2024 DIRECTORS' REPORT

DIRECTORS' REPORT

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

CALLING OF THE SHAREHOLDERS' MEETING

The Board of Directors met today and resolved to convene the Garofalo Health Care S.p.A. Shareholders' Meeting on 30 April 2025 in a single call to discuss and resolve on the following

Agenda

Ordinary Part

1. **Financial statements of Garofalo Health Care S.p.A. as at 31 December 2024. Report of the Directors on operations for the financial year 2024. Report of the Board of Statutory Auditors and the Independent Auditors. Presentation of the consolidated financial statements as at 31 December 2024 and of the consolidated sustainability report pursuant to Legislative Decree no. 39 of 27 January 2010 and Regulation (EU) 2020/852 (Taxonomy Regulation) relating to the financial year 2024. Related and consequent resolutions.**
2. **Allocation of the profit for the year and distribution of the dividend. Related and consequent resolutions.**
3. **Resolutions concerning the report on remuneration policy and compensation paid pursuant to Articles 123-ter of Legislative Decree No. 58 of 24 February 1998 (CFA) and 84-quater of Consob Regulation No. 11971/1999 (Issuers' Regulation):**
    a. **Binding vote on the remuneration policy for the financial year 2025 outlined in the first section of the report. Related and consequent resolutions;**
    b. **Consultation on the second section of the report concerning remuneration paid in or related to the financial year 2024. Related and consequent resolutions.**
4. **Authorisation to purchase and dispose of treasury shares (buy-back) pursuant to and for the purposes of Articles 2357 et seq. of the Italian Civil Code, 132 of Legislative Decree no. 58 of 24 February 1998 (CFA), 144-bis of Consob Regulation no. 11971/1999 (Issuers' Regulation), 5 of Regulation (EU) no. 596/2014 (MAR), 3 and 4 of Delegated Regulation (EU) no. 2016/1052, subject to revocation of the previous authorisation to purchase and dispose of treasury shares. Related and consequent resolutions.**
5. **Amendment of the Rules of Procedure of the Shareholders' Meeting. Related and consequent resolutions.**

Extraordinary Part

6. **Attribution to the Board of Directors of the power, pursuant to Article 2443 of the Civil Code, to increase the share capital, in one or more times and also in tranches, in each case by payment, in divisible form and with the exclusion of option rights pursuant to Article 2441, paragraphs 4 and 5, of the Civil Code. Consequent amendment of Article 5 of the Articles of Association. Related and consequent resolutions**

As allowed by Article *135-undecies*.1 of the TUF and provided for in Article 19, paragraph 3, of the Bylaws, the participation in the Shareholders' Meeting of those with voting rights will take place exclusively through the representative designated by the Company, pursuant to Article *135-undecies*.1 of the CFA, without physical participation by shareholders, in accordance with the procedures that will be indicated in the notice of call.

The notice of call accompanied by all the information required by Article *125-bis* of the CFA, as well as all the documentation that will be submitted to the Shareholders' Meeting pursuant to Articles *125-ter* and *125-quater* of the CFA, will be made available to the public, within the terms of the law, at the Company's registered office in Rome, Piazzale delle Belle Arti No. 6, on the Company's website www.garofalohealthcare.com, Governance / Shareholders' Meeting Section, and at the authorised eMarket Storage mechanism (www.emarketstorage.com).

LETTER TO THE SHAREHOLDERS

Dear Stakeholders,

In 2024 our Group strengthened its position in the Italian healthcare sector and achieved excellent economic and financial results, with growth across all financial indicators. This success was mainly driven by the further development of activities with regard to private out-of-pocket patients, which increased by 6.5%, and out-of-region patients, which grew by 8.5%.

These results not only confirm our Group's ability to respond effectively to the demand for high-quality care and our position of leadership in the sector, but also demonstrate the trust that patients place in our facilities, recognizing the excellence of our centers and our ability to innovate and constantly improve the services we provide. In this spirit, in 2024 we invested over 22 million euros in expanding and innovating our services: investments dedicated to improving the comfort and functionality of our facilities as well as expanding their technological equipment, aware that organic growth - already significant in 2024 - will remain a key factor for the Group's development in 2025 as well.

At the same time, the Group is also focusing its efforts on the full development and integration of the companies acquired in 2023, including the Aurelia Hospital Group, with a program to increase efficiency and improve performance, the results of which have already been clearly visible in this financial statement. Our strategy of growth through external lines, in fact, does not only aim to expand our portfolio, but above all to improve our ability to offer specialized and high-quality care and to integrate new skills and resources, enriching our Group and making it even more competitive, demonstrating our strategic vision of wanting to be more and more a point of reference in the Italian healthcare sector.

In this regard, the healthcare sector in Italy has confirmed its trend of growing healthcare needs also in 2024, bringing out with ever greater clarity the crucial importance of collaboration between the public sector and the accredited private sector, the only true way to face the structural and secular challenges to which we are all called to provide adequate answers.

Only through a joint and coordinated commitment between all the actors in the system, in fact, it will be possible to guarantee a truly sustainable service, capable of adequately responding to the growing needs of the population.

The significant budget increases granted to our Group in the first months of 2025, particularly for the facilities of Rugani Hospital in the Tuscany Region and Aurelia Group in the Lazio Region, are an extremely positive sign for the performance of the current fiscal year. We are, moreover, confident that in the coming months we will be awarded further budget increases to be allocated to the reduction of waiting lists.

The growth we are experiencing is the result of the work and dedication of all our employees, as well as the trust that you, the shareholders, have placed in our development projects and our vision. For this reason, we are excited to announce, for the first time in our history, the distribution of a dividend: a tangible sign of our company's financial solidity that will allow us to accelerate the process of development and value creation, while remunerating, with a parallel and balanced dividend policy, all the investors who have believed in us.

"Health is the most precious asset that man can have," my father used to say, considering health as a fundamental premise for any possibility of economic and social development. In the wake of these words, we will continue to work with dedication and commitment in 2025, to ensure that the demand for healthcare continues to find the best answers in our facilities and to guarantee our country the future and development it deserves, with a clear mission: to offer high quality care, constantly innovate and operate in a sustainable way.

The Chief Executive Officer
Ms. Maria Laura Garofalo

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 AND SUSTAINABILITY REPORTING
LUIGI CELENTANO

1. STRUCTURE OF THE GROUP

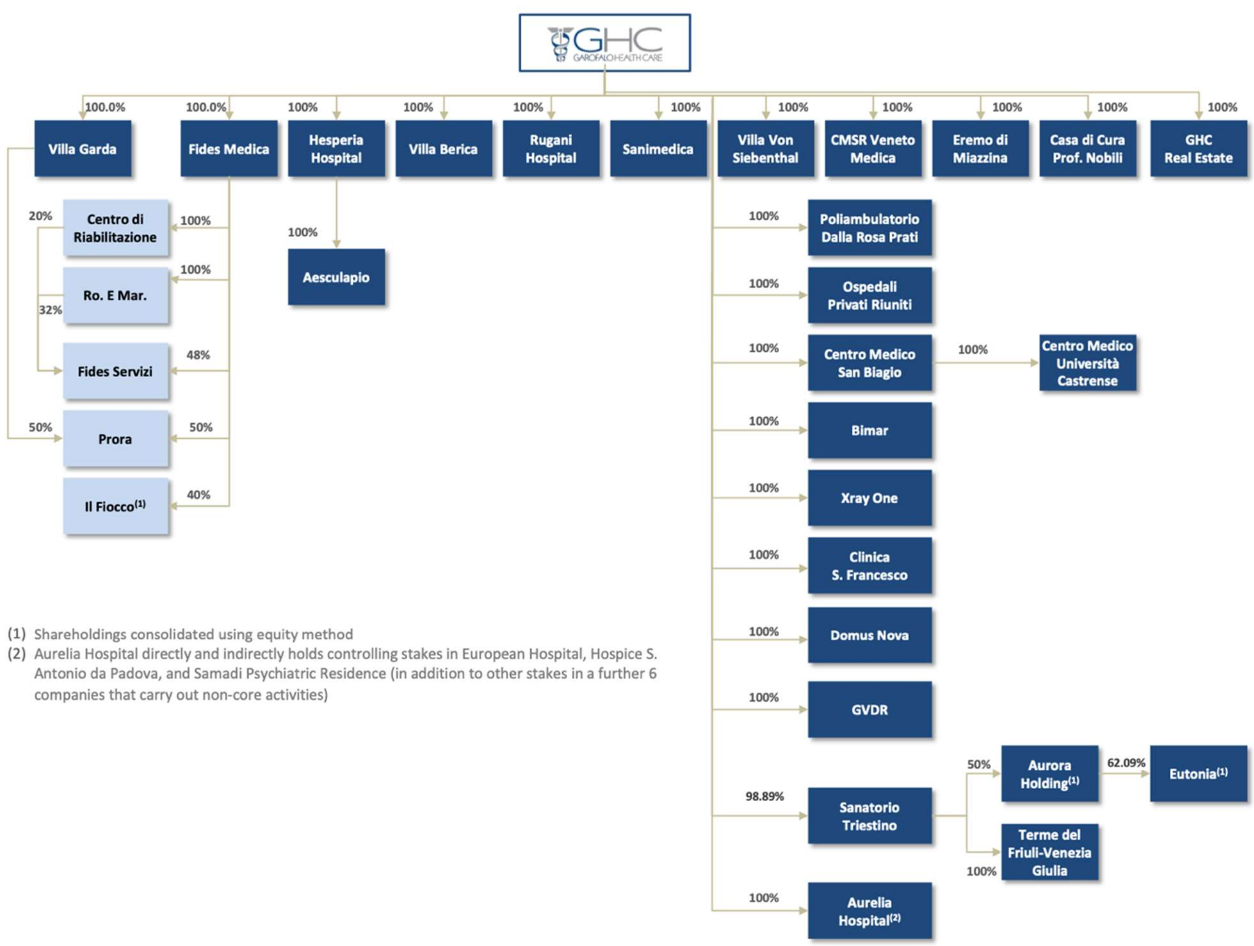
➢ Overview of the Group's healthcare facilities

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

The Group mainly 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 December 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 Company**") in each of the subsidiaries:



(1) Shareholdings consolidated using equity method
(2) Aurelia Hospital directly and indirectly holds controlling stakes in European Hospital, Hospice S. Antonio da Padova, and Samadi Psychiatric Residence (in addition to other stakes in a further 6 companies that carry out non-core activities)

Significant shareholders

The table below reports the Garofalo Health Care S.p.A. ownership structure at December 31, 2024, including significant equity interests.

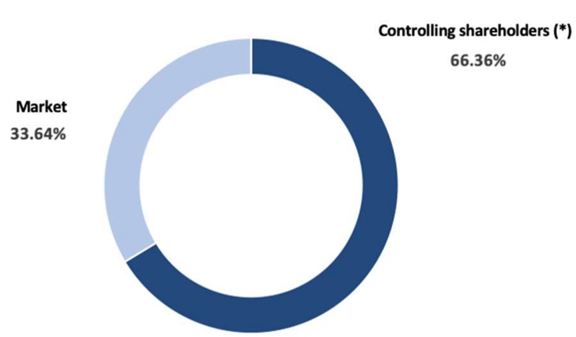
Garafalo Health Care S.p.A. shareholders	No. share	% shares with voting rights	Voting rights	% voting rights
Controlling shareholder (*)	58,709,267	66.36%	58,709,267	65.13%
Market	29,756,533	33.64%	31,429,533	34.87%
Total shares with voting rights at the Shareholders' Meeting	**88,465,800**	**100.00%**	**90,138,800**	**100.00%**
Treasury shares (**)	1,734,200		(**)	
TOTAL:				

(*) includes shares held directly and indirectly by the Chief Executive Officer Maria Laura Garofalo
(**) Treasury shares with suspended voting rights at 31.12.2024

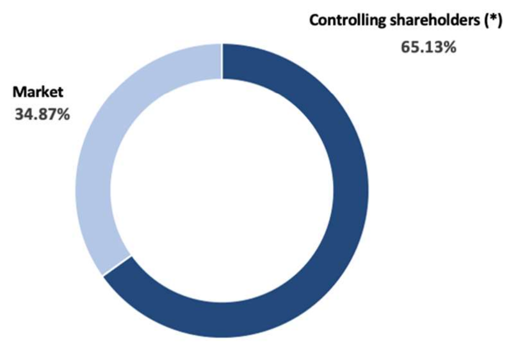
Garafalo Health Care S.p.A. shareholders with stakes greater than 5%	No. share	% shares with voting rights	Voting rights	% voting rights
Larama 98 S.p.A. (***)	45,516,000	51.45%	45,516,000	50.50%
Maria Laura Garofalo	11,312,667	12.79%	11,312,667	12.55%
Fondazione Enasarco	4,760,620	5.38%	4,760,620	5.28%

(***) 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, 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 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 2024, the GHC share price rose approx. 19%[1].

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 2024 *(Euro)*	
IPO offer price on November 9, 2018	3.34
Official price as of December 30, 2024 (last trading day of the year)	5.4486
Official price as of January 2, 2024 (first trading day of the year)	4.5615
Number of GHC ordinary shares at December 30, 2024	90,200,000
Number of GHC ordinary shares at January 2, 2024	90,200,000
Treasury shares held on December 30, 2024	1,734,200
Ordinary shares in circulation on December 30, 2024	88,465,800
Treasury shares held on January 2, 2024	1,651,267
Ordinary shares in circulation on January 2, 2024	88,548,733
Market capitalisation on December 30, 2024[2]	482,014,758
Market capitalisation on January 2, 2024[3]	403,915,046

Coverage of GHC stock by financial analysts

At December 31, 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.

2. GROUP OVERVIEW

GHC Group financial highlights

The 2024 results indicate a significant increase both in terms of revenues and Operating EBITDA on the same period of the previous year.
The operating performance indicators for 2024 compared with 2023 are presented below.

[1] Calculated net of treasury shares held by the Company on the same date

[2] Calculated net of treasury shares held by the Company on the same date.

[3] Calculated net of treasury shares held by the Company on the same date.

It should be noted that the figures for 2024 include the full contribution of Sanatorio Triestino S.p.A.[4], acquired on May 4, 2023, and therefore consolidated for eight months in the figures at December 31, 2023, and of the Aurelia Hospital Group, acquired on November 16, 2023, and therefore consolidated for only one and a half months in the figures at December 31, 2023.

Consolidated figures	2024		2023		2024 vs. 2023	
	Euro '000	%	Euro '000	%	Euro '000	%
Revenues	**470,706**	***100.0%***	**368,703**	***100.0%***	**102,003**	***27.7%***
Total operating costs (excl. Adjustments)	(392,179)	*-83.3%*	(301,641)	*-81.8%*	(90,537)	*30.0%*
Adjusted Op. EBITDA	**78,526**	***16.7%***	**67,061**	***18.2%***	**11,465**	***17.1%***
Other Costs ("Adjustments")[5]	(269)	*-0.1%*	(544)	*-0.1%*	275	*-50.6%*
Management incentive plans	(1,634)	*-0.3%*	(1,615)	*-0.4%*	(19)	*1.2%*
Operating EBITDA	**76,624**	***16.3%***	**64,903**	***17.6%***	**11,722**	***18.1%***
Amortisation depreciation and impairments	(26,158)	*-5.6%*	(23,115)	*-6.3%*	(3,043)	*13.2%*
Impairments and other provisions	(6,339)	*-1.3%*	(2,557)	*-0.7%*	(3,782)	*147.9%*
EBIT	**44,127**	***9.4%***	**39,231**	***10.6%***	**4,897**	***12.5%***
Net financial charges	(13,441)	*-2.9%*	(10,300)	*-2.8%*	(3,141)	*30.5%*
Result before taxes	**30,686**	***6.5%***	**28,931**	***7.8%***	**1,756**	***6.1%***
Income taxes	(8,838)	*-1.9%*	(8,058)	*-2.2%*	(779)	*9.7%*
Net Profit	**21,848**	***4.6%***	**20,873**	***5.7%***	**976**	***4.7%***
Group Net Profit	**21,701**	***4.6%***	**20,799**	***5.6%***	**903**	***4.3%***
Minority interests	146	*0.0%*	74	*0.0%*	72	*0.0%*

2024 Consolidated Revenues Overview

GHC consolidated revenues in 2024 amounted to Euro 470,706 thousand, up 27.7% on Euro 368,703 thousand in 2023.

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[4] Including majority interest in Terme del Friuli Venezia Giulia s.r.l.

[5] Adjustments: these include non-recurring revenues and costs (e.g. net impact of additional COVID costs only in 2023) and one-off costs (e.g. M&A costs)

The increase in revenues of Euro 102,003 thousand is due for Euro 85,826 thousand to the change in scope (Euro 78,729 thousand concerning the Aurelia Group and Euro 7,097 thousand Sanatorio Triestino), and with Euro 16,176 thousand concerning the increased production of the companies at like-for-like consolidation scope.

Consolidated revenues *in Euro thousands*	**FY 2024 Actual**	**FY 2023 Actual**	**FY24 vs. FY23 Euro '000**	**FY24 vs. FY23 %**
Total	**470,706**	**368,703**	**102,003**	**27.7%**
of which repayments of "additional COVID costs"	-	*1,307*	*(1,307)*	*-100.0%*
of which Sanatorio Triestino + Aurelia Hospital	*110,446*	*24,620*	*85,826*	*n.a.*

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 6.5% and 8.5% on 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 2024, net of adjustments, totalled Euro 392,179 thousand, increasing Euro 90,537 thousand (+30.0%) on Euro 301,641 thousand in 2023.

The increase in costs stems for Euro 78,465 thousand from the change in scope and for Euro 12,072 thousand from the companies at like-for-like scope, as a result of the increased production volumes, highlighting on like-for-like scope a less proportional increase in operating costs than revenues.

2024 Consolidated Operating EBITDA and Adjusted Operating EBITDA

Consolidated Adjusted Operating EBITDA[6] amounted to Euro 78,526 thousand, up 17.1% on Euro 67,061 thousand in 2023. The increase of Euro 11,465 thousand relates for Euro 7,361 thousand to the change in scope, of which Euro 6,338 thousand concerning the Aurelia Group and Euro 1,023 thousand Sanatorio Triestino, with Euro 4,104 thousand relating to the companies at like-for-like consolidation scope.

