Fixed capital	668,899	633,854	35,046
Trade Receivables	99,560	100,994	(1,433)
Inventories	6,072	5,583	489
Trade Payables	(77,849)	(87,853)	10,004
Net Operating Working Capital	27,784	18,724	9,060
Other assets/liabilities	(39,855)	(38,270)	(1,585)
II Net Working Capital	(12,071)	(19,546)	7,475
Net deferred taxes	(90,420)	(59,921)	(30,500)
Provisions	(41,037)	(47,755)	6,718
III Total Uses (NET CAPITAL EMPLOYED)	525,371	506,632	18,739
IV Net financial debt	195,427	205,743	(10,317)
Minority interest shareholders' equity	11,103	2,003	9,100
Group shareholders' equity	318,841	298,886	19,956
V Shareholders' Equity	329,944	300,889	29,055
VI Total sources of financing	525,371	506,632	18,739

The Fixed capital at September 30, 2024 amounts to Euro 668,899 thousand, increasing Euro 35,046 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 64,465 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.

Net operating working capital at September 30, 2024 increased Euro 9,060 thousand on December 31, 2023, mainly due to the reduction in trade payables of approx. Euro 10 million. In the third quarter of 2024, net working capital however decreased by approx. Euro 7.1 million on June 30, 2024 as a result of the seasonality of operating activities, which involves, in the third quarter, the collection of receivables related to previous months, against lower production in the summer months.

Other assets and liabilities are essentially unchanged on the previous year.

The net working capital therefore reports a net decrease of Euro 7,475 thousand, mainly due to the increase in net operating working capital.



Net deferred taxes increased Euro 30,500 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 September 30, 2024 decreased Euro 6,718 thousand on December 31, 2023, due to: (i) the decrease in the Post-employment benefit provision for Euro 2,963 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 3,755 thousand, mainly as a result of net accruals (excess of accruals over releases) totalling Euro 2,954 thousand, mainly concerning healthcare risks (Euro 1,861 thousand) and local healthcare authority risks (Euro 1,111 thousand), net of capital utilizations for Euro 6,868 thousand, principally concerning healthcare lawsuits (Euro 4,774 thousand) and local healthcare authority risks (Euro 1,251 thousand).

The Net Capital Employed at September 30, 2024 amounted to Euro 525,371 thousand, an increase of Euro 18,739 thousand on Euro 506,632 thousand at December 31, 2023.

Group Shareholders' Equity at September 30, 2024 totalled Euro 318,841 thousand, increasing Euro 19,956 thousand on December 31, 2023, mainly due to the profit for the period (Euro 18,560 thousand), and the actuarial effect on the post-employment benefit provision (Euro 1,948 thousand), net of the acquisition of treasury shares (Euro 302 thousand) and the recognition of the reserve for the mark to market of the IRS undertaken to hedge the interest rate risk on the new bank loan (negative for Euro 446 thousand).

Net Financial Position

Net financial debt was calculated according to the approach outlined in ESMA Recommendation 2021/32-382-1138/ and Consob Communication No. DEM/6064293 of July 28, 2006.

A breakdown of the composition for the periods ending September 30, 2024 and December 31, 2023 is provided below.

Consolidated figures	2024 Euro '000	2023 Euro '000	Δ vs 2023 Euro '000
A Available liquidity	21,041	22,684	(1,643)
B Cash and cash equivalents	-	-	-
C Other current financial assets	15,781	409	15,373
D Liquidity	36,822	23,093	13,729
E Current financial debt	8,101	28,436	(20,334)
F Current portion of non-current financial debt	894	36,201	(35,307)
G Current financial debt	8,995	64,637	(55,641)
H Net current financial debt (G - D)	(27,827)	41,543	(69,370)
I Non-current financial debt	222,668	164,200	58,468
J Debt instruments	586	-	586
K Trade payables and other non-current payables	-	-	-
L Non-current financial debt (I + J + K)	223,254	164,200	59,054
M Total financial debt (H + L)	195,427	205,743	(10,316)

At September 30, 2024, the Net Financial Position (NFP) of the Garofalo Health Care Group amounts to Euro 195,427 thousand, comprising gross financial debt of Euro 232,249 thousand (Euro 8,995 thousand of current financial debt and Euro 223,254 thousand of non-financial debt) and liquidity of Euro 36,822 thousand.

