



# **INTERIM FINANCIAL REPORT AT MARCH 31, 2024**



## CONTENTS

<b>COMPANY INFORMATION .....</b>	<b>3</b>
<b>CORPORATE BOARDS.....</b>	<b>4</b>
<b>1. METHODOLOGICAL NOTE .....</b>	<b>5</b>
<b>2. GROUP STRUCTURE .....</b>	<b>5</b>
<b>3. GHC GROUP FINANCIAL HIGHLIGHTS.....</b>	<b>8</b>
<b>4. INVESTMENTS .....</b>	<b>12</b>
<b>5. SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD .....</b>	<b>13</b>
<b>6. OUTLOOK .....</b>	<b>13</b>
<b>7. MANAGEMENT AND CO-ORDINATION .....</b>	<b>13</b>
<b>8. FINANCIAL STATEMENTS .....</b>	<b>14</b>
<b>9. DECLARATION OF THE EXECUTIVE OFFICER .....</b>	<b>17</b>

## 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. METHODOLOGICAL NOTE

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

The publication of the Interim Financial Report at March 31, 2024 is governed by the Regulation of Markets organised and managed by "Borsa Italiana" and, in particular, Article 2.2.3, paragraph 3.

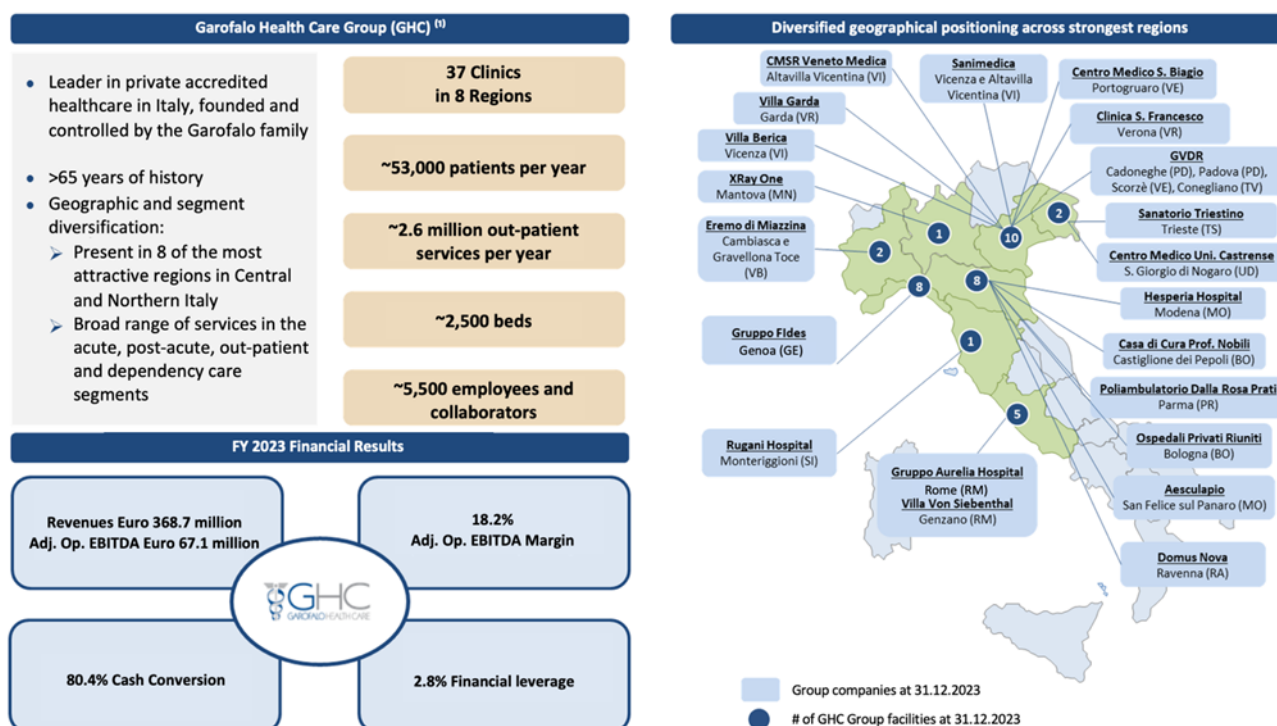
The accounting standards used by the Group are the International Financial Reporting Standards, endorsed by the European Union ("IFRS") and in application of Legislative Decree No. 38/2005 and the other Consob financial statements provisions. The accounting policies and consolidation principles adopted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

The Interim Financial Report at March 31, 2024 was approved by the Board of Directors on May 15, 2024.