The Adjustments, negative for Euro 269 thousand in 2024, comprise M&A costs for Euro 105 thousand and one-off costs related to a property reorganisation project for Euro 163 thousand, and reduced compared to 2023, in which they were negative for Euro 544 thousand as a result of the COVID costs incurred in 2023 for Euro 705 thousand and the M&A costs for Euro 1,145 thousand, partially offset by the reimbursement of the COVID costs relating to the previous years for Euro 1,306 thousand.

In terms of margins, the Adjusted Operating EBITDA Margin of the Group was 16.7%, decreasing 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 effects emerge.

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[6] This 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.

Excluding the changes to the consolidation scope, the Adjusted Operating EBITDA Margin for 2024 was 19.3%, improving on the previous year.

Consolidated Op. EBITDA and Adj. Op. EBITDA *in Euro thousands*	**FY 2024 Actual**	**FY 2023 Actual**	**FY24 vs. FY23 Euro '000**	**FY24 vs. FY23 %**
Reported Op. EBITDA	**76,624**	**64,902**	**11,722**	**18.1%**
+ additional COVID costs (net reimbursements)	*-*	*(602)*	*602*	-100.0%
+ M&A and One-Off costs	*269*	*1,145*	*(876)*	-76.5%
+ management incentive plan	*1,634*	*1,615*	*19*	1.2%
Adjusted Op. EBITDA	**78,526**	**67,061**	***11,465***	**17.1%**
of which Sanatorio Triestino + Aurelia Hospital	*8,860*	*1,498*	*7,361*	*n.a*
Reported Op. EBITDA Margin (%)	*16.3%*	*17.6%*	-	-
Adjusted Op. EBITDA Margin (%)	*16.7%*	*18.2%*	-	-

2024 Consolidated EBIT overview

EBIT in 2024 was Euro 44,127 thousand, up Euro 4,897 thousand (+12.5%) on Euro 39,231 thousand in 2023.

This result includes amortisation, depreciation and write-downs in the period of Euro 26,158 thousand, increasing Euro 3,043 thousand on 2023, mainly due to change in the consolidation scope, in addition to the adjustments and other provisions for Euro 6,339 thousand, increasing Euro 3,782 thousand on 2023 mainly due to higher provisions, net of releases, on healthcare and local health authority disputes.

Consolidated Op. EBITDA and Adj. Op. EBITDA *in Euro thousands*	**FY 2024 Actual**	**FY 2023 Actual**	**FY24 vs. FY23 Euro '000**	**FY24 vs. FY23 %**
Reported Op. EBITDA	**76,624**	**64,902**	***11,722***	**18.1%**
- Amortisation of intangible assets	*(1,434)*	*(1,091)*	*(343)*	31.4%
- Depreciation of property, plant & equip.	*(23,898)*	*(20,351)*	*(3,547)*	17.4%
- Write-downs	*(826)*	*(1,673)*	*847*	-50.6%
Amortisation, depreciation and impairments	**(26,158)**	**(23,115)**	***(3,043)***	**13.2%**
- End of mandate provisions	*(24)*	*(25)*	*1*	*-2.7%*
- Healthcare lawsuit provisions	*(7,183)*	*(3,527)*	*(3,655)*	*103.6%*
- Local Health Authority risk provisions	*(3,345)*	*(2,187)*	*(1,157)*	*52.9%*
- Other risk provisions	*(905)*	*(141)*	*(764)*	*542.2%*
+ Release of provisions	*5,117*	*3,323*	*1,794*	*54.0%*
Impairments and other provisions	**(6,339)**	**(2,557)**	**(3,782)**	**147.9%**
= EBIT Reported	**44,127**	**39,230**	**4,897**	**12.5%**
EBIT Reported Margin (%)	*9.4%*	*10.6%*	-	-

2024 Consolidated Net Profit overview

The Net Profit was Euro 21,848 thousand, an increase of Euro 976 thousand on Euro 20,873 thousand in 2023.

This amount includes net financial charges of Euro 13,441 thousand, increasing Euro 3,141 thousand on 2023, and income taxes of Euro 8,838 thousand, increasing Euro 779 thousand on the previous year.
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, as well as the economic and non-financial impact of 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 2024 financial highlights

The operating performance indicators for 2024 compared with 2023 are presented below.

In this regard, it is noted that the fourth quarter of 2024 includes the contribution of the companies Sanatorio Triestino[7] and of the Aurelia Hospital Group, while Q4 2023 includes the full contribution of Sanatorio Triestino and the Aurelia Group only for about one and a half months.

Consolidated figures	4Q2024		4Q2023		4Q2024 vs. 4Q2023	
	Euro '000	%	Euro '000	%	Euro '000	%
Revenues	**123,377**	***100.0%***	**105,572**	***100.0%***	**17,806**	***16.9%***
Total operating costs (excl. Adjustments)	(103,784)	*-84.1%*	(89,480)	*-84.8%*	(14,304)	*16.0%*
Adjusted Op. EBITDA	**19,593**	***15.9%***	**16,091**	***15.2%***	**3,502**	***21.8%***
Other Costs ("Adjustments")[8]	(204)	*-0.2%*	(245)	*-0.2%*	42	*-17.0%*
Management incentive plans	(1,634)	*-1.3%*	(1,615)	*-1.5%*	(19)	*1.2%*
Operating EBITDA	**17,755**	***14.4%***	**14,231**	***13.5%***	**3,525**	***24.8%***
Amortisation, depreciation and impairments	(7,182)	*-5.8%*	(7,572)	*-7.2%*	390	*-5.2%*
Impairments and other provisions	(3,385)	*-2.7%*	432	*0.4%*	(3,817)	*-883.9%*
EBIT	**7,189**	***5.8%***	**7,091**	***6.7%***	**98**	***1.4%***
Net financial charges	(2,524)	*-2.0%*	(3,014)	*-2.9%*	490	*-16.2%*
Result before taxes	**4,664**	***3.8%***	**4,077**	***3.9%***	**588**	***14.4%***
Income taxes	(1,514)	*-1.2%*	(1,649)	*-1.6%*	135	*-8.2%*
Net Profit	**3,150**	***2.6%***	**2,428**	***2.3%***	**723**	***29.8%***
Group Net Profit	**3,143**	***2.5%***	**2,363**	***2.2%***	**780**	***33.0%***
Minority interests	8	*0.0%*	65	*0.1%*	(57)	*-88.1%*

[7] Including majority interest in Terme del Friuli Venezia Giulia s.r.l.

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

Q4 2024 Consolidated Revenues Overview

GHC consolidated revenues in Q4 2024 amounted to Euro 123,377 thousand, up 16.9% on Euro 105,572 thousand in the same period of 2023.

The increase in revenues of Euro 17,806 thousand is due for Euro 11,520 thousand to the change in scope (Euro 11,378 thousand concerning the Aurelia Group and Euro 142 thousand Sanatorio Triestino), and for Euro 6,286 thousand concerning the increased production of the companies at like-for-like consolidation scope.

Consolidated revenues *in Euro thousands*	**4Q2024**	**4Q2023**	**4Q24 vs. 4Q23** Euro '000	**4Q24 vs. 4Q23** %
Total	**123,377**	**105,572**	***17,806***	**16.9%**
of which Sanatorio Triestino + Aurelia Hospital	*29,085*	*17,565*	*11,520*	*65.6%.*

Q4 2024 Consolidated operating costs

Consolidated operating costs for Q4 2024, net of adjustments, totalled Euro 103,784 thousand, increasing Euro 14,304 thousand (+16.0%) on Euro 89,480 thousand in Q4 2023, mainly due to the change in scope.

The increase in costs stems for Euro 10,499 thousand from the change in scope and for Euro 3,805 thousand from the companies at like-for-like scope, as a result of the increased production volumes.

Q4 2024 Consolidated Operating EBITDA and Adjusted Operating EBITDA

Consolidated Adjusted Operating EBITDA[9] was Euro 19,593 thousand, up 21.8% on Euro 16,091 thousand in the same period of the previous year.

Adjustments, negative for Euro 204 thousand (negative for Euro 245 thousand in Q4 2023), consist of M&A costs of Euro 41 thousand and one-off costs related to the property reorganization project of Euro 163 thousand.

The Group's Operating EBITDA Adjusted Margin was 15.9%, increasing on 15.2% in the previous year.

Excluding the changes to the consolidation scope, the Adjusted Operating EBITDA Margin for Q4 2024 would be Euro 17,820 thousand, with a margin of 18.9%.

Consolidated Op. EBITDA and Adj. Op. EBITDA **Euro thousands**	**4Q2024**	**4Q2023**	**4Q24 vs. 4Q23** Euro '000	**4Q24 vs. 4Q23** %
Reported Op. EBITDA	**17,755**	**14,231**	***3,525***	**24.8%**
+ additional COVID costs (net reimbursements)	-	*(97)*	*97*	-100.0%
+ M&A and One-Off costs	*204*	*341*	*-137*	-40.3%
+ management incentive plan	*1,634*	*1,615*	*19*	1.2%
Adjusted Op. EBITDA	**19,593**	**16,090**	***3,503***	**21.8%**
of which Sanatorio Triestino + Aurelia Hospital	*1,773*	*772*	*1,001*	*n.a*
Reported Op. EBITDA Margin (%)	*14.4%*	*13.5%*	-	-
Adjusted Op. EBITDA Margin (%)	*15.9%*	*15.2%*	-	-

[9] This 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.

Q4 2024 Consolidated EBIT

EBIT in Q4 2024 was Euro 7,189 thousand, up Euro 98 thousand on Euro 7,091 thousand in the same period of the previous year.
This result includes amortisation, depreciation and write-downs in the period of Euro 7,182 thousand, decreasing Euro 390 thousand on Q4 2023, in addition to the adjustments and other provisions for Euro 3,385 thousand, increasing Euro 3,817 thousand on Q4 2023 mainly due to higher provisions, net of releases, on healthcare and local health authority disputes.

Consolidated EBIT Euro thousands	4Q2024	4Q2023	4Q24 vs. 4Q23 Euro '000	4Q24 vs. 4Q23 %
Reported Op. EBITDA	**17,755**	**14,231**	***3,525***	**24.8%**
- Amortisation of intangible assets	*(390)*	*(348)*	*(42)*	12.0%
- Depreciation of property, plant & equip.	*(6,338)*	*(5,695)*	*(643)*	11.3%
- Write-downs	*(455)*	*(1,530)*	*1,074*	-70.2%
Amortisation, depreciation and impairments	**(7,183)**	**(7,572)**	**390**	**-5.1%**
- End of mandate provisions	*(6)*	*(6)*	-	-
- Healthcare lawsuit provisions	*(3,566)*	*(1,367)*	*(2,200)*	*161.0%*
- Local Health Authority risk provisions	*(1,722)*	*(804)*	*(918)*	*114.2%*
- Other risk provisions	*(868)*	*(59)*	*(809)*	*n/a*
+ Release of provisions	*2,777*	*2,668*	*109*	*4.1%.*
Impairments and other provisions	**(3,385)**	**432**	**(3,817)**	**-883.9%**
= EBIT Reported	**7,188**	**7,091**	**97**	**1.4%**
EBIT Reported Margin (%)	*5.8%*	*6.7%*	-	-

Q4 2024 Consolidated Net Profit

The Net Profit in Q4 2024 was Euro 3,150 thousand, an increase of Euro 723 thousand on Euro 2,429 thousand in Q4 2023.

This amount takes account of net financial charges of Euro 2,524 thousand, decreasing Euro 490 thousand on Q4 2023, mainly due to the positive effect of the IRS underwritten to hedge the interest rate risk on bank loans, and of income taxes for Euro 1,514 thousand, decreasing Euro 135 thousand on the same period of the previous year.

Key financial highlights compared with 2023 Pro-Forma

In order to ensure that the figures for the year under review are sufficiently comparable with those of the previous year, the 2024 figures are compared with the 2023 Pro-Forma figures[10], with the column 2023 reporting retrospectively to January 1, 2023 the acquisition of Sanatorio Triestino S.p.A., acquired on May 4, 2023, and the Aurelia Hospital Group, acquired on November 16, 2023, compared with the values of 2024.

[10] These pro-forma statements have been prepared on a voluntary basis

Consolidated figures	2024 ACTUAL		2023 Pro-forma		2024 ACTUAL vs 2023 Pro-forma	
	Euro '000	%	Euro '000	%	Euro '000	%
Revenues	**470,706**	***100.0%***	**449,515**	***100.0%***	**21,190**	***4.7%***
Total operating costs (excl. Adjustments)	(392,179)	*-83.3%*	(377,207)	*-83.9%*	(14,973)	*4.0%*
Adjusted Op. EBITDA	**78,526**	***16.7%***	**72,309**	***16.1%***	**6,218**	***8.6%***
Other Costs ("Adjustments")	(269)	*-0.1%*	(543)	*-0.1%*	274	*-50.5%*
Management incentive plan	(1,634)	*-0.3%*	(1,615)	*-0.4%*	(19)	*1.2%*
Operating EBITDA	**76,624**	***16.3%***	**70,151**	***15.6%***	**6,473**	***9.2%***
Amortisation, depreciation and impairments	(26,158)	*-5.6%*	(25,722)	*-5.7%*	(436)	*1.7%*
Impairments and other provisions	(6,339)	*-1.3%*	(10,077)	*-2.2%*	3,738	*-37.1%*
EBIT	**44,127**	***9.4%***	**34,352**	***7.6%***	**9,775**	***28.5%***
Net financial charges	(13,441)	*-2.9%*	(11,138)	*-2.5%*	(2,303)	*20.7%*
Result before taxes	**30,686**	***6.5%***	**23,214**	***5.2%***	**7,472**	***32.2%***
Income taxes	(8,838)	*-1.9%*	(6,860)	*-1.5%*	(1,978)	*28.8%*
Net Profit	**21,848**	***4.6%***	**16,354**	***3.6%***	**5,493**	***33.6%***
Group Net Profit	**21,701**	***4.6%***	**16,187**	***3.6%***	**5,514**	***34.1%***
Minority interests	146	*0.0%*	167	*0.0%*	(21)	*-12.3%*

It should be noted that all key performance indicators for the year 2024 (Revenues, Adjusted EBITDA, EBIT, and Net Profit) report growth on 2023 Pro-Forma.

Balance Sheet

A breakdown of the Group's condensed consolidated balance sheet at December 31, 2024 and December 31, 2023 is provided below. **Consolidated figures** **Uses**	**2024** **December**	**2023** **December**	**Δ vs 2023** **Euro '000**
Goodwill	91,542	156,007	(64,465)
Tangible and intangible assets	576,045	473,093	102,952
Financial assets	2,760	4,754	(1,994)
I Fixed capital	**670,347**	**633,854**	**36,493**
Trade receivables	112,842	100,994	11,848
Inventories	6,073	5,583	490
Trade payables	(86,408)	(87,853)	1,444
Net Operating Working Capital	***32,507***	***18,724***	***13,783***
Other assets/liabilities	(39,347)	(38,270)	(1,077)
II Net Working Capital	**(6,840)**	**(19,546)**	**12,706**
Net deferred taxes	(89,783)	(59,921)	(29,862)
Provisions	(41,555)	(47,755)	6,200
III Total Uses (NET CAPITAL EMPLOYED)	**532,169**	**506,632**	**25,537**
IV Net financial debt	**199,025**	**205,743**	**(6,718)**
Minority interest shareholders' equity	10,747	2,003	8,744
Group shareholders' equity	322,397	298,886	23,511
V Shareholders' Equity	**333,144**	**300,889**	**32,255**
VI Total sources of financing	**532,169**	**506,632**	**25,537**

The Fixed capital at December 31, 2024 amounts to Euro 670,347 thousand, increasing Euro 36,493 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 December 31, 2024 increased by Euro 13,783 compared to December 31, 2023, mainly due to an increase in trade receivables of Euro 11,848 thousand, resulting largely from the management decision not to anticipate the collection of receivables associated with the Outside-Region revenues of the Emilia-Romagna facilities, motivated by the desire to prioritise - through the non-factoring without recourse of these receivables - the containment of financial charges with respect to the cash benefit that would have resulted.

Other assets and liabilities report a slight decrease from the previous year.

Net working capital therefore increased Euro 12,706 thousand mainly as a result of the increase in net operating working capital.

Net deferred taxes increased Euro 29,862 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 December 31, 2024 decreased Euro 6,200 thousand on December 31, 2023, due to: (i) the decrease in the Post-employment benefit provision for Euro 3,578 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 2,622 thousand, mainly as a result of net accruals (excess of accruals over releases) totalling Euro 6,397 thousand, mainly concerning healthcare risks (Euro 3,424 thousand) and local healthcare authority risks (Euro 2,469 thousand), net of capital utilisations for Euro 9,156 thousand, principally concerning healthcare lawsuits (Euro 6,419 thousand) and local healthcare authority risks (Euro 1,721 thousand).

Net capital employed at December 31, 2024, amounted to Euro 532,169 thousand, an increase of Euro 25,537 thousand on Euro 506,632 thousand at December 31, 2023.

Group Shareholders' Equity at December 31, 2024 totalled Euro 322,397 thousand, increasing Euro 23,511 thousand on December 31, 2023, mainly due to the profit for the year (Euro 21,701 thousand), the valuation of the performance share (Euro 574 thousand) and the actuarial effect on the post-employment benefit provision (Euro 2,217 thousand), in part offset by the acquisition of treasury shares (Euro 506 thousand) and the recognition of the reserve for the mark to market of the IRS undertaken to partially hedge the interest rate risk on the new bank loan (Euro 654 thousand).

Net financial debt

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 of the net financial debt for the years ending December 31, 2024 and December 31, 2023 is provided below.