The NFP therefore decreased Euro 10,316 thousand on December 31, 2023.

In the comparison with the first nine months of 2023, the evolution of the NFP reflects: (i) the management decision not to anticipate the collection of receivables arising from the Out-of-Region production of the Emilia-Romagna facilities (amounting to ca. €8M), motivated by the desire to prioritize - through the non-recourse sale of these receivables - the containment of financial expenses over the cash benefit that would have resulted, (ii) higher financial expenses, which, however, also include in the nine months of 2024 the one-off impact for the capitalization of transaction costs related to the recent financing transaction entered into in July 2024, and (iii) a less favorable trend

in working capital compared to the same period last year, also due to the settlement of one-off items related to the Aurelia Group.

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.

It should also be noted that during the third quarter of 2024, effective July 2024, the Company entered into a derivative financial instrument (Interest Rate Swap) with a notional amount equal to two-thirds of the new medium/long-term bank loan, disbursed for Euro 126.8 million, in order to hedge against the risk of rising interest rates and to stabilise future interest charge payment flows.

4. INVESTMENTS

4.1 Recurring investments

During the first nine months of 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.

4.2 Capex in long-term development and organisational restructuring

The Group continued its capex investments 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. We highlight 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.

5. MANAGEMENT AND CO-ORDINATION

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

6. SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

There were no subsequent events to period-end.

7. OUTLOOK

The Group results for the first nine months of the year, which reflects the natural and scheduled slowdown of activities in the third quarter, confirm the structural growth trends for private out-of-pocket activities and the demand for healthcare and dependency care services, and once again highlight the key role of private accredited operators in providing an adequate response to this demand.

Against this backdrop, the Group will continue to fully execute its accredited activity, also in view of the increased resources which have already been partly allocated to reduce waiting lists. The Group will particularly strengthen its private "out-of-pocket" patient activities, considering this growth trend as a structural shift and not of a temporary nature.

With regards to the Aurelia Hospital Group, in view of the clear focus of the Lazio Region on healthcare, GHC can confirm its development trajectory and the significant improvement expected by the Aurelia Group in 2024, and which shall fully materialise over the coming years.

8. FINANCIAL STATEMENTS

BALANCE SHEET

	For the period ended September 30	For the year ended December 31
<i>in Euro thousands</i>	2024	2023
Goodwill	91,541	156,007
Other intangible assets	281,492	219,258
Property, plant and equipment	292,438	252,989
Investment property	817	846
Equity investments	1,364	1,386
Other non-current financial assets	1,248	3,368
Other non-current assets	1,730	2,238
Deferred tax assets	13,232	14,850
Assets for derivative financial instruments - non-current	0	0
Assets for defined benefit plans	0	0
TOTAL NON-CURRENT ASSETS	683,862	650,942
Inventories	6,072	5,583
Trade receivables	99,560	100,994
Tax receivables	5,119	7,939
Other receivables and current assets	7,483	7,652
Other current financial assets	15,781	409
Cash and cash equivalents	21,041	22,684
Assets for derivative financial instruments - current	0	0
Assets held-for-sale	0	0
TOTAL CURRENT ASSETS	155,057	145,260
TOTAL ASSETS	838,919	796,202

Interim Financial Report at September 30, 2024



	For the period ended September 30	For the year ended December 31
<i>in Euro thousands</i>	2024	2023
Share capital	31,570	31,570
Legal reserve	1,088	614
Other Reserves	267,623	245,903
Group result	18,560	20,799
TOTAL GROUP SHAREHOLDERS' EQUITY	318,841	298,886
Minority interests capital and reserves	10,964	1,929
Minority interest result	139	74
TOTAL SHAREHOLDERS' EQUITY	329,944	300,889
Employee benefits	16,541	19,505
Provisions for risks and charges	24,496	28,251
Non-current financial payables	223,254	164,200
Other non-current liabilities	2,253	4,182
Deferred tax liabilities	103,652	74,770
Derivative financial instrument liabilities - non-current		
TOTAL NON-CURRENT LIABILITIES	370,196	290,908
Trade payables	77,849	87,853
Current financial payables	8,995	64,637
Tax payables	4,863	4,475
Other current liabilities	47,071	47,442
Liabilities for derivative financial instruments (current)		
Liabilities related to assets held-for-sale		
TOTAL CURRENT LIABILITIES	138,778	204,406
TOTAL LIABILITIES	508,975	495,313
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	838,919	796,202