## 2. GROUP STRUCTURE

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

The GHC Group is an Italian accredited private healthcare leader operating, at March 31, 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.

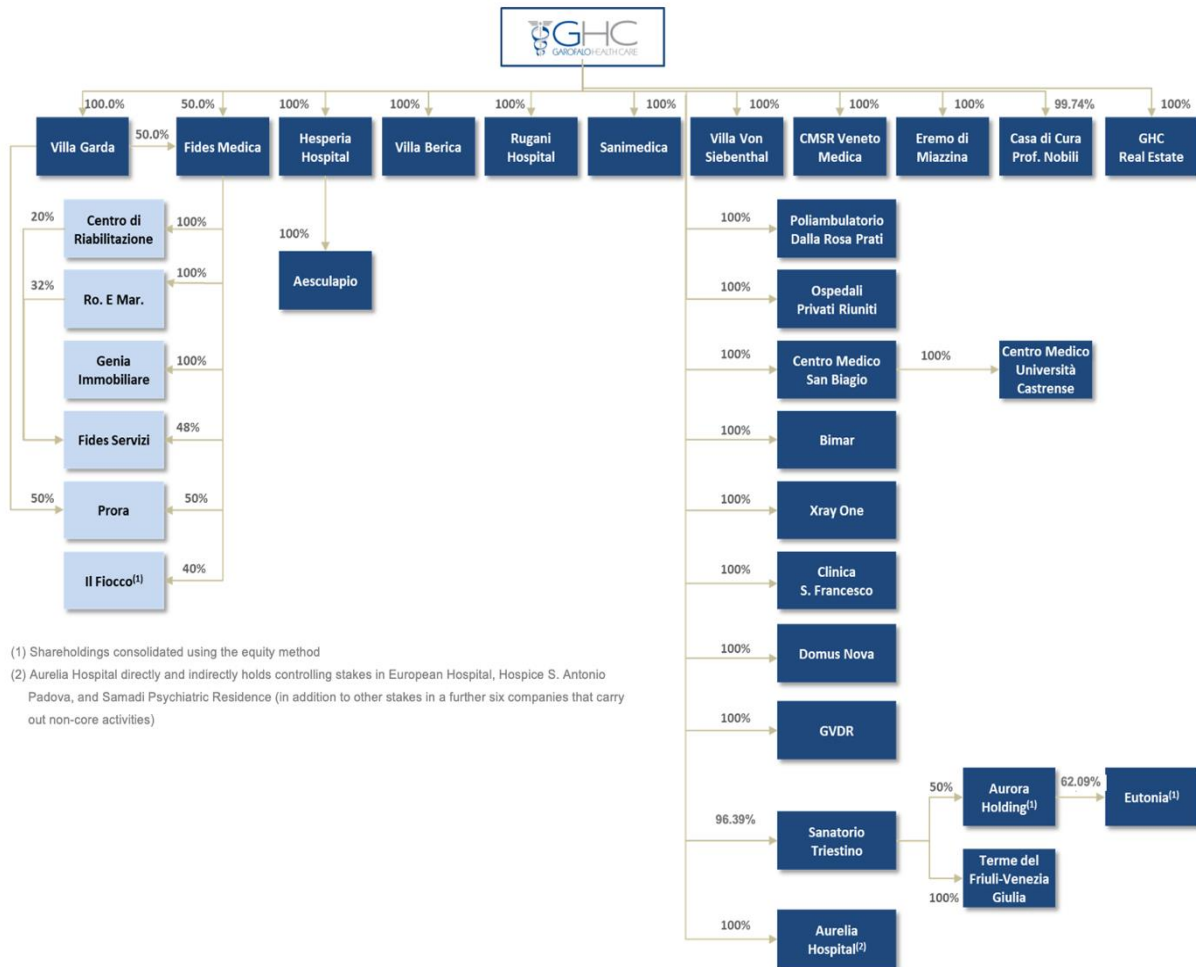


(1) Figures at 31.12.2023 including also the contribution from the acquisition of Sanatorio Triestino in May 2023, and of the 4 clinics based in Rome acquired in November 2023 (Aurelia Hospital, European Hospital, Hospice S. Antonio da Padova, Struttura Residenziale Psichiatrica Samadi)

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 March 31, 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**") in each of the subsidiaries:



### ➤ Group activities by sector

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

<sup>(1)</sup> We note that the various types of assistance are classified as belonging either to the Hospital Sector or the Social Services and Dependency Care Sector depending on legislation and the specific region at hand.

Sector	ACUTE	POST-ACUTE		OUTPATIENT	DEPENDENCY CARE
		Long-term care	Rehabilitation		
Main services provided	<ul style="list-style-type: none"> <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) (37)	Segment	
				Hospital	Social/ Dependency Care
Veneto	<input type="checkbox"/> Villa Berica	1	1	✓	
	<input type="checkbox"/> CMSR Veneto Medica	1	1		✓
	<input type="checkbox"/> Sanimedica	1	1		✓
	<input type="checkbox"/> Villa Garda	1	1	✓	
	<input type="checkbox"/> Centro Medico S. Biagio	1	2 <sup>(1)</sup>		✓
	<input type="checkbox"/> Clinica S. Francesco	1	1	✓	