Consolidated figures	**2024 Euro '000**	**2023 Euro '000**	**Δ vs 2023 Euro '000**
A Available liquidity	26,663	22,684	3,979
B Cash equivalents	-	-	-
C Other current financial assets	5,483	409	5,074
D Liquidity	**32,146**	**23,093**	**9,053**
E Current financial debt	5,623	28,436	(22,813)
F Current portion of non-current financial debt	1,129	36,201	(35,072)
G Current financial debt	**6,752**	**64,637**	**(57,885)**
H Net current financial debt (G - D)	**(25,394)**	**41,543**	**(66,938)**
I Non-current financial debt	224,419	164,200	60,219
J Debt instruments	-	-	-
K Trade payables and other non-current payables	-	-	-
L Non-current financial debt (I + J + K)	**224,419**	**164,200**	**60,219**
M Total financial debt (H + L)	**199,025**	**205,743**	**(6,718)**

At December 31, 2024, the Net Financial Debt of the Garofalo Health Care Group amounts to Euro 199,025 thousand, comprising gross financial debt of Euro 231,171 thousand (Euro 6,752 thousand of current financial debt and Euro 224,419 thousand of non-current financial debt) and liquidity of Euro 32,146 thousand.
Financial payables for leasing amounted to Euro 22,443 thousand for the non-current portion and Euro 4,894 thousand for the current portion.

The Net Financial Debt therefore decreased Euro 6,718 thousand on December 31, 2023.

In comparison with FY2023, the movements in the Net Financial Debt reflect: (i) management's decision not to collect early the receivables arising from the Outside-Region production of the Emilia-Romagna facilities in 2023 (amounting to approx. €8M), so as to prioritise - through not pursuing the without recourse factoring of these receivables - the containment of financial charges against the cash benefit which would arise, (ii) increased financial charges, which however include also the one-off impact for the capitalisation of the transaction costs relating to the recent loan transaction signed in July 2024, and (iii) less favourable working capital movements compared to the same period of the previous year, also due to the adjustment of the one-off items relating 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 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 outstanding debt of the new medium/long-term bank loan, disbursed for Euro 126.8 million at the drawdown date, in order to hedge against the risk of rising interest rates and to stabilise future interest charge payment flows.

Summary of principal alternative performance indicators reported for the GHC Group and basis of preparation

The GHC Group utilises some alternative performance measures ("APM's"), which are not identified as accounting measures within IFRS, for management's view on the performance of the Group. These alternative performance measures exclusively concern historical data of the Group and determined in accordance with those established by the Alternative Performance Indicators Orientations issued by ESMA/2015/1415 and adopted by CONSOB with communication No. 92543 of December 3, 2015. The APM's in this Report refer to the performance for the accounting period of the present Financial Report and of the comparative periods and not to the expected performance of the Group and must not be considered as replacement of the indicators required by the accounting standards (IFRS).

The alternative performance measures utilised in the current report are as follows:

Adjusted Operating EBITDA

This indicator adjusts Operating EBITDA for non-recurring revenues and costs (e.g. net impact of additional COVID costs), one-off costs (e.g. M&A costs) and "non-regular" costs (e.g. management incentive plans) and ensures a like-for-like comparison with 2023.

2024 Adjusted Operating EBITDA was Euro 78,526 thousand, up 17.1% on Euro 67,060 thousand in the previous year.

Consolidated figures	**FY'24 Actual**	**FY'23 Actual**	**FY'23 Pro-Forma**
	Euro '000	**Euro '000**	**Euro '000**
Operating EBITDA	**76,624**	**64,902**	**70,151**
+ M&A and One-Off costs	269	543	543
+ management incentive plan	1,634	1,615	1,615
Operating EBITDA Adjusted	**78,526**	**67,060**	**72,309**

Adjusted Operating EBITDA Margin

The Adjusted Operating EBITDA Margin is calculated as Operating EBITDA Adjusted as a percentage of Revenues. In 2024, the Adjusted Operating EBITDA Margin of the Group, which adjusts Operating EBITDA from the items previously described, was 16.7%, decreasing compared to the previous year, 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 expected full benefits emerge.

Consolidated figures	**FY'24 Actual**	**FY'23 Actual**	**FY'23 Pro-Forma**
	Euro '000	**Euro '000**	**Euro '000**
Adjusted Operating EBITDA	78,526	67,060	72,309
Revenue	470,706	368,703	449,515
Adjusted Operating EBITDA Margin	**16.7%**	**18.2%**	**16.1%**

ROI

ROI, i.e. return on investment, is calculated as EBIT as a percentage of net capital employed.

Consolidated figures	**FY'24 Actual**	**FY'23 Pro-Forma**
	Euro '000	**Euro '000**
EBIT (A)	44,127	34,352
Net Capital Employed (B)	532,169	506,632
ROI (A/B)	**8.3%**	**6.8%**

ROE

ROE is calculated as net profit for the year as a percentage of Group consolidated shareholders' equity.

Consolidated figures	FY'24 Actual Euro '000	FY'23 Pro-Forma Euro '000
Net result (A)	21,848	16,354
Shareholders' Equity (B)	333,144	300,889
ROE (A/B)	**6.6%**	**5.4%**

Capital Expenditure (Capex)

This indicator is calculated taking as reference the sum of ordinary investments in property, plant and equipment and intangible assets (excluding the non-recurring investments for the expansion projects, non-recurring investment in latest generation machinery, totalling Euro 5,917 thousand)

Consolidated figures	FY2024 Euro '000	FY2023 Euro '000
Investments in tangible and intangible assets	16,577	13,126
Capital Expenditure (Capex)	**16,577**	**13,126**

Cash Conversion

This indicator has been calculated on the basis of Adjusted Operating EBITDA, net of ordinary capital expenditures, in relation to Adjusted Operating EBITDA.

Consolidated figures	FY2024 Euro '000	FY2023 Euro '000
Adjusted Operating EBITDA (A)	78,526	67,060
Capex (B)	16,577	13,126
Cash Conversion Cycle (A-B)/A	**78.9%**	**80.4%**

Net Financial Debt / Net Equity

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

Consolidated figures	FY2024 Euro '000	FY2023 Euro '000
Net financial debt	199,025	205,743
Shareholders' Equity	333,144	300,889
Ratio between net financial debt and shareholders' equity	**0.60**	**0.68**

Net Financial Debt / Adjusted Operating EBITDA

The following table illustrates the relationship between the Net Financial Debt (as defined in previous sections) and the Adjusted Operating EBITDA.

Consolidated figures	FY2024 Euro '000	FY2023 Euro '000

Net financial debt	199,025	205,743
Adjusted Operating EBITDA	78,526	67,060
Ratio between Net Financial Debt and Adjusted EBITDA	**2.5x**	**3,1x**

Days sales outstanding

Days sales outstanding are defined as the ratio of the Trade receivables stated in the Group's Annual Consolidated Financial Statements to Revenues from services, as also stated in the Annual Consolidated Financial Statements, multiplied by the number of days in the reporting year.

Consolidated figures	FY2024 Euro '000	FY2023 Euro '000
Trade receivables (A)	112,842	100,994
Revenues from services (B)	462,175	360,977
Days sales outstanding (A/B*365)	**89**	**102**

Days purchases outstanding

Days purchases outstanding are defined as the ratio of the Trade payables stated in the Group's Annual Consolidated Financial Statements to the sum of Raw materials and consumables, Service costs and Other operating costs, as also stated in the Group's Annual Consolidated Financial Statements, multiplied by the number of days in the reporting year.

Consolidated figures	FY2024 Euro '000	FY2023 Euro '000
Trade payables (A)	86,408	87,853
Raw materials and services (B)	256,607	203,471
Days purchases outstanding (A/B*365)	**123**	**158**

Days inventory outstanding

Days inventory outstanding are defined as the ratio of the Inventories stated in the Group's Annual Consolidated Financial Statements to Raw materials and consumables as also stated in the Annual Consolidated Financial Statements, multiplied by the number of days in the reporting year.

Consolidated figures	FY2024 Euro '000	FY2023 Euro '000
Inventories (A)	6,073	5,583
Raw materials and consumables (B)	69,985	49,797
Days inventory outstanding (A/B*365)	**31**	**41**

3. PARENT COMPANY PERFORMANCE

Garofalo Health Care S.p.A. is the Parent Company, listed on the Euronext segment of the Italian Stock Exchange since November 2018.

The 2024 operating figures, compared to the previous year, are presented below.

Individual data Income Statement	FY2024 Euro '000	FY2023 Euro '000	2024 vs 2023 Euro '000
Revenues	**5,912**	**4,867**	**1,045**
Total operating costs	(8,724)	(9,506)	**782**
Operating EBITDA	**(2,812)**	**(4,639)**	**1,827**
Amortisation, depreciation and impairments	(870)	(597)	**(273)**
Impairments and other provisions	-	-	-
EBIT	**(3,682)**	**(5,236)**	**1,554**
Net financial income	3,626	11,854	**(8,228)**
Result before taxes	**(56)**	**6,618**	**(6,674)**
Income taxes	3,062	2,869	**193**
Net Profit	**3,005**	**9,488**	**(6,483)**

2024 Garofalo Health Care S.p.A. revenues were Euro 5,912 thousand (Euro 4,867 thousand in 2023) and related to the partial recharges of Parent Company costs to the subsidiaries for administrative co-ordination, financial, corporate and IT services.

Operating EBITDA reported a loss of Euro 2,812 thousand (loss of Euro 4,439 thousand in 2023) as a result of the costs incurred by the company during the year for the implementation and performance of the parent company's core operations, which include technical consultants costs related to the Holding Company's Management Incentive Plan.

Net financial income amounted to Euro 3,626 thousand (Euro 11,854 thousand in 2023), mainly due to the dividends approved during the year from subsidiaries of Euro 13.5 million (Euro 18.8 million in 2023), which offset interest charges on the bank debt.

Income taxes were positive (net income) for Euro 3,062 thousand, due to the recognition of income from the tax consolidation, resulting from the taxable income transferred from subsidiaries belonging to the tax consolidation of GHC S.p.A.

The financial statements report a net profit for the year of Euro 3,005 thousand, a decrease of Euro 6,483 thousand compared to Euro 9,488 thousand in 2023, mainly due to the higher dividends distributed by the subsidiaries.

The condensed balance sheet of Garofalo Health Care S.p.A. at December 31, 2024 compared with the previous year is presented below.

Individual data Balance Sheet	FY2024 Euro '000	FY2023 Euro '000	2024 vs 2023 Euro '000
Net Capital Employed	391,928	397,456	(5,528)
Shareholders' Equity	196,199	193,641	2,559
Net financial debt	195,728	203,815	(8,086)

Net Capital Employed amounted to Euro 391,928 thousand (down Euro 5,528 thousand compared to Euro 397,456 thousand in the previous year) and consisted primarily of equity investments in subsidiaries of Euro 285,700 thousand, and other non-current financial assets of Euro 104,917 thousand.

At December 31, 2024, shareholders' equity amounted to Euro 196,199 thousand, compared with Euro 193,641 thousand in the previous year, with a net increase of Euro 2,559 thousand mainly due to the profit for the year (Euro 3,005 thousand) and the net provisions for the personnel incentive plans (Euro 574 thousand), net of the purchase of treasury shares (Euro 506 thousand) and the recognition of the Cash Flow Hedge (Euro 654 thousand), set up following the subscription of the derivative financial hedging instrument.

Net financial debt, amounting to Euro 195,728 thousand compared to the previous year's balance of Euro 203,815 thousand, a decrease of Euro 8,086 thousand from the previous year, consists of current financial assets (Euro 46,653 thousand), Cash and cash equivalents (Euro 11,557 thousand), Non-current financial debt (Euro 179,986 thousand) and Current financial debt (Euro 73,952 thousand).

4. RECONCILIATION BETWEEN PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(Euro thousands)	Shareholders' Equity 31.12.2024	Net Profit 2024
Financial Statements of the Parent Company Garofalo Health Care S.p.A.	**196,199**	**3,005**
Dividends from companies included in consolidation	(1,388)	(14,546)
Net contributions of the consolidated companies	126,304	40,801
Other consolidation adjustments		(7,682)
Valuation at equity method	1,281	123
Consolidated financial statements, Group share	**322,397**	**21,701**
Minority interest results	146	146
Minority Equity and Reserves	10,601	-
Result/Consolidated shareholders' equity	**333,144**	**21,847**

(Euro thousands)	Shareholders' Equity 31.12.2023	Net Profit 2023
Financial Statements of the Parent Company Garofalo Health Care S.p.A.	**193,641**	**9,488**
Dividends from companies included in consolidation	(1,229)	(20,105)
Net contributions of the consolidated companies	105,193	34,917
Other consolidation adjustments	-	(3,674)
Valuation at equity method	1,281	173
Consolidated financial statements, Group share	**298,886**	**20,799**
Minority interest results	74	74
Min. interest capital and reserves	1,929	-
Result/Consolidated shareholders' equity	**300,889**	**20,873**

5. INVESTMENTS

5.1 Recurring investments

During 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. Of particular note is ***the purchase of a new digital tomograph*** computerized PET/CT scanner by the Poliambulatorio Dalla Rosa Prati facility. The PET/CT is one of the most advanced state-of-the-art positron emission tomography (PET) and computed tomography (CT) equipment designed to provide high-quality diagnostic images with superior resolution. It is intended to provide advanced services, particularly for the diagnosis of oncological, cardiological and neurological diseases, with reduced patient radiation exposure. In addition, the technology allows for in-depth studies, particularly pulmonary and cardiac studies.

5.2 Capex in long-term development and organisational restructuring

Th 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, among which we highlight: 1) the continuation of the project, started in 2022, for the redevelopment and expansion of Domus and S. Francesco, which saw the completion in 2024 of the purchase of a new MRI and the renovation of the wing of S. Francesco (roofing), making it fit for use in order to then move the dialysis department; 2) the start of the project to build the new Cardiovascular Heart Center at the Aurelia Hospital, which in 2024 saw the completion of all project activities and the start of the renovation of the Medicine and Cardiac Surgery department, in addition to the purchase of an MRI and CT scan.

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.

6. GHC GROUP ORGANISATIONAL MODEL AND REGULATORY SYSTEM

<u>GHC Group organisational model</u>

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.

With regard to essential intangible resources, pursuant to Article 15 of Decree 125/2024, it is the Parent Company that manages them as part of its activity of promoting synergies and identifying the Group's strategic lines. These resources include those resources without physical substance that represent the basis of the company's business model, constituting a crucial source of value generation. The main categories of intangible resources can be broken down as follows:

- Human capital: the value generated by employees through their skills, specific abilities and experience.
- Relational capital: the intrinsic value of the Group's relationships with customers, suppliers, investors, business partners and communities.
- Intellectual capital: the value created by the company through innovation, organisational processes and geographical distribution.

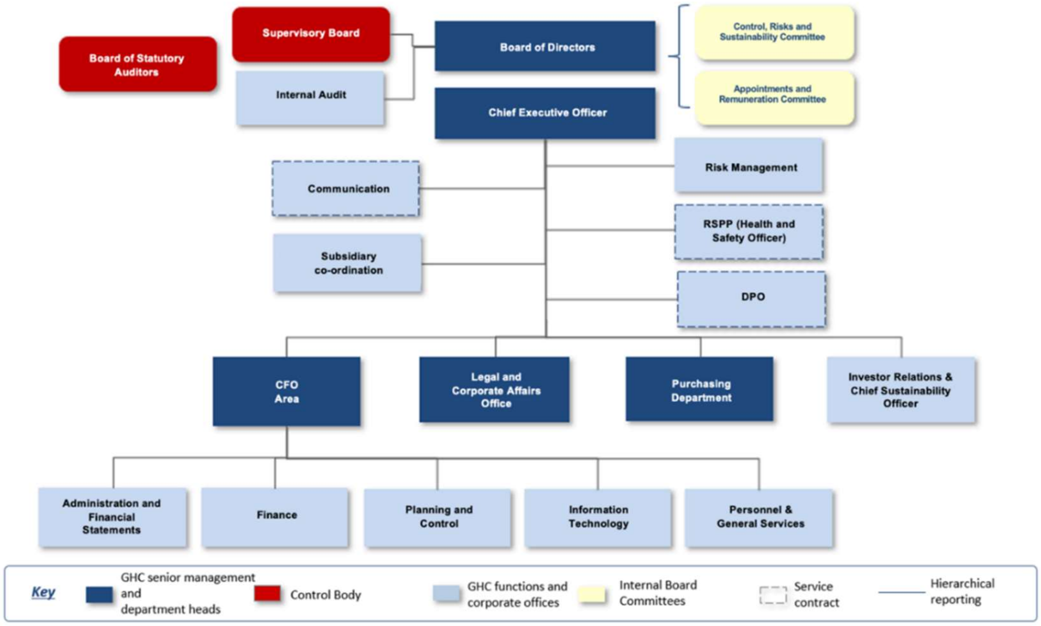
These resources are fundamental elements of the business model adopted by the Group, as described in the 'Business Model and Value Chain' section of the Sustainability Report. In particular, the Group identifies its medical skills as essential to achieving its objectives, as they enable it to provide services and maintain the Group's standards of excellence.
Direct dialogue with patients is considered a further essential element as a component of relational capital, which enables the improvement of the services themselves and promotes the patient-centred approach.
The described essential elements are based on a functional organisational structure for their further development as represented in the section 'Role of the administration, management and control bodies' of the sustainability reporting.

<u>Organisational model of the Parent Company</u>

The organisational model 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.

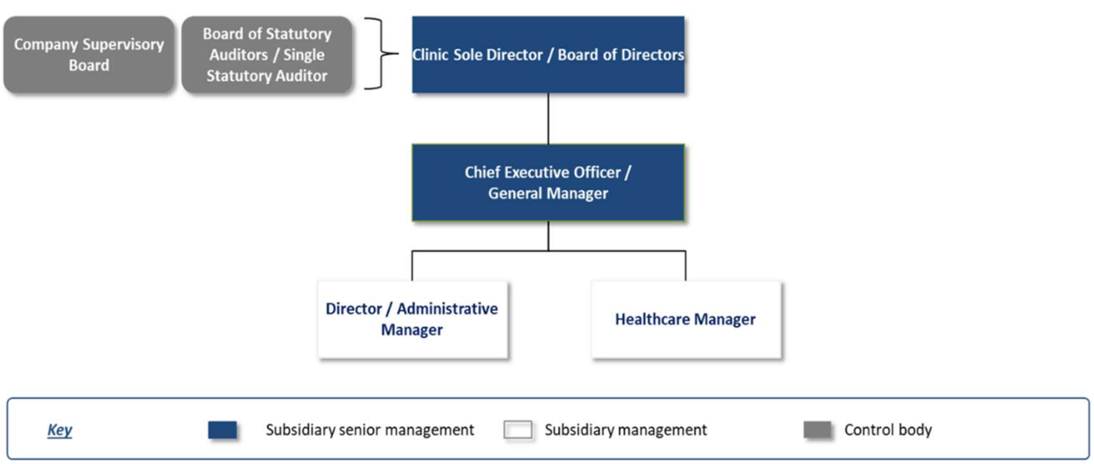
The organisational model also provides that, based on the indications provided by the Corporate Governance Code, the Internal Audit Function, which co-ordinates activities at Group level, reports directly to the Board of Directors of GHC S.p.A. in order to guarantee its autonomy and independence.