INCOME STATEMENT

<i>in Euro thousands</i>	For the period ended September 30	
	2024	2023
Revenues from services	341,727	258,104
Other revenues	5,602	5,028
TOTAL REVENUES	347,328	263,131
Raw materials and consumables	52,205	34,813
Service costs	137,553	108,050
Personnel costs	82,375	57,205
Other operating costs	16,326	12,392
EBITDA	58,868	50,671
Amortisation, depreciation and write-downs	18,976	15,543
Impairments and other provisions	2,954	2,989
TOTAL OPERATING COSTS	310,390	230,992
EBIT	36,938	32,139
Financial income	314	82
Financial charges	(11,339)	(7,451)
Results of investments at equity	108	83
FINANCIAL INCOME AND CHARGES	(10,917)	(7,286)
PROFIT BEFORE TAXES	26,022	24,853
Income taxes	7,323	6,409
NET PROFIT FOR THE PERIOD	18,698	18,444
Attributable to:		
Group	18,560	18,435
Minority interests	139	9

CASH FLOW STATEMENT

In Euro thousands	September	
	2024	2023
OPERATING ACTIVITIES		
Net Profit for the period	18,698	18,444
<i>Adjustments for:</i>		
- Amortisation and depreciation	18,606	15,400
- Provisions for employee benefit liabilities	701	600
- Provisions net of releases for risks and charges	2,954	2,989
- Provisions net of releases for doubtful debt provision	370	143
- Interest from discounting	1,851	2,800
- Other non-cash adjustments	6,190	276
- Change in investments in associates valued under the equity method	(108)	(83)
- Change in other non-current assets and liabilities	(1,600)	(133)
- Net change in deferred tax assets and liabilities	864	62
- Payments for employee benefits	(1,428)	(1,088)
- Payments for provisions for risks and charges	(6,708)	(1,959)
<i>Changes in operating assets and liabilities:</i>		
(Increase) decrease in trade and other receivables	1,063	15,976
(Increase) decrease in inventories	(489)	(237)
Increase (decrease) in trade and other payables	(10,004)	(4,318)
Other current assets and liabilities	572	(64)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	31,530	48,808
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in intangible assets	(1,504)	(965)
Investments in tangible assets	(11,267)	(10,146)
(Investments)/disposals in financial assets	2,437	(1,145)
Sale of tangible assets	1,067	402
Dividends from associates		80
Acquisition Sanatorio Triestino		(10,754)
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(9,267)	(22,528)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of medium/long term loans	177,800	7,518
Repayment of medium/long-term loans	(165,181)	(11,959)
Issue/(repayment) of short-term loans	(15,973)	(4,408)
Changes in other financial payables	(20,250)	(4,424)
(Acquisition) treasury shares	(302)	(1,030)
NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)	(23,907)	(14,304)
TOTAL CASH FLOWS (D=A+B+C)	(1,643)	11,977
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD (E)	22,684	31,382
CASH & CASH EQUIVALENTS AT END OF PERIOD (F=D+E)	21,041	43,359
Additional information:		
Interest paid	7,347	2,994
Income taxes paid	3,444	3,390

9. DECLARATION OF THE EXECUTIVE OFFICER

The Executive Officer for Financial Reporting of the company Garofalo Health Care S.p.A., Mr. Luigi Celentano, declares in accordance with Article 154-*bis* of Legislative Decree No. 58 of February 24, 1998, that the accounting information contained in this Interim Financial Report at March 31, 2023 corresponds to the underlying accounting documents, records and entries.

Rome, November 14, 2024

**Executive Officer for
Financial Reporting**

(Mr. Luigi Celentano)