	<input type="checkbox"/> GVDR	4	1		✓
Lombardy	<input type="checkbox"/> XRay One	1	1		✓
Friuli Venezia-Giulia	<input type="checkbox"/> Centro Medico Università Castrense	1	1		✓
	<input type="checkbox"/> Sanatorio Triestino	1	2 <sup>(2)</sup>	✓	
Piedmont	<input type="checkbox"/> Eremo di Miazina	2	1	✓	✓
Emilia-Romagna	<input type="checkbox"/> Hesperia Hospital	1	1	✓	
	<input type="checkbox"/> Aesculapio	1	1		✓
	<input type="checkbox"/> Casa di Cura Prof. Nobili	1	1	✓	
	<input type="checkbox"/> Poliambulatorio Dalla Rosa Prati	1	1		✓
	<input type="checkbox"/> Ospedali Privati Riuniti	2	1	✓	
	<input type="checkbox"/> Domus Nova	2	1	✓	
Tuscany	<input type="checkbox"/> Rugani Hospital	1	1	✓	
Liguria	<input type="checkbox"/> Fides Group <sup>(3)</sup>	8 <sup>(4)</sup>	6 <sup>(5)</sup>		✓
Lazio	<input type="checkbox"/> Villa Von Siebenthal	1	1		✓
	<input type="checkbox"/> Aurelia Hospital	1	7 <sup>(6)</sup>	✓	
	<input type="checkbox"/> European Hospital	1	1		
	<input type="checkbox"/> Hospice S. Antonio da Padova	1	1		✓
	<input type="checkbox"/> 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 Q1 2024 results indicate a significant increase both in terms of revenues and Adjusted Operating EBITDA on the same period of the previous year.

The operating performance indicators for Q1 2024 compared with the same period of 2023 are presented below.

In this regard, the Q1 2024 figures include also the full contribution of Sanatorio Triestino S.p.A.<sup>2</sup>, acquired on May 4, 2023 and of the Aurelia Hospital Group, acquired on November 16, 2023, both not present in Q1 2023.