<u>Organisational model of the subsidiaries</u>

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 (CSRD).

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 2024, 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

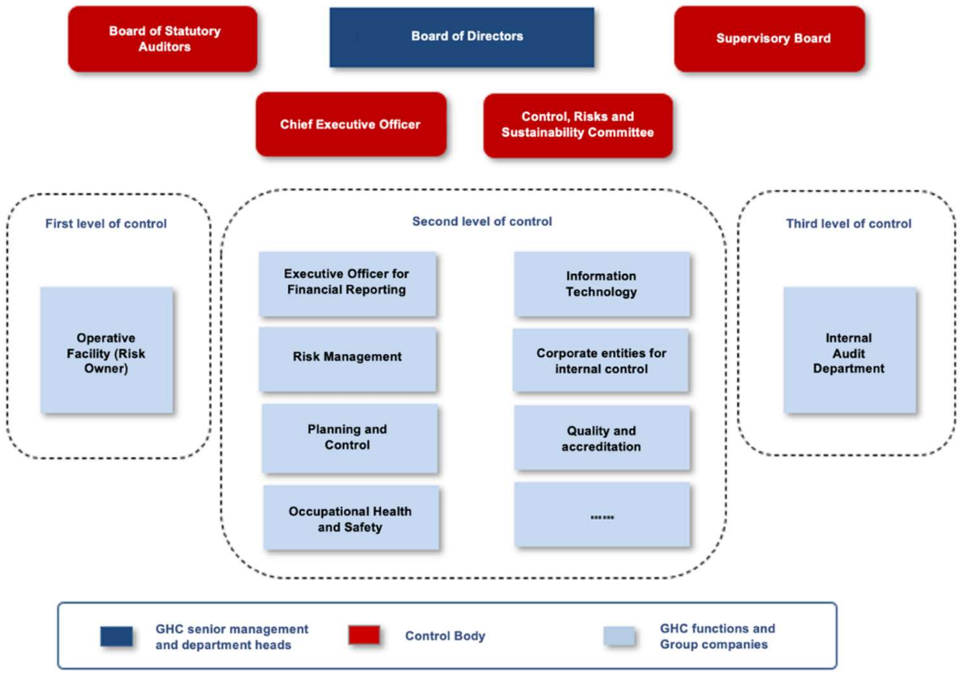
The Internal Control and Risk Management System ("**ICRMS**") plays a central role in GHC's decision-making process and is defined, in accordance with the principles set out in Article 6 of the new "Corporate Governance Code" adopted by the Corporate Governance Committee in January 2020, as the set of 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, Enterprise 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 2024, the Chief Executive Officer, in charge of the ICRMS, the Enterprise Risk Management function, 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 subsequently updated 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 2024, in continuity with the preceding years and in line with the Group procedure, the Enterprise Risk Management model was updated, while the newly-acquired entities through M&A in the previous years 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 2024, consolidating the processing actions and implementing the best practices set out, in order to ensure ever closer integration between the Group companies.

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	• Defines the guidelines of the Internal Control and Risk Management System • Approves ERM Guidelines and the Risk Appetite Statement • Oversees the proper functioning, comprehensiveness and effectiveness of the ERM model
	Control, Risks and Sustainability Committee	• Oversees correct and effective application of the ERM methodology across the Group • Prepares and proposes risk management assessments to support Board of Director decisions
IMPLEMENTATION	Chief Executive Officer	• Applies the guidelines defined by the Board of Directors • Validates the results of the Group Risk Assessment • Validates the ERM Guidelines and proposes the Risk Appetite

		Statement, with the support of the Risk Manager
	Group Risk Management function	• Coordinates and supervises Risk Assessment activities at both the holding company and subsidiaries • Develops the methodological approach and components of the ERM model
	Risk Coordinator clinics(*)	• Co-ordinates the Risk Assessment activity • Ensures adequate information and reporting flows to the Group Risk Manager • Interfaces for the Group Risk Manager on all Risk Management issues
	Risk Owners	• Define and implement the risk mitigation actions defined within the Action Plans • Identify and assess risks at the holding company and subsidiaries
SUPERVISION	Board of Statutory Auditors	• Responsible for overseeing the adequacy of the ERM model
	Internal Audit	• Contributes to the identification of risk areas • Monitors the effectiveness and efficiency of the model

(*) 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.

The results of the 2024 ERM activities were presented to the Board of Directors and to the Risk, Control and Sustainability Committee, highlighting opportunities for improvement on a number of heterogeneous risks, which - in terms of their financial statement impact - are outlined below.

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.

Specifically, at the time of writing, the following potentially impactful regulations can be identified:

- With regards to the "Tariffs Decree", in 2024 the new baseline tariffs entered into force of (a) outpatient specialist services and (b) prosthetic care, which respectively stopped in 1996 and 1999, also through enhancing those newly added. These tariffs, for some specific types of services, include a significant reduction that could potentially have a negative impact on the Group's EBITDA, especially in the context of budget contracts entered into with Regions that provide for a fixed amount of services to be provided. With respect to this risk, which in any case is not a significant impact, the Group has already put in place through its subsidiaries a number of mitigation strategies including, where possible: case-mix modification, strengthening of private business, new agreements with supplementary healthcare 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, the suspension of its implementation has been established to 2026. 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).

Regarding other regulations, including "out-of-region" regulations, agreements between regions pursuant to the 2025 Finance Law, recovery of Waiting Lists, etc., the Group carries out continuous monitoring activities in order to identify possible threats and/or opportunities.

With no effect on prospective revenues to date and no substantial organisational changes envisaged (for further details, please refer to the section on Significant Impacts, Risks and Opportunities and their Interaction with the Strategy and Business Model [SBM-3]

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 Company 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. A process of standardisation of security equipment and software (Firewall UTM, Antivirus EPDR, removal of obsolete antivirus) and strengthening of the monitoring platform is also underway, through the adoption of SIEM (Security Information and Event Management), which enables the Group, through the provision of specific analysis and correlation dashboards, 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. Finally, we are continuing work to migrate accounting systems to the ecosystem of GHC's data centre. On this point, antivirus detections, intrusions by external agents blocked, as well as any data breaches (always reported to the Authority) are monitored on a daily basis through Key Risk Indicators, with half-yearly 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") and relative implementing decree, 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, during 2024, the Group signed a single Medmal Policy, aimed at making its management methods more efficient, pooling best practices and activating an ongoing oversight to 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 during the year 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.

This consideration relates to the possibility that poor diligence on the part of healthcare personnel could result in a reduction in the perceived quality of health and social care services provided, with potential economic risks (e.g., associated with possible litigation costs) and/or reputational risks for the Group. In any case, the Group monitors the quality levels delivered with special indicators and dedicated functions at its subsidiaries.

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

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.

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, it should be noted that in 2024 the Group adopted, consistent with the regulatory requirements of Legislative Decree No. 125/2024, a process aimed at adequately responding to the requirements of the new Directive 2464/2022 regarding the Corporate Sustainability Reporting Directive (CSRD).

Interest rate risk

The Group's interest rate risk derives mainly from medium and long-term debt at variable rates. The Group, in fact, in the first half of the year had a loan agreement in place whose variable component is the 6M Euribor rate. On July 8, 2024, Garofalo Health Care S.p.A. ("GHC") signed a financing transaction for a total amount of up to Euro 275 million and currently utilized for approximately Euro 178 million, composed as follows: Euro 50 million of fixed-rate bond loan and a medium-long term bank line on which the Company has subscribed to a derivative financial instrument, with a notional amount equal to 2/3 of the loan, in order to hedge against the risk of rising interest rates.

To estimate the potential operating-financial impact associated with a change in the rate, a sensitivity analysis was carried out on FY 2024, simulating the effect of a 1% increase and a 0.25% decrease in this parameter.

In Euro

Sensitivity Analysis	2024
Variable rate average debt	97,248,798
Interest expense	5,373,427
Sensitivity +1% annually	
Interest expense +1%	6,345,915
Change Interest expense on loans	**972,488**
Sensitivity -0.25%	
Interest expense with -0.25%	**5,130,305**
Change Interest expense on loans	**(243,122)**

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 material "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), also aimed at the identification of insurance cover in the field (e.g., in compliance with the Natural Catastrophes regulations).

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, (iii) set up their Supervisory Boards and (iv) implemented Legislative Decree No. 24/23 on Whistleblowing 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 December 31, 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 2024, in view of COVID-19 related health emergency, 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 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.

Other risks

Below is a list of risk areas that could indirectly impact the financial statements, which can be traced back to purely operational processes:

- Execution of post M&A development activities of newly acquired companies in previous years. This risk is currently mitigated by the Group through the adoption of the M&A procedure, as well as through the active involvement of Management in the definition of functional integration plans;
- Structural shortage and difficulty of retention of certain professional profiles in the market, primarily health professionals (for example: radiologists, nurses, etc.) to date most drained by the public sector. This risk is mitigated by the Group through external actions such as activating recruiting channels, contract policies, agreements with staffing agencies, etc;

- Dependence on some key suppliers and related unexpected changes in economic and operational conditions in the supply chain, which are affected by the volatile economic and political situation worldwide. This risk is mitigated by the Group through the establishment of alternative supplier panels and related engagement processes.

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, and the stability of cyber-attacks in the period, all of which were identified and blocked.

Additional indicators in the ICT area were also measured during 2024, reporting an increase in attempted attacks on Group systems, all of which were handled without consequence.

8. SUBSEQUENT EVENTS TO YEAR-END

There were no subsequent events to year-end.

9. OUTLOOK

The Group results in 2024 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 will be 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 of the Aurelia Group, and which shall fully materialise over the coming years.

10. 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, 2025 and is available on the Company website 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, in the "Governance/Corporate Governance" section) in the updated version of April 29, 2024 with amendments to Articles 15, 19, 30 and 36 in order to render the functioning of the corporate bodies more effective and efficient. 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.

Remuneration schemes based on financial instruments

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, 2025, (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 Consob Issuers' Regulation, and (iii) the public disclosure pursuant to Article 84-bis, paragraph 5, of the Consob Issuers' Regulation, available on the Company's website www.garofalohealthcare.com,in the "Governance/Remuneration" section.

Loan Contract signed by GHC S.p.A.

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.

As of the date of these consolidated interim financial statements, the Loan Contract and the Bond do not stipulate the verification of compliance with the financial parameters indicated in the table below.

Parameter	***Threshold value***		
	Up to 31.12.2026	***at December 31, 2027***	***from 31.12.2028***
Leverage Ratio (NFP/ EBITDA)	≤4x	≤3,75x	≤3.5x
NFP / SE	≤1.5x	≤1.5x	≤1.5x

These parameters had been complied with at 31 December 2024.

Treasury shares and shares of holding companies

At December 31, 2024, the Company held 1,734,200 treasury shares[11].

At December 31, 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.

[11] The treasury share purchases made by the Group are reported through Press Releases published on the Company website.

Health, environment and personnel

The issues of worker health and safety protection as well as environmental protection are dealt with in the Sustainability Statement, set out in a separate section of the Directors' Report pursuant to Legislative Decree No. 125/2024, to which reference should be made for any further details.

Related party transactions

Pursuant to Consob Resolution No. 17221 of March 12, 2010 as subsequently amended, it is reported that in 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 transactions with related parties 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 consolidated financial statements at December 31, 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 in the Governance/Corporate Governance section.

The Company's Board of Directors bears primary responsibility for the proper application of the said procedure.

Research and development

The GHC Group clinics are particularly known for the quality of services provided, based on continual research and development and as highlighted by the following examples:

HIGHLIGHTS 2024

HIGHLIGHTS AT FACILITIES IN THE EMILIA-ROMAGNA REGION	
HESPERIA HOSPITAL	▪ In May 2024, the first single-topic Urology Masterclass was held regarding laser enucleation surgery of the prostate for the treatment of hypertrophy, or benign enlargement of the prostate. Europe's best-known and leading surgeons participated at the event. ▪ As of August 2024, a new 3D mammography equipment called Tomosynthesis was operational. A high-definition three-dimensional radiological technique that improves the chances of diagnosing breast cancers particularly in dense breasts, i.e. those rich in glandular and fibrous tissue. ▪ In September 2024, a delicate thoracic tumor removal surgery was performed at Hesperia, in collaboration with the AOU of Modena, which posed the need to "create" a prosthesis of the sternum and anterior chest wall to be replaced, designed specifically for the patient, 3D print it and build it with biocompatible material: the first such surgery in Italy.
DOMUS NOVA	▪ Purchase of a new state-of-the-art MRI and additional dedicated diagnostic imaging equipment (including new ultrasound machines, etc.).

POLIAMBULATORIO DALLA ROSA PRATI	▪ Artificial Intelligence Expansion of the Signa-Artist MRI - Implementation of a new software upgrade that enabled the introduction of several improvements on basic safety, workflow and image quality allowing examinations to be optimized for specific patient situations. ▪ Acquisition of a new Siemens ultrasound machine for gynaecological activities. ▪ Upgrade of PACS system software for diagnostic image storage including server hardware for delivery of networked application services.
HIGHLIGHTS AT FACILITIES IN THE VENETO REGION	
VILLA GARDA	▪ Purchase of a digital remote-controlled radiology system, simply called Remote Controlled Radiology, which is a new generation of diagnostic equipment for taking contrast-enhanced radiographs (fluoroscopy) and radiographs of the musculoskeletal system and the chest, abdomen and digestive system. The Radiological Remote Control uses a low ionizing radiation source and a laser reader that allows the radiograph to be scanned, stored and viewed at the monitor for later reporting.
CLINICA S. FRANCESCO	▪ Opening of a new hub entirely dedicated to physical therapy.
HIGHLIGHTS AT FACILITIES IN THE LAZIO REGION	
AURELIA HOSPITAL	▪ Purchase of a new SIGNA VOYAGER PREMIER EDITION 1.5T MR30 MAGNETIC RESONANCE and a CT INCISIVE CT 128 ESSENTIAL intended for radiology.

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.

Secondary offices

Garofalo Health Care S.p.A. did not have any secondary offices at December 31, 2024.

11. SUSTAINABILITY STATEMENT

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General Disclosures [ESRS 2]

Basis for Preparation

General basis for preparation of the sustainability statement [BP-1]

The Sustainability Report, prepared pursuant to Legislative Decree 125/2024, has been presented on a consolidated basis and includes the disclosure related to the information required by Article 8 of the Taxonomy Regulation (European Regulation 852/2020).

It is confirmed that the scope of consolidation of this statement is the same as that of the Consolidated Financial Statements.

Furthermore, it is noted that the Group has not opted to omit information related to intellectual property, know-how, or innovation results, nor the exemption from disclosing information concerning imminent developments or matters under negotiation, in accordance with Article 19 bis, paragraph 3, and Article 29 bis, paragraph 3, of Directive 2013/34/EU.

The Sustainability Reporting provides relevant information on the upstream and downstream value chain, based on the findings from the Double Materiality Analysis detailed in the following sections. Specifically, the extent to which the policies, actions, metrics, and objectives go beyond the operations of the GHC Group varies depending on the nature of the sustainability topics addressed. This is reported within the scope of the relevant thematic ESRS standards.

The Group, in preparing the 2024 Sustainability Reporting, did not rely on European standards approved by the European standardization system. It is therefore noted that the data and processes used for the Sustainability Reporting have been verified exclusively by the external entity that issues the conformity certification.

Disclosures in relation to specific circumstances [BP-2]

Time horizons

GHC for the 2024 fiscal year has not deviated from the short,, medium, and long-term horizons defined by ESRS 1, section 6.4 (i.e., short-term horizon: the period adopted by the company as the reference period for the Consolidated Financial Statements; b) medium-term horizon: up to five years from the end of the short-term reference period defined in letter a); and c) long-term horizon: beyond five years).

Estimates concerning the value chain

There are no estimates concerning the value chain, except for those made for the calculation of Scope 3 GHG emissions, predominantly calculated using the spend-based methodology, as detailed in ESRS E1.

Sources of uncertainty in estimates and results

The quantitative metrics and reported monetary amounts that are subject to a high level of measurement uncertainty are detailed within the context of the reporting standards ESRS E1, E5, S1, G1, to which reference is made for further details. It is also specified that the measures of these metrics have not been validated by an external entity other than the one issuing the compliance certification.

Changes in the preparation and presentation of sustainability information and reporting errors in previous periods

Considering that the Sustainability Reporting is prepared in accordance with Legislative Decree 125/2024, effective for the first time from the year ending December 31, 2024, there are no changes in the drafting and presentation of sustainability information compared to previous reference periods. Similarly, due to this being the first year of application of the aforementioned legislative decree, any significant errors related to previous periods are not reported.

Disclosures required by other regulations or by generally accepted Sustainability Reporting provisions

The Sustainability Reporting of GHC for the year 2024 does not include information mandated by other regulations containing sustainability information disclosure requirements or additional generally accepted sustainability provisions.

Inclusions by reference

Below is the list of disclosure obligations or ESRS information items that have been included by reference.

ESRS Standard	Disclosure Requirement (Datapoint)	Reference
ESRS G1	G1-6 (33 a)	Directors' Report, paragraph 2, "Group OVerview"

Governance

The role of the administrative, management and supervisory bodies [GOV-1]

On April 29, 2024, the GHC Shareholders' Meeting appointed the current members of the Board of Directors, consisting of 11 members.

With reference to the composition of the Board of Directors, GHC applies the diversity criteria required by current regulations, while respecting the primary goal of ensuring adequate competence and professionalism of its members, both at the time of appointment and during their term. In this regard, it is noted that the composition of the Board of Directors is adequately diversified in terms of age, gender (see the following table "Composition and Diversity of the Board of Directors as of 31.12.2024"), educational, managerial and professional background, as well as origin, as evidenced by the directors' resumes.

Regarding diversity within the corporate bodies of GHC – in terms of gender, age, educational and professional background – the Board of Directors approved on March 1, 2021, and updated on February 18, 2022, a "Policy on Diversity of the Administrative and Supervisory Bodies of Garofalo Health Care S.p.A.". The Policy provides non-binding guidelines concerning aspects such as gender, age, educational and professional background, to be considered in order to determine an optimal qualitative and quantitative composition of the Board of Directors and the Board of Statutory Auditors of the company. This is to ensure effective fulfillment of the tasks and responsibilities assigned to the management and supervisory bodies by having individuals who, on one hand, ensure a sufficient diversity of perspectives and, on the other hand, possess the necessary skills for a good understanding of the company's business, risks, and long-term opportunities for GHC.

Composition and diversity of the Board of Directors as of 12.31.2024	
Number of executive and non-executive members	
Executive members	3
% executives	37%
Non-executive members	8
% non-executives	63%
Number of independent and non-independent members	
Independent members	5
% independents	45%
Non-independent members	6
% non-independents	55%
Gender of the Board of Directors	
Men	6
% men	55%
Women	5
% women	45%
Age of the Board of Directors members	
<30 years	0
% members < 30 years	-
Between 30 and 50 years	2
% members between 30 and 50 years	18%
> 50 years	9
% members > 50 years	82%

Composition and diversity of the Board of Statutory Auditors as of 12.31.2024	
Composition	
Statutory auditors	3
Alternate Auditors	2
Gender of the Board of Auditors	
Men	3
% men	60%
Women	2
% women	40%
Age of the Board of Auditors members	
<30 years	0
% members < 30 years	-
Between 30 and 50 years	0
% members between 30 and 50 years	-
> 50 years	5
% members > 50 years	100%

GHC is organized according to the so-called "traditional model," a system of administration and control that has characterized GHC's governance structure since its inception, still considered the most effective for conducting the company's business and pursuing its strategies. In particular, the Board of Directors has defined and approved a comprehensive corporate governance system based on the presence of the traditional system's bodies (Shareholders' Meeting, Board of Directors, and Board of Statutory Auditors), internal board committees, and a detailed individual and Group organizational chart, as well as assigning the CEO a top managerial role within the company.
In this governance context, employee and other worker representation within the administrative, management, and control bodies is not currently provided for.

The members of the administration, management, and control bodies collectively possess adequate expertise in the business sector, services, and geographical areas where the GHC Group operates. In particular, it is noteworthy that several members of the Board of Directors have gained direct experience in managing healthcare facilities active in the sectors in which the GHC Group operates (Maria Laura Garofalo, Claudia Garofalo, Giuseppe Giannasio, Guido Dalla Rosa Prati), and two Directors hold, among other things, specialized medical-healthcare expertise (Alessandra Rinaldi Garofalo, Alberto Oliveti).
Similarly, it is noted that the majority of the board members have gained extensive experience as part of GHC's board

of directors. In particular, 5 board members have been in office since the company went public in 2018 (Maria Laura Garofalo, Alessandro Maria Rinaldi, Alessandra Rinaldi Garofalo, Claudia Garofalo, Giuseppe Giannasio), 2 board members have been in office since 2019 (Franca Brusco, Federico Ferro-Luzzi), and 2 board members have been in office since 2021 (Guido Dalla Rosa Prati and Giancarla Branda).

The GHC Board of Directors has established an Internal Risk and Control Committee, which also covers Sustainability and related party transactions ("Risk and Sustainability Control Committee"), with investigative, proactive, and consultative functions, as recommended by the Corporate Governance Code, and in compliance with the Consob Related Parties Regulation. The Risk and Sustainability Control Committee is composed of 3 members, all independent, 2 of whom are female (Franca Brusco – Chair, Giancarla Branda, and Federico Ferro-Luzzi).

Consistent with the provisions of the Corporate Governance Code, the Board of Directors Regulation of GHC stipulates that this body, among other things:

- defines the nature and level of risk compatible with the strategic objectives of the Company, including in its assessments all elements that may be relevant in the perspective of the sustainable success of the company;
- defines the corporate governance system of the company and the structure of the GHC Group and assesses the adequacy of the organizational, administrative, and accounting structure of the company and its strategically significant subsidiaries, with particular reference to the internal control system and risk management.

The Risk and Sustainability Control Committee has a Regulation, approved by the GHC Board of Directors on May 15, 2024, that governs its activities and responsibilities.
In particular, this Regulation specifies that:

- The Committee performs preparatory, propositional, and advisory functions for the Board of Directors to support its evaluations and decisions regarding the internal control system, risk management, and the approval of periodic financial and non-financial reports;
- The Committee in assisting the Board of Directors:
  a) evaluates, after consulting the Officer responsible for preparing the company's financial documents, the Audit Firm, and the Board of Statutory Auditors, the proper application of accounting principles and their consistency for the preparation of the consolidated financial statements;
  b) assesses the adequacy of periodic financial and sustainability information to accurately represent the business model, company strategies, the impact of its activities, and achieved performance;
  c) examines the content of non-financial periodic information relevant for the internal control and risk management system;
  d) provides opinions on specific aspects related to the identification of key business risks and supports the Board of Directors' evaluations and decisions concerning the management of risks stemming from detrimental events it has become aware of;
  e) reviews the periodic reports and those of particular importance prepared by the Internal Audit Function;
  f) monitors the autonomy, adequacy, effectiveness, and efficiency of the Internal Audit Function;
  g) may assign the Internal Audit Function—where it deems necessary—the task of conducting audits on specific operational areas, simultaneously informing the Chairman of the Board of Statutory Auditors;
  h) reports to the Board of Directors, at least during the approval of the annual and semi-annual financial report, on the activities carried out, as well as on the adequacy of the internal control and risk management system;

i) performs additional tasks assigned by the Board of Directors.

Furthermore, the Committee supports the Board of Directors in fulfilling tasks related to the Internal Control and Risk Management System ("SCIGR"), and in particular:

a) in defining the guidelines of the SCIGR in alignment with the Company's strategies;
b) in evaluating, at least annually, the adequacy of the SCIGR, in relation to the characteristics of the company and the assumed risk profile, as well as its effectiveness;
c) in appointing and removing the head of the Internal Audit function and in setting the remuneration, in line with company policies, ensuring that they are equipped with adequate resources to perform their tasks;
d) in approving, at least annually, the work plan prepared by the head of the Internal Audit Function after consulting the Board of Statutory Auditors and the CEO;
e) in the description, within the corporate governance report, of the main characteristics of the SCIGR and the coordination methods among the parties involved, indicating the national and international reference models and best practices and in the overall assessment of the system's adequacy;
f) in the evaluation, after consulting the Board of Statutory Auditors, of the results presented by the statutory auditor in any letter of suggestions and in the additional report addressed to the supervisory body;
g) in the assessment regarding the opportunity to adopt measures to ensure the effectiveness and impartiality of judgment of the other corporate functions indicated in Recommendation 32, letter e), of the Corporate Governance Code, verifying that they are equipped with adequate professionalism and resources;
h) in assigning the oversight functions under Article 6, paragraph 1, of Legislative Decree 231/2001 to the Board of Statutory Auditors or a specially established body.

The Committee, in its role as the Sustainability Committee, performs instructive, propositional, and consultative functions for the Board of Directors regarding the sustainability of business policies and in particular:

a) it assists the management body in analyzing issues relevant to long-term value creation, in line with Recommendation 1(a) of the Corporate Governance Code;
b) it reviews sustainability policies related to business activities and stakeholder engagement activities to be submitted for the approval of the Board of Directors and monitors their correct implementation;
c) promotes the participation of the company in initiatives and events relevant to sustainability, with the aim of enhancing the company's reputation both nationally and internationally;
d) reviews the general setup of the sustainability document proposed by the CEO and the structure of its contents, as well as the completeness and transparency of the information provided therein, giving a preliminary opinion to the Board of Directors tasked with approving such document;
e) provides opinions on sustainability issues at the request of the Board of Directors or the CEO;
f) reports to the Board of Directors, at least semi-annually, on the approval of the annual and semi-annual financial report, on the activities carried out in the field of sustainability.

The internal functions primarily responsible for monitoring, managing, and controlling impacts, risks, and opportunities—particularly regarding sustainability issues—can be identified within the CFO, Risk Management, Sustainability, and Internal Audit functions.
It should be noted that all the aforementioned functions report directly to the CEO and/or the Board of Directors, who are periodically informed about the outcomes of these monitoring activities.

The Risk Management function, reporting directly to the CEO, is responsible for ensuring the coordination of activities related to the implementation and management of the Group's Enterprise Risk Management process. It develops and promotes a risk culture and a common language on risks within the organization, in line with the Internal Control and

Risk Management System Guidelines issued by the Parent Company.
Specifically, this function, formally outlined in the company organizational chart, is responsible – among other things – for:

- Developing the methodological approach and the components of Enterprise Risk Management (ERM) for the Group;
- Coordinating the process of updating the Enterprise Risk Management for the Group;
- Ensure the proper conduct of the Risk Assessment activity aimed at identifying and monitoring the main risks of the Parent Company; support the owner of each risk in identifying any corrective actions and measures to manage the identified risks;
- Provide training through dedicated sessions in the field of Enterprise Risk Management to the Group's Risk Owners;
- Define and update the periodic information flows related to the Group's Key Risk Indicators;
- Ensure the necessary information to the bodies responsible for corporate governance and control regarding business risk management;
- In relation to the overall view of corporate risk profiles, and with the support of the Internal Audit Function, assist the Risk Owners in developing the most appropriate risk management and mitigation strategies and in proposing any additional Risk Management actions to be implemented to execute this strategy;
- Conduct specific assessment activities regarding processes with the highest risk profile;
- Monitor the correct and complete implementation of mitigation and improvement actions defined within Risk Assessment activities.
- Coordinate and supervise the Risk Assessment activity aimed at identifying and monitoring the main risks of the subsidiaries;
- Support the subsidiaries in defining and developing risk measurement and control systems and monitor the evolution of risks;
- Ensure coordination with the organizational unit of the subsidiaries (known as “Risk Coordinator”) responsible for overseeing the risks of the subsidiaries;
- Evaluate in coordination with the involved subsidiaries, in light of the risk management strategy, the business risks to define the structure of insurance coverage;
- Provide training in the field of Risk Management.

The Sustainability function, reporting directly to the CEO, is responsible – among other things – for managing corporate sustainability activities to foster a Group-wide sustainability culture. Specifically, this function, formally outlined in the company’s organizational chart, is responsible for:

- Drafting the document containing information related to Sustainability Reporting, requesting quantitative and qualitative information from the subsidiaries;
- Maintain relationships with rating agencies or organizations that evaluate ESG parameters;
- Support top management in implementing activities related to defining medium- to long-term ESG objectives;
- Share with subsidiaries the Group-level guidelines on integrating sustainable development dimensions (social, environmental, and governance aspects) into business processes;
- Oversee the governance of Group non-financial performance reporting processes and the preparation of the Group non-financial reporting document(s), requesting quantitative and qualitative information from subsidiaries, also through the relevant Procedure;
- Promote corporate sustainability activities to foster a Group sustainability culture.
- Define and update impact assessment metrics for the Group's activities in terms of sustainable development dimensions, ensuring consistency and comparability of analyses.

Finally, the company has an Internal Audit Function, which plays a central role in the Internal Control System and Risk Management as it conducts third-level checks on the system as a whole, acting as an independent entity with autonomous initiative powers in defining the audit plan using a risk-based approach, and in carrying out individual verification interventions.
The Internal Audit Function of GHC, through assurance and consulting activities carried out in accordance with the internal audit standards of the Institute of Internal Auditors and industry best practices, supports the CEO, the Board of Directors, the Risk and Sustainability Control Committee, the Board of Statutory Auditors, the Supervisory Body, and the Designated Officer.

The Board of Directors of GHC does not foresee hierarchical distinctions among its members. However, the Board of Directors of GHC has established internal committees, in accordance with the law, the Articles of Association, and the Corporate Governance Code, with preparatory, propositional, and consultative functions to support the Board in carrying out its activities. These internal committees are the Risk Control and Sustainability Committee (also responsible for Related Party Transactions) and the Nomination and Remuneration Committee.

In addition to what has already been reported, it should be noted that the Board of Directors, also through the Risk Control and Sustainability Committee, is periodically updated by the relevant internal functions regarding the management of impacts, risks, and opportunities.
Furthermore, it is highlighted how the Risk Management function and the Sustainability function, both directly reporting to the Group's CEO, are equipped with specific corporate procedures (approved by the Parent Company's Board of Directors and the deliberative bodies of the subsidiaries) that define their roles, responsibilities, and areas of activity.

It is noted that the Risk Management function and the Sustainability function periodically monitor their areas of competence (described in detail above), also with the support of other relevant corporate functions as needed (including: Internal Audit, Information Technology, General Counsel).
The GHC Group has also established a governance system specifically dedicated to overseeing and managing sustainability issues at the Group level, with the aim of operating responsibly and increasingly integrating sustainability into its business strategy. This governance system involves various stakeholders who, within their respective roles and responsibilities, work together to ensure that the principles of sustainable success are increasingly integrated into their daily activities. This is particularly based on the guidance and strategic directions outlined by the Board of Directors.

In particular, as of December 31, 2024, the Company is equipped with:

- Risk and Sustainability Control Committee, composed of three independent directors with investigative, propositional, and advisory functions towards the Board of Directors on sustainability matters;
- Sustainability Function, responsible for preparing the Sustainability Report and supporting the company's top management in implementing activities related to short, medium, and long-term ESG goals;
- Sustainability Managers, identified at each subsidiary, tasked with collecting and verifying the data included – on a consolidated basis – in the Sustainability Report.

In this context, the goals related to the significant impacts, risks, and opportunities are defined annually by GHC through a preparatory activity initiated by internal functions (including: CFO, Sustainability, Risk Management) and shared with the relevant board committees (Risk and Sustainability Control Committee and Nominations and Remuneration Committee), subject to formal approval by the GHC Board of Directors.

The Risk and Sustainability Control Committee, according to the Internal Regulations, has the authority to access the information and company functions necessary for carrying out its tasks and to use any resources it deems appropriate, including external consultations within the terms and budget limits established by the Board of Directors, following a proposal from the Committee itself. Similarly, the Committee can also exchange information with the control bodies of the Group's companies regarding administration and control systems and the general progress of social activities.
During 2024, the Risk and Sustainability Control Committee was able to engage in dialogue with the designated internal functions (including: CFO, Sustainability, Risk Management), as well as partake in exclusive induction sessions conducted by top-tier external consultants specifically dedicated to sustainability topics.

The skills of the members of the social bodies, suitably diversified by age, gender, and educational, managerial, and professional background, as well as origin, as also reflected in the résumés of the board members, are considered overall relevant to the impacts, risks, and opportunities significant to the company.
Likewise, it is noted that the members of the governing, directing, and control bodies possess extensive expertise on sustainability issues, as can be deduced from each member's résumé published on the Group's website.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [GOV-2]

The management, executive, and supervisory bodies are informed, at least annually, about significant impacts, risks, and opportunities, as well as related monitoring activities through the competent internal functions, including those within the CFO area (Administration and Budgeting, Planning and Control, Finance and Treasury), Risk Management, Sustainability, Internal Audit, Information Technology.

The main sustainability issues addressed during 2024 concerned:

- The findings from the assessment carried out by the Risk Management function on customer satisfaction, including the analysis of KPIs related to service quality and the update of Key Risk Indicators;
- The review and approval of the new short-term incentive plan (MBO) for the CEO for 2024 and the new long-term incentive plan term referred to as "2024-2026 Performance Share Plan", both containing explicit ESG objectives;
- The examination and approval of the consolidated statement containing non-financial information pursuant to Legislative Decree of December 30, 2016, No. 254 and Regulation 852/2020 (Taxonomy Regulation) related to the 2023 fiscal year;
- The presentation of the findings from the assessment conducted by the Risk Management function coordinated by the Information Technology function focused on the Group's IT governance;
- The update of the 2024 activity plan for the Risk Management, Information Technology, Internal Audit, and Sustainability functions (including – with reference to the latter – the preparatory activities for drafting the Sustainability Report, such as: Double Materiality Analysis, outcomes of Stakeholder Engagement activities, and the definition of short, medium, and long-term ESG goals to be included in the remuneration policy);
- The analysis of the regulatory and sector-specific legal context (with particular reference to the so-called "Competition Decree" and "Tariff Decree") and non-sector-specific context (with particular reference to Legislative Decree 138/2024 which implements the so-called NIS 2 Directive related to the field of Information Technology).

It is specified that during the first quarter of 2025, additional meetings of the internal committees and the Board of Directors of GHC were held, particularly addressing the following sustainability issues:

- Review and approval of the Double Materiality Analysis;
- Review and approval of the new short-term incentive plan (MBO) for the CEO for 2025 and the second cycle of the long-term incentive plan called the "Performance Share Plan 2024-2026", both containing explicit ESG objectives;
- Review and approval of the Sustainability Report prepared in accordance with Legislative Decree 125/2024.

The management, direction, and control bodies consider the impacts, risks, and opportunities in formulating the company's strategy, as well as in relation to the risk management process.
In particular, these bodies, during 2024:

- have commented on the mitigation actions proposed by the Risk Management function following the annual Enterprise Risk Assessment activities, also in line with the Risk Appetite Statement approved by the Group's Board of Directors. It is specified that during 2024, 118 mitigation and improvement actions were defined and fully accepted by the subsidiaries, as well as by the Group's Board of Directors;
- they analyzed the findings of the Double Materiality Analysis prepared by the Sustainability function, which outlined the impacts, risks, and opportunities deemed relevant for the Group, defining short- and medium-term initiatives and projects in the realm of sustainability included in the ESG objectives of the new short-term incentive plan (MBO) for the CEO for 2025 and the second cycle of the long-term incentive plan called "Performance Share Plan 2024-2026", detailed in ESRS GOV-3 to which reference is made for further insights.