Consolidated figures	2024		2023		2024 vs. 2023	
	Euro '000	%	Euro '000	%	Euro '000	%
Revenues	126,136	100.0%	92,285	100.0%	33,851	36.7%
Total operating costs (excl. Adjustments) <sup>3</sup>	(101,064)	-80.1%	(73,523)	-79.7%	(27,541)	37.5%
Adjusted Op. EBITDA	25,072	19.9%	18,762	20.3%	6,310	33.6%
Other Costs ("Adjustments")	(21)	0.0%	1,040	1.1%	(1,061)	-102.0%
Operating EBITDA	25,051	19.9%	19,802	21.5%	5,248	26.5%
Amortisation, depreciation and write-downs	(5,969)	-4.7%	(5,004)	-5.4%	(964)	19.3%
Impairments and other provisions	(1,481)	-1.2%	(833)	-0.9%	(648)	77.7%
EBIT	17,601	14.0%	13,965	15.1%	3,636	26.0%
Net financial charges	(3,490)	-2.8%	(2,215)	-2.4%	(1,274)	57.5%
Profit before taxes	14,111	11.2%	11,749	12.7%	2,362	20.1%
Income taxes	(4,022)	-3.2%	(3,060)	-3.3%	(962)	31.5%
Net Profit	10,089	8.0%	8,690	9.4%	1,400	16.1%
Group Net Profit	10,059	8.0%	8,689	9.4%	1,371	15.8%
Minority interests	30	0.0%	1	0.0%	29	0.0%

#### 2024 Consolidated Revenues Overview

GHC consolidated revenues in Q1 2024 amounted to Euro 126,136 thousand, up 36.7% on Euro 92,285 thousand in the same period of 2023.

<sup>2</sup> Including majority interest in Terme del Friuli Venezia Giulia s.r.l.

<sup>3</sup> Adjustments: these include non-recurring revenues and costs and one-off costs (e.g. M&A costs)



The increase in revenues of Euro 33,851 thousand is due for Euro 29,452 thousand to the change in scope (approx. Euro 24.4 million concerning the Aurelia Group and approx. Euro 5.0 million Sanatorio Triestino), and with Euro 4,399 thousand concerning the increased production of the companies at like-for-like consolidation scope. .

Consolidated revenues in Euro thousands	1Q 2024 Actual	1Q 2023 Actual	1Q24 vs. 1Q23 Euro '000	1Q24 vs. 1Q23 %
<b>Total</b>	<b>126,136</b>	<b>92,285</b>	<b>33,851</b>	<b>36.7%</b>
<i>of which repayments of "additional COVID costs"</i>	-	1,225	(1,225)	-100.0%
<i>of which Sanatorio Triestino + Aurelia Hospital</i>	29,452	-	29,452	n/a

The increased production of the companies at like-for-like consolidation scope (+4.8% on Q1 2023) was driven by the increase in services provided to private patients and to out-of-region patients, up respectively 7.3% and 10.2% on Q1 2023. This confirms the popularity of the Group's clinics and the increasing demand for healthcare services on the Italian market, in addition to the increased services provided to regional patients under the agreement with the NHS, emerging earlier than in the previous year, partly due to the obtaining of the additional budgets assigned by a number of Regions as they seek to reduce patient waiting lists.

## 2024 Consolidated Costs Overview

Consolidated operating costs in the first three months of 2024, net of Adjustments, totalled Euro 101,064 thousand, increasing Euro 27,541 thousand (+37.5%) on Euro 73,523 thousand in the same period of 2023.

The increase stems for Euro 25,939 from the change in scope and only for Euro 1,602 thousand from the companies at like-for-like scope, 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 Adjusted Operating EBITDA<sup>3</sup> amounted to Euro 25,072 thousand, up 33.6% on Euro 18,762 thousand in Q1 2023. The increase of Euro 6,310 thousand relates for Euro 3,513 thousand to the change in scope, of which approx. Euro 2.5 million concerning the Aurelia Group and approx. Euro 1.0 million Sanatorio Triestino, with Euro 2,797 thousand relating to the companies at like-for-like consolidation scope.

The Adjustments, negative for Euro 21 thousand at March 31, 2024, entirely comprises M&A costs, decreasing on the first quarter of 2023, in which they were positive for Euro 1,040 thousand as the COVID reimbursements related to previous years were received for Euro 1,301 thousand, net of the COVID costs incurred for Euro 234 thousand and M&A costs for Euro 27 thousand.