Integration of sustainability-related performance in incentive schemes [GOV-3]

GHC has a remuneration policy formalized in the Report on the Remuneration Policy and on the compensation paid.

This Policy concerns the members of the Board of Directors and the Board of Statutory Auditors, and aims to achieve the following objectives:

- to balance fixed and variable remuneration with the goal of creating sustainable value for the company;
- to link variable remuneration to the achievement of operational and financial objectives aligned with value creation and the actual results achieved by the company, in a sustainability logic;
- to align the management's interests with those of the company and its shareholders in the medium to long term;
- to attract, motivate and retain individuals with the individual and professional qualities necessary for pursuing and achieving the company's business development goals and the core activities of the GHC Group.

The Remuneration Policy is therefore based on the following criteria:

a) administrators are granted compensation appropriate to the competence, professionalism, and commitment required by the tasks assigned to them;
b) non-executive directors are granted a fixed compensation that is not tied to financial performance objectives;
c) executive directors (excluding the Chief Executive Officer) are granted a remuneration consisting of (i) a fixed component, (ii) a potential short-term variable component linked to the achievement of specific performance objectives, which may also be non-economic in nature, indicated and determined in advance in alignment with the Remuneration Policy, and (iii) a potential medium-long term variable component connected to performance objectives with at least a three-year horizon;
d) The CEO's remuneration consists of (i) a fixed component, (i) a short-term variable component, and (ii) a

medium to long-term component linked to performance objectives with at least a three-year horizon;

e) the fixed component of the remuneration is sufficient to ensure an adequate level of recognition for the CEO's performance in case the variable component is not provided due to the failure to meet assigned objectives;
f) the short-term and medium to long-term variable components are assigned to the CEO based on predetermined economic parameters; there is a maximum limit to the payment of the variable component for both short-term and medium to long-term, even if performance objectives are exceeded;
g) the performance objectives are predetermined, measurable, and linked to the goal of creating value for shareholders over a medium to long-term horizon; they are consistent with the company's strategic goals and aimed at promoting its sustainable success, including non-financial parameters;
h) the disbursement of the medium to long-term variable component of remuneration under the Performance Share Plan is deferred for an appropriate period of time from when it matures; remuneration plans based on shares for Executive Directors and other key figures identified by the Board of Directors, in fact, encourage alignment with the interests of shareholders over a medium to long-term horizon, providing that part of the plan has a total period of rights vesting and holding of the allocated shares of at least five years;
i) the measure of this portion and the duration of the deferral are consistent with the characteristics of the business activity performed and the associated risk profiles;
j) regarding the medium to long-term variable component under the Performance Share Plan, malus and claw back clauses are provided;
k) no indemnities are provided for the early termination of the administration relationship or for its non-renewal; furthermore, no non-compete agreements, allocation or maintenance of non-monetary benefits, or consultancy contracts for a period following the termination of the relationship are provided;
l) the remuneration of the members of the supervisory body includes compensation appropriate to the competence, professionalism, and commitment required by the significance of the role occupied and the dimensional and sectoral characteristics of the company and its situation.

The incentive plans, both short-term and medium-long term, explicitly include sustainability goals. Regarding the short-term incentive plans, it is noted that the short-term variable compensation for the CEO for the year 2024 (so-called "MBO") included the achievement of 3 ESG targets, with a total weight of 20% (i.e., (i) number of home visits conducted as part of a home care project, (ii) risk assessment on IT Governance and Cybersecurity, (iii) operational start-up of the new Group Datacenter).
Regarding the medium-long term incentive plans, these refer to the Performance Share Plan 2021-2023 (which includes a total weight of ESG goals equal to 15%) and Performance Share Plan 2024-2026 (which includes a total weight of ESG goals equal to 20%).

The short and medium-long term ESG goals are detailed in the 2025 Remuneration Policy Report and the 2024 paid compensation, to which reference is made for further details.

The conditions related to incentive systems are approved and updated by the GHC Board of Directors, based on the proposal of the Nomination and Remuneration Committee and after consulting the Board of Statutory Auditors. In the case of long-term incentive systems, the conditions are then submitted to the Shareholders' Meeting, which is annually called to express a binding vote on the remuneration policy for the current year's operations and to deliberate on Section II of the aforementioned Report, which details the compensation paid in the previous year by name for Directors and Auditors.

Statement on due diligence [GOV-4]

Below are the fundamental elements of the duty of care according to ESRS 1, chapter 4, with an indication for each of the references within the Sustainability Reporting:

Fundamental elements of the duty of care	Paragraphs of the Sustainability Reporting
a) Integrate the duty of care into governance, strategy, and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 I ESRS 2 SBM-3 ESRS 2 SBM-3 E1 ESRS 2 SBM-3 S1 ESRS 2 SBM-3 S2 ESRS 2 SBM-3 S4
b) Engage stakeholders in all fundamental phases of the duty of care	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 SBM-2 S1 ESRS 2 SBM-2 S2 ESRS 2 SBM-2 S4 ESRS 2 IRO-1 ESRS S1-2 ESRS S2-2 ESRS S4-2
c) Identify and assess negative impacts	ESRS 2 IRO-1 ESRS 2 SBM-3
d) Act to address negative impacts	ESRS E1-3 ESRS E5-2 ESRS S1-4 ESRS S2-4

	ESRS S4-4
e) Monitor the effectiveness of actions and communicate	ESRS E1-5 ESRS E1-6 ESRS E5-5 ESRS S1-6 ESRS S1-7 ESRS S1-8 ESRS S1-9 ESRS S1-10 ESRS S1-11 ESRS S1-13 ESRS S1-14 ESRS S1-15 ESRS S1-16 ESRS S1-17

Risk management and internal controls over sustainability reporting [GOV-5]

The Internal Control and Risk Management System ("SCIGR") plays a central role in GHC's decision-making process and is defined, in accordance with the principles set out in art. 6 of the "Corporate Governance Code" adopted by the Corporate Governance Committee in January 2020, as the set of rules, procedures, and organizational structures aimed at effective and efficient identification, measurement, management, and monitoring of the main business risks within the Group, to contribute to its sustainable success. In this context, the Board of Directors of GHC, responsible for the SCIGR, has defined the "Guidelines of the internal control and risk management system" ("Guidelines"), updated to the Corporate Governance Code, effective from January 1, 2021, to ensure that the main risks of the organization, including those related to sustainability and its reporting, are correctly identified, measured, managed, and monitored in line with the strategic objectives of the Group.
The main elements of the SCIGR defined for the GHC Group are:

- the presence of a Chief Executive Officer (the CEO of GHC), responsible for the establishment and maintenance of the SCIGR;
- the presence of an Internal Audit Function delegated by the Board of Directors to provide independent assurance on the efficiency and effectiveness of the SCIGR;
- the definition of a Group regulatory system that includes specific procedures, as well as dissemination and awareness programs.

With regard to the preparation of the GHC Group's Sustainability Report for 2024, the main stages of the process followed for its drafting are outlined below, which also included an induction session with the Sustainability Managers of all the controlled companies conducted in January 2025.

Roles and responsibilities in drafting the Sustainability Report	
Sustainability Officers (subsidiaries)	▪ Collection and verification of data to be included – on a consolidated basis – in the Sustainability Report of the GHC Group
Administrative body (subsidiaries)	▪ Approval of data certified by the respective Sustainability Officer
Sustainability Function (Parent Company)	▪ Definition of the operational reference circular for carrying out the activity ▪ Consolidation of data approved by the administrative bodies of each subsidiary ▪ Drafting of the Sustainability Report draft
Risk and Sustainability Control Committee (Parent Company)	▪ Preliminary analysis of the draft Sustainability Report proposed by the Sustainability function of the Parent Company
Board of Directors and Shareholders' Meeting (Parent Company)	▪ Approval of the Sustainability Report

The Sustainability Report represents a mandatory disclosure of strategic importance for the Group, which requires increasing attention to ensure the communicated information is accurate, complete, verified, and consistent.

Below are the priority risk areas identified in previous exercises, based on their relevance within the Sustainability Reporting process, along with the related mitigation actions already undertaken, including the associated controls. These risk areas, including the related mitigation actions, have been subject to specific examination with the Risk and Sustainability Control Committee (CCRS) during previous years (i.e. 2022). It is also specified that the Officer responsible for drafting the Sustainability Reporting provided the CCRS and the Board of Directors with relevant information regarding the verification activities carried out on the 2024 Sustainability Reporting.

Main identified risks, mitigation strategies, and related controls concerning the drafting process of the Sustainability Reporting			
Risk areas	Description of identified risk	Mitigation actions undertaken	Controls

Organizational adequacy (subsidiaries)	▪ Possibility that the individuals tasked with collecting and verifying the data to be included in the Sustainability Reporting (so-called "Sustainability Managers" of the subsidiaries) do not have the necessary seniority and/or experience in managing complex processes characterized by high levels of responsibility	▪ In order to ensure better oversight of the sustainability information, the profile of the "Sustainability Manager" has been strengthened by requiring that this role is predominantly filled by someone who reports directly to the CEO/General Manager of the subsidiaries	▪ The administrative body of each subsidiary – during the approval of the sustainability information – formally highlights the name of the Sustainability Manager who carried out the phases of data collection and verification of the aforementioned information
		▪ As an additional strengthening measure and in the case of some specific structures, the role of the Sustainability Manager has been made coincident with that of the Administrative Manager (i.e., the person responsible for verifying the data and financial information of the relevant subsidiary)	
Ownership of the data included in the Sustainability Reporting (subsidiaries)	▪ Possibility that the data included in the Sustainability Reporting may not be accompanied by adequate informational and/or documentary support necessary to allow a critical review activity by internal Group parties (e.g., Parent Company Sustainability Function) or external parties (e.g., audit firms)	▪ In order to ensure greater traceability and verifiability of sustainability information, it is mandatory for each Sustainability Manager of the subsidiaries to provide evidence of the documentation/back up used for processing the data included in the Sustainability Reporting	▪ The Sustainability Function of the Parent Company verifies that the documentation/back up has been provided (this verification is also carried out through the auditing company)

Accountability of the data included in the Sustainability Reporting (subsidiaries)	▪ Possibility that the data provided by the subsidiaries are processed by different corporate entities/functions than the Sustainability Manager and not formally identified	▪ To enable better accountability of the communicated data, each subsidiary - through the Sustainability Manager - is required to draft a "Process Map" that indicates, for each data provided, the respective "Data Owner", understood as the entity that has collected and verified it	▪ The administrative body of each subsidiary – during the approval of the sustainability report – formally reviews and approves the relevant "Process Map", which contains explicit indications of the involved Data Owners
Control system (Parent Company)	▪ Possibility that no additional internal audits are conducted by the Sustainability function beyond those performed by the auditing company (typically conducted on a sample basis)	▪ In addition to the audits carried out by the audit firm, it is expected that the Sustainability Function will conduct additional and sample checks on the data collected from the subsidiaries	▪ The Sustainability Function informs the Risk and Sustainability Control Committee about the outcomes of these further control activities, within the context of preparatory activities for the approval of the Sustainability Report

The business model and the value chain

Strategy, business model, and value chain [SBM-1]

The GHC Group is one of the leading groups in Italy operating in the accredited private healthcare sector and is the first company in the healthcare sector to be listed on the Euronext STAR Milan segment. The Group, originating from the professional and entrepreneurial journey initiated by Prof. Raffaele Garofalo in the 1950s, is based on a business model focused on geographical and sector diversification, and operates in all areas of the hospital, territorial, and social assistance sectors according to a "patient-centered" model, which emphasizes the centrality of the patient, considering all their physical, psychological, and social needs.

The following table provides a summary of the main specialties offered by the Group, diversified - not only geographically - but also by sector and area.

Sector	ACUTE	POST-ACUTE		OUTPATIENT	DEPENDENCY CARE
		Long-term care	Rehabilitation		
Main services provided	• **Wide range of specialisations in acute patient therapy, including:** – Heart surgery – Cardiology (clinical and interventional) – Orthopaedics – Diabetology – Urology – Otorhinolaryngology – General surgery – Vascular Surgery – Gynaecology	• **Long-term hospitalisations for patients suffering from:** – 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	• **Rehabilitation treatments, including:** – Cardiology – Neurology – Neuromotor – Nutritional – Respiratory – -Physiotherapy	• **Outpatient services, consultations, and diagnostic services performed by hospital and non-hospital facilities:** – 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	• **Assistance and treatment of specific conditions, including:** – 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

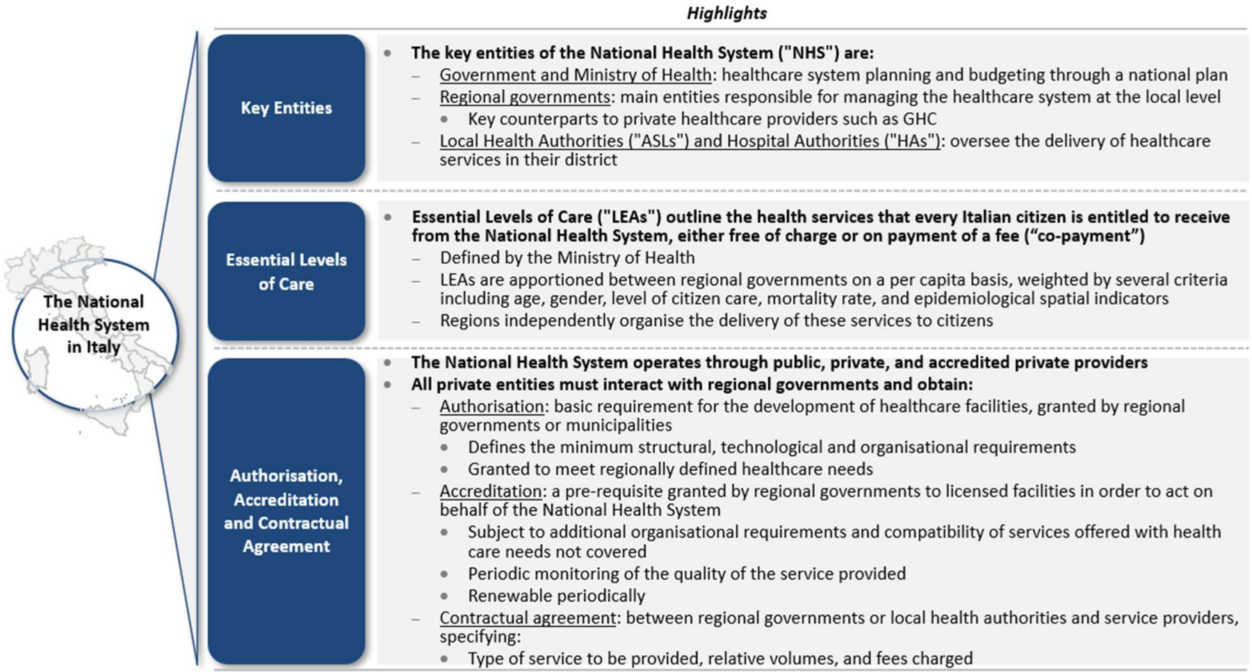
The 37 operational facilities of the GHC Group are diversified by regions and by area, as represented below.

Italian regions	Nr. Reporting Entities (24)	Nr. Facilities (37)	Nr. legal entities (38)	Segment: Hospital	Segment: 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	4(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	Gruppo Fides(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		✓
	Struttura Res. Psichiatrica Samadi	1	1		✓

(1) Also includes Bimar S.r.l.
(2) Also includes Terme del Friuli Venezia-Giulia S.r.l. as well as Eutonia Sanità e Salute S.r.l. through Aurora Holding
(3) Excluding 4 facilities belonging to Il Fiocco scrl, a company owned by Fides Medica, whose financial information is consolidated according to the equity method
(4) Fides Group facilities: Residenza Le Clarisse, S. Marta, S. Rosa, Rehabilitation Center, Villa S. Maria, Villa Del Principe, Le Note di Villa S. Maria, Villa Fernanda
(5) Legal entities of the Fides Group: Fides Medica S.r.l., Centro di Riabilitazione S.r.l., RoEMar S.r.l., Prora S.r.l., Fides Servizi S.r.l.
(6) Aurelia Hospital also includes other companies that carry out 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.)

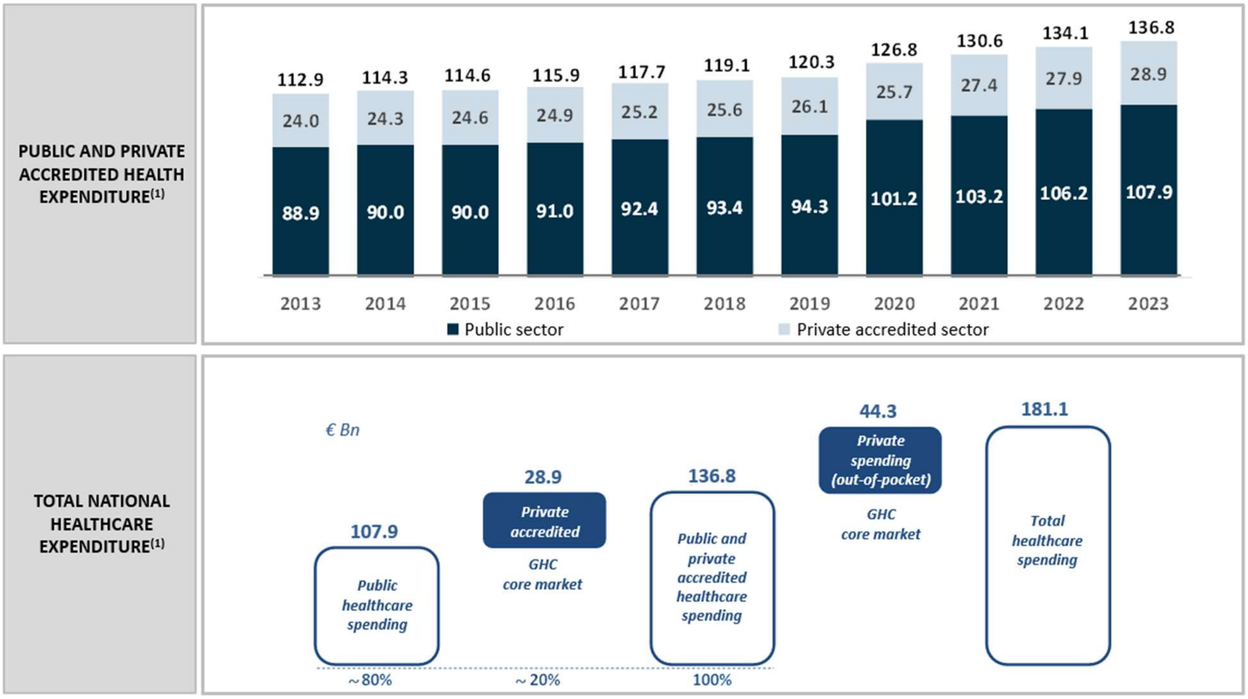
During 2024, there were no changes concerning significant groups of products and/or services offered.

The GHC Group operates within the National Health Service ("NHS") as an accredited private operator. Below are the main distinguishing elements of the reference market.



In particular, the composition of Italian healthcare expenditure is reported below, highlighting the reference markets of the GHC Group, which are related to:
(i) healthcare expenditure covered by the National Health System through accredited private facilities and (ii) private healthcare expenditure (known as 'out of pocket').

In particular, the total healthcare expenditure in 2023 (source: OASI Report 2024) amounted to approximately €181.1 billion, of which approximately €136.8 billion was covered by the National Health System and €44.3 billion was private. It is important to highlight that the healthcare expenditure of the NHS includes both the expenditure for services provided through public facilities (€107.9 billion) and through private facilities accredited with the NHS (€28.9 billion).



(1) Elaborations on OASI Report 2024 (related to 2023 figures)

During 2024, no changes occurred in terms of significant groups of clients and/or markets.

The entire workforce of the GHC Group – totaling 2,708 employees as of December 31, 2024 – is located in Italy, where the Group operates in 8 regions of the central-northern area.

The information required by IFRS 8 – Operating Segments is included in the Notes to the Consolidated and Separate Financial Statements as of 31.12.2024, to which reference is made for further details.

The Group's Mission is to place the patient at the center of the care and assistance system according to a model defined as "patient-centered", meaning based on the centrality of the patient considered in all their physical, psychological, and social needs.
This involves the commitment to equip itself with excellent medical, healthcare, and staff personnel, cutting-edge equipment (both medical and non-medical), and to ensure that its facilities are equipped with the best comforts to meet the needs of patients, medical staff, operators, and caregivers.
Within its mission, it is specified that GHC operates within a distinctive strategy, based on geographical and sector diversification, which allows the Group to be present in 8 Regions of central-northern Italy and to provide hospital, diagnostic, and socio-assistance services that cover the entire range of patients' healthcare needs.
Furthermore, the Group, in line with its mission, also aims to acquire outstanding healthcare facilities, enhancing their strengths and optimizing their resources, with the goal of becoming the leading healthcare group nationwide. This value creation strategy, presented to the market since the IPO, is part of the so-called "Buy & Build" strategy, which has led the Group to complete 11 acquisition transactions since 2018.
As of the date of this report, the Group does not have formalized Sustainability objectives.

The GHC Group has a heritage of over 70 years, rooted in the professional and entrepreneurial history of Prof. Raffaele Garofalo and his younger brothers Antonio and Mario Garofalo, who, starting from the late 1950s, began creating a private healthcare hub in Rome.

Today, the GHC Group is one of the leading accredited private operators in Italy, as well as the only operator listed on regulated markets, demonstrating the quality of the services provided and the transparency and accountability of its performance.

The GHC Group has been assigned an ESG rating by Standard Ethics, an independent agency specializing in non-financial sustainability ratings concerning environmental, social, and governance (ESG) issues. In 2024, Standard Ethics confirmed GHC's medium to long-term rating at the Investment Grade EE+ ("Very Strong") level and also reaffirmed the current short-term rating at the EE ("Strong") level, which is also Investment Grade. It should be noted that the rating given by Standard Ethics represents an independent evaluation reflecting the level of compliance with voluntary institutional and international guidelines on sustainability (including related governance aspects) issued by the United Nations (UN), the Organisation for Economic Co-operation and Development (OECD), and the European Union (EU).
Similarly, it is noted that GHC has been recognized as a "Leader in Sustainability 2024," an accolade awarded by IlSole24Ore and Statista to the most sustainable Italian organizations within a sample of approximately 1,500 companies.

The healthcare sector, in which the GHC Group operates, is characterized by an exponential growth in the demand for healthcare services, driven by out-of-pocket private activities, highlighting the essential role of accredited private operators in meeting these needs. Additionally, the crucial role of qualified medical and healthcare personnel is noted – attracted by the high reputational standards and significant technological resources available at individual facilities – along with the increasingly central role of Information Technology in ensuring the availability, adequacy, and protection of infrastructure, connectivity, and applications used by subsidiary companies.

It is specified that the GHC Group continuously monitors the elements of its strategy that are linked to sustainability issues or have an impact on them, including the main challenges for the future, critical solutions, and any projects to be implemented.

Article 18, paragraph 1, letter a), of Directive 2013/34/EU states that the notes to the accounts of large companies and public interest entities must include "the breakdown of net sales and service revenues by category of activity and geographical markets, if, based on the organization of product sales and service provision, such categories and markets present significant differences among them." Therefore, please refer to the Consolidated Notes of the GHC Group for any related information.

The organizational model of the GHC Group, which also includes the description of the relevant regulatory system, is described in the Management Report (paragraph 6), which is referred to for further details.

ì There are no estimates regarding the value chain, except for those made for the calculation of Scope 3 GHG emissions, primarily calculated using the spend-based methodology, as described in detail in ESRS E1.

Below are the main characteristics of the GHC Group's value chain, highlighting the main parties involved:

- Upstream value chain
    - Composed of the actors responsible for the Group's main supplies, including: (i) medical and healthcare services provided by non-employee personnel (e.g., doctors, paramedics, healthcare workers), (ii) medical supplies (e.g., medicines, drugs, implantable prosthetic materials, general healthcare equipment), (iii) goods and services related to the Group's core activities (e.g., cleaning,

- laundry, catering, waste disposal, supply and maintenance of healthcare equipment), (iv) other services (e.g., insurance, consulting activities, any energy management services);

- Own operations
  - Consist of the activities of the GHC Group in providing healthcare and social care services, diversified by region and sector;
- Downstream value chain
  - Composed of patients who benefit from the healthcare and social assistance services provided by the Group's facilities, with particular reference to the phases of management, monitoring, and clinical-health relationship post-treatment.

Additionally, considering the regulated nature of the healthcare sector (at the national and regional level), the role played by the various national and regional authorities responsible for regulating the healthcare sector and defining and organizing the provision of Essential Levels of Care ("LEA") to citizens is also highlighted, including the Government and Ministry of Health, Regions, Local Health Authorities ("ASL").

Stakeholder engagement

Interests and views of stakeholders [SBM-2]

The GHC Group considers it of utmost importance to operate in a collaborative and trusting environment with its numerous stakeholders, identified since the IPO and subsequently represented in sustainability reports relating to previous fiscal years, developing an active and constant dialogue with them also through the support of specific corporate functions.

The main identified stakeholders are represented by:

- Personnel (employees and non-employees), which includes all workers, both those directly hired and external collaborators;
- Patients and caregivers, understood respectively as the recipients of healthcare services and those who provide assistance and support to patients;
- Public administrations, universities and research centers, local communities, which represent governmental, educational and research institutions, as well as the community in which the Group operates;
- Investors and financiers, who provide the financial resources necessary for the development of the Group;
- Suppliers, who offer essential goods and services for the operation of the Group;

The GHC Group foresees specific and dedicated engagement for each category of stakeholders.

Below are the main methods of dialogue and engagement adopted on an ongoing basis with the various stakeholders.

Methods of dialogue and engagement adopted with stakeholders	
Employees and non-employees	▪ Communications from top management ▪ Training activities ▪ Team building events ▪ Channels for collecting internal reports ▪ Social network (Linkedin) ▪ Corporate and institutional website ▪ Web portal ▪ Climate analysis
Patients and caregivers	▪ Service charters ▪ Structured interviews before and after service provision ▪ Satisfaction survey ▪ Customer satisfaction analysis ▪ Corporate and institutional website ▪ Operational web portal ▪ MyGHC App
Public administrations, Universities and research centers, local community	▪ Institutional relations ▪ Dedicated meetings ▪ Discussion and dialogue tables (including associations) ▪ Meetings with representatives of institutions and associations ▪ Conferences and research projects ▪ Initiatives in support of the territory ▪ Acts of generosity ▪ Relationship with business functions dedicated at the level of subsidiaries and Parent Company (including: company leadership, Communication Manager) ▪ Corporate and institutional website
Investors and financiers	▪ Mandatory periodic documentation (e.g., Financial Statements, Press Releases financial and non-financial) ▪ Post-approval conference calls for economic-financial results ▪ Regular meetings (roadshows, one-on-one or group meetings) ▪ Engagement on specific topics, also promoted by external entities (e.g., Assonime) ▪ Dedicated corporate contact points (Investor Relations & Chief Sustainability Officer) ▪ Shareholders' Meeting ▪ Corporate and institutional website
Suppliers	▪ Ongoing relations with relevant corporate functions ▪ Participation in initiatives and events ▪ Corporate and institutional website

The GHC Group considers the involvement (and listening) of various stakeholders as essential for achieving truly sustainable financial and non-financial performance, which means contributing to long-term value creation for all stakeholders.
This principle is explicitly stated in the Group's Code of Ethics, where it is declared that *"GHC is committed, in carrying out its activities, to ensuring full respect for people, the community, and the environment, and to seeking sustainable value creation, with positive short- and long-term impacts for all its stakeholders."*.

The GHC Group highly regards the diverse opinions communicated by stakeholders in defining its strategic and operational assessments.
To this end, it is noted that the Group is equipped with specific roles tasked (i) with maintaining a constant dialogue with certain specific categories of stakeholders (Investor Relations, Communication, Sustainability,) and/or (ii) with responding to any needs or reports (Human Resources, Internal Audit). These functions are periodically required to inform the administrative, management, and control bodies about the outcomes of such dialogue activities, to allow these bodies, where deemed appropriate, to adjust and/or update the Group's strategy.

The GHC Group proceeded during 2024 to carry out an activity of stakeholder engagement within the framework of the materiality assessment process, aiming to open an open and constructive dialogue to derive any insights and suggestions from each.

This activity was carried out through:
1) The identification of a panel of internal and external stakeholders considered representative (in terms of knowledge of the GHC Group and/or the new sustainability regulations);
2) The scheduling of bilateral meetings between GHC and the individual stakeholders involved;
3) The execution of the meetings, which included a presentation of the activities undertaken by GHC and a subsequent Q&A session aimed at collecting feedback from the individual stakeholders;
4) The analysis and consolidation of the feedback received.

In particular, this activity involved different clusters of stakeholders (i.e., Personnel, Investors and Financiers, Group Suppliers) through the organization of 14 dedicated meetings coordinated by the Investor Relations and Sustainability Function with the support of leading specialized advisors.

This discussion activity has allowed the findings of the Double Materiality Analysis conducted by GHC, detailed in the following sections, to be consolidated considering the overall positive feedback received.

It should be noted that the above-described Stakeholder Engagement activity was specifically reported to the Risk Control and Sustainability Committee and the Parent Company's Board of Directors.

During 2024, there were no changes to the Group's strategy or business model as a result of engaging with various stakeholders.

The engagement activities with various stakeholders, conducted on an ongoing basis, will continue into 2025 in line with what was done in 2024. However, with the aim of maintaining an open and constructive dialogue with each category of stakeholders, the GHC Group may consider additional activities or specific initiatives if deemed necessary and/or relevant (even if only referring to certain specific categories of stakeholders).

As of the publication date of this report, it is considered unlikely that these additional measures, still to be defined and identified if needed, will alter the Group's relationship with stakeholders and their opinions.

The Board of Directors is periodically informed (at least annually) by the relevant functions regarding the opinions and interests of the stakeholders involved concerning the company's sustainability-related impacts.

The Double Materiality Analysis: process and summary of the findings

Description of the process to identify and assess material impacts, risks and opportunities [IRO-1]

The double materiality analysis, coordinated by the Sustainability function with the support of a leading specialized advisor, was conducted based on the following methodological approach:

- Respect for the continuity of information: enhancement of activities already carried out in the previous Sustainability Report approved by the Board of Directors in March 2024 (i.e., DNF 2023), prepared based on the highest reporting standards in effect at the date of document publication (i.e., GRI Standards – "in accordance with" option) and supported by the Enterprise Risk Management (ERM) framework;
- Methodological rigor: compliance with regulatory forecasts and the main normative references in force in the field (i.e., CSRD Directive, ESRS standards, EFRAG guidelines). Specifically, the analysis has been updated following ESRS principles to consider both perspectives of Double Materiality: impact materiality (so-called "inside-out" perspective) and financial materiality (so-called "outside-in" perspective).

Starting from these preliminary considerations, the process of double materiality analysis included the following main steps:

- Preliminary activity of understanding the context, which considered (i) the internal context of the GHC Group, through mapping its activities, (ii) the value chain, also identifying the main actors and business relations upstream and downstream, (iii) the sector and market context (healthcare) through a benchmarking activity aimed at understanding and analyzing the current positioning of the GHC Group's sustainability reporting in relation to the sector in which it operates. Furthermore, a media analysis and a mapping of the main stakeholder categories of the Group were conducted, particularly to define their relative involvement (refer to the next phase of "Validation of findings") and (iv) the sustainability issues covered by the ESRS standards. Following this activity, a preliminary list of potentially relevant themes (in terms of impact and/or financial) was identified for the GHC Group and its value chain, both upstream and downstream;
- Identification of impacts, risks, and opportunities (so-called IROs) related to potentially relevant topics . This phase, in addition to enhancing the continuity of information with what has been reported by the GHC Group in previous sustainability reports and the results of the preliminary activity of understanding the context, involved consulting external public sources (e.g., sector standards like SASB) and engaging the Risk Management Function. The aim was to integrate into the analysis the results of the Group's ERM framework, particularly in relation to the risks associated with sustainability issues identified by it. In identifying risks and opportunities, connections with preliminarily identified impacts and the Group's dependence on natural and/or social resources were also considered. Specifically, the analysis showed that GHC primarily relies on social resources, such as human capital and patients. This implies the need to retain healthcare professionals in a sector with general scarcity and to consistently ensure quality service for patients, who are at the core of the company's mission;
- Assessment of the relevance of identified IROs, considering both perspectives of Double Materiality.

Specifically, once the potentially relevant IROs for GHC are identified, a joint analysis is conducted by the Risk Management and Sustainability functions, which includes:

- the evaluation of impacts, through the weighting of severity factors (based on the dimensions of magnitude, scope, and irreparable nature - the latter only for negative impacts) and likelihood of occurrence (for potential impacts);
- the evaluation of risks and opportunities, through the weighting of the magnitude factors of expected financial effects and likelihood of occurrence, in alignment with the provisions of the Group's ERM framework[12].

- **Definition of relevant sustainability topics**, through aggregation of the assessments conducted and prioritization of the IROs based on specific relevance thresholds identified for the two perspectives of impact and financial relevance;
- **Definition of thematic ESRS standards and the information to be reported,** based on the IROs and relevant sustainability topics (including "sub-themes" and "sub-sub-themes" as defined by the regulator);
- **Validation of the findings from the analysis** through the involvement of a panel of internal and external stakeholders considered representative, in terms of knowledge of the GHC Group and/or the new Sustainability Reporting (refer to ESRS SBM-2 for further details).

It is specified that these findings have been shared with the Risk and Sustainability Control Committee, the Board of Statutory Auditors, and the Board of Directors of the Group.

Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]

The following table presents the relevant IROs, associated with their respective ESRS themes, sub-themes, and sub-sub-themes, as emerged from the double materiality analysis.

Legend

E-	Actual negative impact
E+	Actual positive impact
P-	Potential negative impact
P+	Potential positive impact
R	Risk
O	Opportunity

[12]The sustainability risk assessment process is the same as the one used for the overall risk assessment of the Group, differentiated only in terms of the metrics used and the risks mapped. This approach allows for a standardized analysis and interpretation of the results, incorporating all risks into the same Risk Universe. Furthermore, opportunities are also mapped and measured within the same Enterprise Risk Assessment process coordinated by the Risk Management function. In particular, it is noted that regulatory opportunities are mapped with periodic and specific activities of analysis of national sector regulations. Opportunities related to other specific processes are mapped with dedicated assessments (see SBM-3, 48.f).