The Group's Adjusted Operating EBITDA margin was 19.9%.

Consolidated Op. EBITDA and Adj. Op. EBITDA in Euro thousands	1Q 2024 Actual	1Q 2023 Actual	1Q24 vs. 1Q23 Euro '000	1Q24 vs. 1Q23 %
<b>Reported Op. EBITDA</b>	<b>25,051</b>	<b>19,802</b>	<b>5,248</b>	<b>26.5%</b>
<i>+ additional COVID costs (net reimbursements)</i>	0	(1,067)	1,067	-100.0%
<i>+ M&amp;A costs</i>	21	27	(5)	-20.1%
<b>Adjusted Op. EBITDA</b>	<b>25,072</b>	<b>18,762</b>	<b>6,310</b>	<b>33.6%</b>
<i>of which Sanatorio Triestino + Aurelia Hospital</i>	3,513	0	3,513	n/a
<i>Reported Op. EBITDA Margin (%)</i>	19.9%	21.5%	-	-
<i>Adjusted Op. EBITDA Margin (%)</i>	19.9%	20.3%	-	-

## 2024 Consolidated EBIT overview

EBIT in Q1 2024 totalled Euro 17,601 thousand, increasing Euro 3,636 thousand (+26.0%) on Euro 13,965 thousand in Q1 2023.

This result includes amortisation, depreciation and write-downs in the period of Euro 5,969 thousand, increasing Euro 965 thousand on Q1 2023, mainly due to the change in the consolidation scope, in addition to adjustments and other provisions for Euro 1,481 thousand, increasing Euro 647 thousand on Q1 2023, mainly as a result of the greater provisions for healthcare lawsuits, net of the negative releases. We highlight however that the percentage of adjustments and other provisions was substantially in line with historic trends at 1.2% of revenues.

<i>Consolidated EBIT</i> in Euro thousands	1Q 2024 Actual	1Q 2023 Actual	1Q24 vs. 1Q23 Euro '000	1Q24 vs. 1Q23 %
<b>Reported Op. EBITDA</b>	<b>25,051</b>	<b>19,802</b>	<b>5,248</b>	<b>26.5%</b>
- Amortisation of intangible assets	(277)	(234)	(44)	18.8%
- Depreciation of property, plant & equip.	(5,612)	(4,606)	(1,005)	21.8%
- Write-downs	(80)	(164)	85	-51.5%
<b>Amortisation, depreciation &amp; write-downs</b>	<b>(5,969)</b>	<b>(5,004)</b>	<b>(965)</b>	<b>19.3%</b>
- End of mandate provisions	(6)	(6)	0	0.0%
- Healthcare lawsuit provisions	(1,905)	(663)	(1,242)	187.4%
- Local Health Authority risk provisions	(672)	(424)	(249)	58.7%
- Other risk provisions	(61)	(11)	(50)	n/a
+ Release of provisions	1,164	270	893	n/a
<b>Impairments and other provisions</b>	<b>(1,481)</b>	<b>(834)</b>	<b>(647)</b>	<b>77.6%</b>
<b>= EBIT</b>	<b>17,601</b>	<b>13,965</b>	<b>3,636</b>	<b>26.0%</b>
<i>EBIT Margin (%)</i>	<i>14.0%</i>	<i>15.1%</i>	-	-

## 2024 Consolidated Net Profit overview

The Net Profit was Euro 10,089 thousand, an increase of Euro 1,400 thousand on Euro 8,690 thousand in Q1 2023.

This amount takes account of net financial charges of Euro 3,490 thousand, increasing Euro 1,274 thousand on Q1 2023, as a result of higher interest rates and of the average debt as a result of the change in scope, and income taxes of Euro 4,022 thousand, increasing Euro 962 thousand on the same period of the previous year, mainly due to the increased pre-tax profit.

## Balance Sheet

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

Consolidated figures Uses	2024	2023	Δ vs 2023
	March	December	Euro '000
Goodwill	156,010	156,007	-
Intangible and tangible assets	472,620	473,093	(472)
Financial assets	2,399	4,754	(2,355)
<b>I Fixed capital</b>	<b>631,026</b>	<b>633,854</b>	<b>(2,827)</b>
Trade Receivables	124,741	100,994	23,748
Inventories	5,935	5,583	352
Trade Payables	(92,906)	(87,853)	(5,053)
<b>Net Operating Working Capital</b>	<b>37,770</b>	<b>18,724</b>	<b>19,046</b>
Other assets/liabilities	(44,104)	(38,270)	(5,834)
<b>II Net Working Capital</b>	<b>(6,333)</b>	<b>(19,546)</b>	<b>13,212</b>
Net deferred taxes	(60,669)	(59,921)	(749)
Provisions	(44,319)	(47,755)	3,436
<b>III Total Uses (NET CAPITAL EMPLOYED)</b>	<b>519,705</b>	<b>506,632</b>	<b>13,073</b>
<b>IV Net financial debt</b>	<b>206,771</b>	<b>205,743</b>	<b>1,027</b>
Minority interest net equity	2,050	2,003	47
Group shareholders' equity	310,885	298,886	11,999
<b>V Shareholders' Equity</b>	<b>312,935</b>	<b>300,889</b>	<b>12,046</b>
<b>VI Total sources of financing</b>	<b>519,705</b>	<b>506,632</b>	<b>13,073</b>

Fixed capital at March 31, 2024 amounted to Euro 631,026 thousand, decreasing Euro 2,827 thousand on December 31, 2023, mainly due to the decrease in financial assets as a result of the redemption of the policies held by Sanatorio in the "Gestione Speciale Ri.ALTO" fund of the Generali Group (Euro 2.3 million).

Net operating working capital at March 31, 2024 of Euro 37,770 thousand increased Euro 19,046 on December 31, 2023, mainly due to the normal and temporary increase of trade receivables as a result of the increased production in Q1 2024 and the receivables not yet collected regarding a portion of the out-of-region production in 2023. It should be noted that these receivables are expected to be collected during the second quarter of 2024, with a resulting positive impact on Net Operating Working Capital.

The increase in net liabilities is mainly due to the declaration of income taxes for the period.

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 March 31, 2024 were unchanged on December 31, 2023 and amount to approx. Euro 10,535 thousand.

Net working capital therefore increased Euro 13,212 thousand as a result of the increase in net operating working capital.

Provisions at March 31, 2024 decreased Euro 3,436 thousand on December 31, 2023, due to: (i) the decrease in the Post-employment benefit provision for Euro 3,092 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 345 thousand, as a result of net accruals (excess of accruals over releases) totalling Euro 1,481 thousand, mainly concerning healthcare risks (Euro 922 thousand) and local healthcare authority risks (Euro 562 thousand), net of capital utilisations for Euro 1,826 thousand, principally concerning healthcare lawsuits (Euro 1,457 thousand) and local healthcare authority risks (Euro 301 thousand).

Net capital employed at March 31, 2024, amounted to Euro 519,705 thousand, an increase of Euro 13,073 thousand on Euro 506,632 thousand at December 31, 2023.

Group Shareholders' Equity at March 31, 2024 totalled Euro 310,885 thousand, increasing Euro 11,999 thousand on December 31, 2023, mainly due to the profit for the period (Euro 10,059 thousand), and the actuarial effect on the post-employment benefit IAS 19 reserve (for Euro 2,033 thousand), net of the acquisition of treasury shares (Euro 77 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 composition at March 31, 2024 and December 31, 2023 is provided below.

Consolidated figures	2024 March Euro '000	2023 December Euro '000	Δ vs 2023 Euro '000
A Available liquidity	23,597	22,684	912
B Cash equivalents			0
C Other current financial assets	390	409	(19)
<b>D Liquidity</b>	<b>23,986</b>	<b>23,093</b>	<b>893</b>
E Current financial debt	31,103	28,436	2,667
F Current portion of non-current financial debt	38,103	36,201	1,902
<b>G Current financial debt</b>	<b>69,206</b>	<b>64,637</b>	<b>4,569</b>
<b>H Net current financial debt (G - D)</b>	<b>45,220</b>	<b>41,543</b>	<b>3,676</b>
I Non-current financial debt	161,551	164,200	(2,649)
J Debt instruments			0
K Trade payables and other non-current payables			0
<b>L Non-current financial debt (I + J + K)</b>	<b>161,551</b>	<b>164,200</b>	<b>(2,649)</b>
<b>M Total financial debt (H + L)</b>	<b>206,771</b>	<b>205,743</b>	<b>1,027</b>

At March 31, 2024, the Net Financial Position (NFP) of the Garofalo Health Care Group amounts to Euro 206,771 thousand, comprising gross financial debt of Euro 230,757 thousand (Euro 69,206 thousand of current financial debt and Euro 161,551 thousand of non-financial debt) and liquidity of Euro 23,986 thousand. The NFP increased Euro 1,027 thousand compared to December 31, 2023 as a result of the normal dynamics of net working capital, which increased during the first quarter of the year as a result of the higher production compared to the last quarter of the previous year.

## **4. INVESTMENTS**

### **4.1 Recurring investments**

During the first three 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**

In Q1 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.

### **5. SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD**

There were no subsequent events to quarter-end.

### **6. OUTLOOK**

The sharp increase in private "out-of-pocket" activity recorded by the Group during both 2023 and early 2024 is clear confirmation of exponentially growing healthcare needs.

In this context, the Group will continue to fully execute its accredited activity, also including the increased resources which have already been partly allocated to reduce the waiting lists and also particularly strengthening and developing its private "out-of-pocket" patient activities.

With reference to the Aurelia Hospital Group, the actions undertaken by the GHC Group enabled in Q1 2024 an improved performance on 2023, which was considerably affected by the liquidation process that arose due to irreconcilable disagreements among shareholders. For the remainder of 2024, GHC expects the efficiency and reorganisation activities to yield the expected benefits by further improving the margins of the acquired facilities. In this regard, it should also be noted that the Lazio Region, with a resolution of December 28, 2023, recognised an extra-budget of €1.6M in favour of Aurelia Hospital starting from 2024, with the allocation of additional 16 authorised and accredited General Medicine beds, to date already in full occupancy.

Finally, GHC confirms its medium-term objective in relation to the new acquired companies, which envisages the achievement - progressively over the next few years - of a margin aligned with that expressed by the other complex hospital facilities of the Group.

### **7. 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.

## 8. FINANCIAL STATEMENTS

### BALANCE SHEET

	For the period ended March 31	For the year ended December 31
<i>in Euro thousands</i>	2024	2023
Goodwill	156,010	156,007
Other intangible assets	219,658	219,258
Property, plant and equipment	252,126	252,989
Investment property	836	846
Equity investments	1,386	1,386
Other non-current financial assets	1,010	3,368
Other non-current assets	1,635	2,238
Deferred tax assets	14,080	14,850
<b>TOTAL NON-CURRENT ASSETS</b>	<b>646,741</b>	<b>650,942</b>
Inventories	5,935	5,583
Trade receivables	124,741	100,994
Tax receivables	6,410	7,939
Other receivables and current assets	8,659	7,652
Other current financial assets	390	409
Cash and cash equivalents	23,597	22,684
<b>TOTAL CURRENT ASSETS</b>	<b>169,731</b>	<b>145,260</b>
<b>TOTAL ASSETS</b>	<b>816,472</b>	<b>796,202</b>

	For the period ended March 31	For the year ended December 31
<i>in Euro thousands</i>	2024	2023
Share capital	31,570	31,570
Legal reserve	614	614
Other reserves	268,642	245,903
Group Net Profit	10,059	20,799
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>	<b>310,885</b>	<b>298,886</b>
Non-controlling interests capital and reserves	2,020	1,929
Minority interest result	30	74
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>312,935</b>	<b>300,889</b>
Employee benefits	16,413	19,505
Provisions for risks and charges	27,906	28,251
Non-current financial payables	161,551	164,200
Other non-current liabilities	4,007	4,182
Deferred tax liabilities	74,749	74,770
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>284,626</b>	<b>290,908</b>
Trade payables	92,906	87,853
Current financial payables	69,206	64,637
Tax payables	7,516	4,475
Other current liabilities	49,284	47,442
<b>TOTAL CURRENT LIABILITIES</b>	<b>218,912</b>	<b>204,406</b>
<b>TOTAL LIABILITIES &amp; SHARE. EQUITY</b>	<b>503,538</b>	<b>495,313</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>816,472</b>	<b>796,202</b>

**INCOME STATEMENT**

	For the period ended March 31	
<i>in Euro thousands</i>	2024	2023
Revenues from services	124,265	89,568
Other revenues	1,871	2,717
<b>TOTAL REVENUES</b>	<b>126,136</b>	<b>92,285</b>
Raw materials and consumables	19,077	12,515
Service costs	47,815	36,925
Personnel costs	28,291	19,084
Other operating expenses	5,903	3,959
<b>TOTAL OPERATING COSTS</b>	<b>101,085</b>	<b>72,483</b>
<b>TOTAL EBITDA</b>	<b>25,051</b>	<b>19,802</b>
Amortisation, depreciation and write-downs	5,969	5,004
Impairments and other provisions	1,481	833
<b>TOTAL AMORTISATION, DEPRECIATION, WRITE-DOWNS, PROVISIONS AND OTHER ADJUSTMENTS</b>	<b>7,450</b>	<b>5,838</b>
<b>EBIT</b>	<b>17,601</b>	<b>13,965</b>
Financial income	45	6
Financial charges	(3,535)	(2,221)
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>(3,490)</b>	<b>(2,215)</b>
<b>PROFIT BEFORE TAXES</b>	<b>14,111</b>	<b>11,749</b>
Income taxes	(4,022)	(3,060)
<b>NET PROFIT FOR THE PERIOD</b>	<b>10,089</b>	<b>8,690</b>
Attributable to:		
Group	10,059	8,689
Minority interests	30	1



## CASH FLOW STATEMENT

In Euro thousands	March	
	2024	2023
<b>OPERATING ACTIVITIES</b>		
<b>Profit for the period</b>	<b>10,089</b>	<b>8,690</b>
<i>Adjustments for:</i>		
- Amortisation and depreciation	5,890	4,840
- Provisions for employee benefit liabilities	109	179
- Provisions net of releases for risks and charges	1,481	833
- Provisions net of releases for doubtful debt provision	80	164
- Interest from discounting	283	319
- Other non-cash adjustments	2,610	1,628
- Change in other non-current assets and liabilities	487	(187)
- Net change in deferred tax assets and liabilities	107	217
- Payments for employee benefits	(637)	(281)
- Payments for provisions for risks and charges	(1,826)	(603)
<i>Changes in operating assets and liabilities:</i>		
(Increase) decrease in trade and other receivables	(23,827)	(17,140)
(Increase) decrease in inventories	(352)	(196)
Increase (decrease) in trade and other payables	5,053	1,436
Other current assets and liabilities	4,723	2,723
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>4,268</b>	<b>2,621</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments in intangible assets	(306)	(360)
Investments in tangible assets	(4,472)	(3,365)
(Investments)/disposals in financial assets	2,300	(21)
Sale of tangible assets	8	13
<b>CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)</b>	<b>(2,470)</b>	<b>(3,733)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of medium/long-term loans	(784)	(153)
Issue/(repayment) of short-term loans	1,542	4,480
Changes in other financial payables	(1,565)	(1,438)
(Acquisition) treasury shares	(77)	(450)
<b>NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)</b>	<b>(885)</b>	<b>2,439</b>
<b>TOTAL CASH FLOWS (D=A+B+C)</b>	<b>913</b>	<b>1,327</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>23,597</b>	<b>32,709</b>
<b>Additional information:</b>		
Interest paid		
Income taxes paid		

## 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, 2024 corresponds to the underlying accounting documents, records and entries.

Rome, May 15, 2024

**Executive Officer for  
Financial Reporting**

(Mr. Luigi Celentano)