ESRS (topic)	Sub-topic	Sub-sub-topic	Description of IROs	Time horizon	Position in the value chain
ESRS E1 Climate Change	Energy	-	(E -) The use of energy in the company's own activities (provision of healthcare and social assistance services) and in the value chain contributes to greenhouse gas (GHG) emissions. The proportion of energy from non-renewable sources increases these emissions, negatively impacting climate change.	Short term	Both (own operations and value chain)
	Climate change mitigation	-	(E -) GHG emissions attributable to the activities carried out by the Group and those of players in the value chain, upstream and downstream (scope 1, 2 and 3 emissions), negatively impact climate change.	Short term	Both (own operations and value chain)
		-	(R) Compliance and/or financial risk arising from potential tightening of regulations regarding GHG emissions. Such regulatory changes could indeed lead to increased compliance obligations and potential penalties in case of non-compliance.	Medium term	Both (own operations and value chain)
ESRS E5 Circular economy	Waste	-	(P -) Inadequate management of medical waste disposal (hazardous and non-hazardous), with potential negative impact on the environment and/or human health	Medium term	Both (own operations and value chain)
			(E -) Generation, during the various phases of providing healthcare and assistance services, of hazardous medical waste (e.g. needles, syringes, bandages, laboratory reagents, materials used in radiotherapy), which have dedicated management and cannot be subjected to recovery operations aimed at reintroducing the materials into production cycles.	Short term	Own operations
			(R) Possibility of incurring penalties related to the violation of environmental regulations, particularly concerning the management of special waste safety.	Medium term	Both (own operations and value chain)
ESRS S1 Own workforce	Working conditions	Health and safety	(E -) Negative effects on the health and safety of our workers, arising from physical injuries, occupational diseases, and stress, can compromise the well-being and productivity of the staff.	Short term	Own operations
			(R) Operational and/or reputational risk arising from the possibility of events occurring that cause significant harm to the health or safety of employees or collaborators (e.g., death, serious injuries).	Medium term	Own operations
		Secure employment	(P -) Ineffective workforce management could have a negative impact on staff, affecting aspects such as freedom of association and collective bargaining, work-life balance	Medium term	Own operations

		Working time Adequate wages Social dialogue Freedom of association Collective bargaining Work-life balance	(including aspects related to working hours), and job security (including aspects related to wage adequacy).		
	Equal treatment and opportunities for all	Training and skills development	(O) Reputational opportunity to strengthen one's image and activate strategic levers to value diversity (age, gender, ethnicity, etc.), eliminate gender discrimination, and promote equal opportunities, thanks to strong commitment to ESG topics, the presence of a sustainability officer, and the adoption of a D&I Policy applicable to all structures	Short term	Own operations
			(E +) Possibility to provide significant professional opportunities given the primary medical-scientific, healthcare, and reputational standing of the Group, which therefore can offer greater prospects for professional growth compared to those of smaller and/or local entities	Short term	Own operations
			(O) Ability to attract the best medical-scientific professionals considering the high standards in terms of professionalism, resources, and standing offered by the Group's companies	Medium term	Own operations
			(R) Difficulty in retaining healthcare professionals in a context of general shortage of professionals (especially for some specific professional categories) leading to an increased turnover rate	Medium term	Both (own operations and value chain)
ESRS S2 Workers in the value chain	Working conditions	Health and safety	(E -) Negative effects on the health and safety of workers in the value chain, resulting from physical injuries, occupational diseases, and stress, can undermine the well-being and productivity of the staff.	Short term	Upstream and/or downstream value chain
			(R) Legal and/or operational risk resulting from the lack of definition of regulatory safeguards in health and safety, including those related to the value chain (e.g. DUVRI or other documentation pursuant to art. 26 D.Lgs. 81/08).	Medium term	Upstream and/or downstream value chain
ESRS S4 Consumers and end users	Information-related impacts for consumers and/or end-	Privacy	(P -) Possibility of experiencing potential violations of the regulatory framework regarding the management, processing, and protection of personal data, with possible	Medium term	Own operations

	users		negative effects on the Group's activities and prospects (e.g., compromise of confidentiality, integrity, and availability of economic and financial data and/or patient data due to malfunction and/or cyber-attack).		
			(R) Compliance risk arising from the possibility of encountering issues in the phases of collection, management, storage, and/or transfer of identifying and sensitive data (e.g., medical records), with potential violation of the current regulations on personal data protection (GDPR).	Medium term	Own operations
	Personal safety of consumers and/or end users	Security of a person	(P -) Possibility of providing healthcare and social care services that cause, directly or indirectly, injury to the patient (i.e. physical or psychological harm) - so-called "medical malpractice".	Medium term	Both (own operations and value chain)
			(E +) Possibility of ensuring patients and caregivers a clinical-healthcare experience of excellence thanks to the so-called 'patient-centered' business model (which considers the patient "at the center of the system" taking into account all their needs, not only medical but also psychological and relational) through the availability of highly trained personnel and facilities (mostly owned) capable of ensuring the highest levels of comfort.	Short term	Both (own operations and value chain)
			(P -) Possibility that the hospital, territorial, and social care services provided and/or the methods of delivering these services do not adequately consider the needs of patients and caregivers, impacting the quality of service for patients.	Medium term	Both (own operations and value chain)
			(E +) Ability to meet the increasing healthcare needs of the population (supporting the public sector) by offering excellent health and social-healthcare services that cover the entire range of patient needs, provided in accordance with the prevailing tariff context, thanks to a business model based on geographical diversification (by Region) and sector diversification (hospital, outpatient, and social care).	Short term	Own operations
			(R) Inadequate consideration of patient and caregiver needs (e.g., ineffective complaint management), leading to potential reputational damage due to the reduced perceived quality by patients/caregivers.	Medium term	Both (own operations and value chain)
			(R) Lack/insufficient verification of the quality standards of the provided healthcare and social care services, with potential legal disputes arising from cases of medical malpractice and/or inadequate management of related potential claims.	Short term	Own operations
			(O) Opportunity to benefit from additional resources (so-called extra-budget) granted	Short term	Own operations

			based on the quality of provided services in a context of increasing care needs, in addition to the possibility of significantly developing activities towards private out-of-pocket patients and/or Out-of-Region, precisely considering the high healthcare and social care standards offered.		
			(R) A lack of diligence by healthcare personnel can lead to a reduction in the perceived quality of healthcare and social care services provided, with potential economic risks (e.g., associated with possible costs of legal disputes) and/or reputational risks for the Group.	Short term	Own operations
	Social inclusion of consumers and/or end users	Access to products and services	(E +) Investment of significant financial resources to support technological development in terms of hardware and software applications, medical and diagnostic equipment, and information systems used, thereby ensuring continuous improvement in the quality of services provided and the patient/caregiver experience.	Short term	Both (own operations and value chain)
			(P -) Inadequate management and maintenance of machinery with potential repercussions on the quality of services provided and patient satisfaction (e.g., temporary and/or prolonged unavailability of hardware and software platforms, potential interruption of healthcare and/or administrative activities).	Medium term	Both (own operations and value chain)
			(O) Opportunity to access new users/markets through the digitalization of services, to enhance attractiveness to private out-of-pocket patients, and to enable the provision of additional health and social health services (e.g., teleconsultation, telemedicine, telemonitoring) also through the adoption of cutting-edge applications (e.g., RIS/PACS project).	Medium term	Both (own operations and value chain)
			(O) Opportunity for operational/economic growth stemming from the ability to improve decision-making skills on medical-clinical issues and management control, thanks to the availability of enhanced data and information supported by the digitalization of clinical-healthcare processes and staff operations (e.g., electronic medical records project in the medical domain and analytical accounting project in the management domain).	Medium term	Both (own operations and value chain)
ESRS G1 Business conduct	Management of relationships with suppliers including payment practices	-	(E +) Possibility to positively impact patients, caregivers, staff, and the local community by selecting the best suppliers considering the significant reputational and dimensional standing of the Group, which therefore may be of greater interest to excellent suppliers aligned with the highest quality standards.	Short term	Own operations

		-	(P -) Possible repercussions on patients in terms of service adequacy, due to contractual reliance on individuals/entities not meeting ethical, financial, and/or regulatory requirements (e.g., health and safety) as required by internal and/or external regulations.	Medium term	Both (own operations and value chain)
	Corporate culture	-	(P -) Potential for behaviors that go against good governance (e.g., illegal acts, practices against company procedures) to occur, which could undermine the quality and reliability of the services provided, with possible repercussions on patient health.	Medium term	Own operations
		-	(P -) Potential for inappropriate strategic and/or financial decisions to be made based on particular interests (e.g., potential presence of conflicts of interest by staff or collaborators of the Group), with a potential negative impact on patients in terms of the quality of services offered and possible repercussions on patient health.	Medium term	Own operations
		-	(R) Potential behaviors may occur that undermine the Group's compliance with current regulatory obligations (e.g., violations of Model 231 and the Code of Ethics) and/or potential violations of the Company's internal regulations (e.g., Statute, Code of Ethics, and company procedures), including instances of corruption, negatively impacting the Group's operations and reputation.	Medium term	Both (own operations and value chain)
		-	(R) Potential for unexpected changes in industry regulations and/or national and/or regional policies in the healthcare field, with potential negative consequences for the Group (e.g., failure to allocate extra-budget, caps on activities towards Out-of-Region patients).	Medium term	Own operations
		-	(R) Operational and/or reputational risk arising from the possibility of entering into contractual agreements with individuals or entities lacking ethical, financial, and/or regulatory requirements (e.g., health and safety) as stipulated by internal and/or external regulations.	Medium term	Both (own operations and value chain)
	Corruption and bribery	Prevention and detection including training	(R) Potential behaviors may occur that undermine the Group's compliance with current regulatory obligations (e.g., violations of Model 231 and the Code of Ethics) and/or potential violations of the Company's internal regulations (e.g., Statute, Code of Ethics, and company procedures), including instances of corruption, negatively impacting the Group's operations and reputation.	Medium term	Both (own operations and value chain)
	Management of supplier relations, including	-	(O) Potential economic benefits (e.g., potential cost reductions) from accessing the best suppliers (resulting in benefits also for end users) and benefiting from economies of scale	Short term	Own operations

	payment practices		given the significant overall size of the Group.		

The assessment of relevant impacts, risks, and opportunities has allowed the identification of so-called "Sustainability Pillars", which are strategic areas of sustainable development to focus on to seize the best opportunities, mitigate major risks, and manage key impacts. Below is the connection between relevant IROs and these Pillars, grouped according to their significance (so-called Layer: "Fundamental"; "Integrator"; "Enforcement") for the long-term sustainable success of the Group.

Sustainability Pillar	Sustainability Pillar Description	Description of associated IROs
''Fundamental'': areas that represent the core of GHC's strategy and encompass the essential and distinctive aspects for its sustainable success in the long term .		
Quality of care	Provision of quality healthcare and social care services, understood both from a medical perspective, due to the use of highly qualified personnel and cutting-edge medical technologies and equipment, and from the perspective of hospitality, in terms of comfort and quality of facilities.	(P -) Possibility of providing healthcare and social care services that directly or indirectly cause injury to the patient (i.e., physical or psychological harm) - known as "medical malpractice" (E +) Possibility to address the growing care needs of the population (acting as a substitute/support for the public sector), through the provision of excellent health and social care services that cover the entire range of patient needs, delivered in compliance with the prevailing tariff context at any given time, thanks to a business model based on geographical diversification (by Region) and sector diversification (hospital, outpatient, and social care). (R) Failure/insufficient verification of the quality standards of the provided health and social care services, with potential disputes arising from cases of medical malpractice and/or inadequate management of the related potential claims (O) Possibility to benefit from additional resources (so-called extra-budget) recognized for the quality of services provided in a context of increasing care needs, in addition to the possibility of significantly developing activities for out-of-pocket private patients and/or Out-of-Region, precisely considering the high healthcare and socio-healthcare standards offered
Technological innovation and digitalization	Availability of sophisticated and cutting-edge machinery and medical equipment within the Group's facilities (e.g., referring to medical-surgical and laboratory diagnostic equipment) and viewing technological innovation and ICT as a strategic lever to support the delivery of improved and efficient services for patients and caregivers.	(E +)Investment of significant financial resources to support technological development in terms of hardware and software applications, medical and diagnostic equipment, and information systems used, thereby ensuring continuous improvement in the quality of services provided and the patient/caregiver experience. (P -) Inadequate management and maintenance

		of machinery with potential repercussions on the quality of services provided and patient satisfaction (e.g., temporary and/or prolonged unavailability of hardware and software platforms, potential interruption of healthcare and/or administrative activities). (O) Opportunity to access new users/markets through the digitalization of services, to enhance attractiveness to private out-of-pocket patients, and to enable the provision of additional healthcare and social-healthcare services (e.g., teleconsultation, telemedicine, telemonitoring) also through the adoption of cutting-edge applications (e.g., RIS/PACS project) (O) Operational/economic opportunity arising from the ability to improve decision-making capabilities on medical-clinical and management control issues thanks to the availability of incremental data and information, facilitated by the digitalization of clinical-healthcare and staff processes (e.g., electronic medical record project in the medical field and analytical accounting project in the management field)
Attraction of talent, development, inclusion, and well-being of staff	Attracting and retaining medical, paramedical, and staff personnel. This includes training, leadership skills, and all aspects related to personal and professional satisfaction within the workplace.	(E +) Possibility to provide significant professional opportunities given the primary medical-scientific, healthcare, and reputational standing of the Group, which therefore can offer greater prospects for professional growth compared to those of smaller and/or local entities (P -) Ineffective workforce management could negatively impact staff, affecting aspects such as freedom of association and collective bargaining, work-life balance (including matters related to salary adequacy). (R) Difficulty in retaining healthcare professionals in a context of general shortage of professionals (especially for some specific professional categories) leading to an increased turnover rate (O) Ability to attract the best medical-scientific professionals considering the high standards in terms of professionalism, resources, and standing offered by the Group's companies (O) Reputational opportunity to strengthen one's image and activate strategic levers to enhance diversity (age, gender, ethnicity, etc.), eliminate gender discrimination, and promote equal opportunities, thanks to strong commitment to ESG themes, the presence of a sustainability officer, and the adoption of a D&I Policy applicable to all structures.
Focus on patients and caregivers	Provision of healthcare and social-health services following the so-called 'patient-centered' model, which is based on the centrality of the patient,	(E +) The ability to provide patients and caregivers with an excellent clinical-healthcare experience thanks to the so-called 'patient-

	considering all their physical, psychological, and social needs.	centered' business model (which considers the patient "at the center of the system," considering all their needs not only medical but also psychological and relational) through the availability of highly trained staff and facilities (mostly owned) capable of ensuring the highest levels of comfort (P -) Possibility that the hospital, territorial, and social care services provided and/or the methods of delivering these services do not adequately consider the needs of patients and caregivers, impacting the quality of service for patients. (R) Inadequate consideration of the needs of patients and caregivers (e.g., ineffective complaint management), leading to potential damage to reputation due to the decrease in quality perceived by patients/caregivers (R) Inadequate consideration of the needs of patients and caregivers (e.g., ineffective complaint management), leading to potential damage to reputation due to the decrease in quality perceived by patients/caregivers (R) A lack of diligence by healthcare personnel can lead to a reduction in the perceived quality of healthcare and social care services provided, with potential economic risks (e.g., associated with possible costs of legal disputes) and/or reputational risks for the Group.
"Integrator": areas that represent a ''must'' and encompass the necessary aspects to significantly and tangibly enhance the Group's development potential.		
Governance and compliance	Monitor obligations and regulatory forecasts resulting from the Group's membership in a highly regulated sector like healthcare and its status as a public interest entity also as a listed company.	(P -) Potential for behaviors that go against good governance (e.g., illegal acts, practices against company procedures) to occur, which could undermine the quality and reliability of the services provided, with possible repercussions on patient health. (R) Possibility of unexpected changes in industry regulations and/or national and/or regional healthcare policies, with potential negative consequences for the Group (e.g., failure to assign extra-budget, caps on activity for Out-of-Region patients)
Sustainable supply chain management	Implement responsible and sustainable supply chain management, ensuring supplier selection based on quality, integrity, safety, and efficiency indicators.	(P -) Possible repercussions on patients in terms of service adequacy, due to contractual reliance on individuals/entities not meeting ethical, financial, and/or regulatory requirements (e.g., health and safety) as required by internal and/or external regulations. (E +) Opportunity to positively impact patients, caregivers, staff, and the local community by selecting the best suppliers, considering the significant reputational and size standing of the Group, which may therefore be of greater interest to excellent suppliers aligned with the

		highest quality standards. (R) Operational and/or reputational risk arising from the possibility of contractual agreements with individuals/entities that do not meet ethical, financial, and/or regulatory requirements (e.g., health and safety) as stipulated by internal and/or external regulations. (O) Potential economic benefits (e.g., in terms of potential cost reductions) arising from the opportunity to access the best suppliers (with consequent benefits also for end users) and to benefit from economies of scale, considering the significant overall size of the Group
Workers' health and safety	Protect the work environment and the safety of its employees and collaborators, primarily through compliance with health and safety regulations in the workplace	(E -) Negative effects on the health and safety of our workers, arising from physical injuries, occupational diseases, and stress, can compromise the well-being and productivity of the staff. (E -) Negative effects on the health and safety of workers in the value chain, resulting from physical injuries, occupational diseases, and stress, can undermine the well-being and productivity of the staff. (R) Operational and/or reputational risk arising from the possibility of events occurring that cause significant harm to the health or safety of employees or collaborators (e.g. death, serious injuries) (R) Legal and/or operational risk resulting from the lack of definition of regulatory measures in the field of health and safety, including those related to the value chain (e.g. DUVRI or other documentation pursuant to art. 26 D.Lgs. 81/08)
Data security and privacy	Protect the Group's information assets, with regard to both IT security and protection of computer systems, and the protection of data (as a whole) in any form (even non-digital).	(P -) Inappropriateness or ineffectiveness of the level of security of information systems, with possible negative effects, such as compromise of confidentiality, integrity, and availability of economic and financial data and/or patient data (R) Compliance risk arising from the possibility of issues occurring in the phases of collection, management, storage, and/or transfer of identifiable and sensitive data (e.g., health records), with potential violation of current data protection regulations (GDPR)
Ethics and integrity	Conduct activities in a transparent manner and promote the principles of ethics and integrity at all levels of the organization to ensure respect for human and labor rights, prevent corruption, and build trustful relationships with all stakeholders through constant and effective dialogue.	(P -) Possibility of making inappropriate strategic and/or financial decisions based on particular interests (e.g., potential presence of conflicts of interest by staff or Group collaborators), with a potential negative impact on patients in terms of the quality of services offered and possible repercussions on patient health. (R) Possibility of potentially harmful behaviors occurring that could undermine the Group's

		compliance with current regulatory obligations (e.g., violations of Model 231 and the Code of Ethics) and/or potential violations of the Company's internal regulations (e.g., Bylaws, Code of Ethics, and company procedures), including incidents of corruption, with negative impacts on the Group's activities and reputation (R) Possibility of potentially harmful behaviors occurring that could undermine the Group's compliance with current regulatory obligations (e.g., violations of Model 231 and the Code of Ethics) and/or potential violations of the Company's internal regulations (e.g., Bylaws, Code of Ethics, and company procedures), including incidents of corruption, with negative impacts on the Group's activities and reputation
''Enforcement'': areas encompassing functional aspects to support the Group's development potential.		
Sustainable management of energy consumption	Consider the environmental impacts arising from your activities and actively promote efficient management of energy consumption.	(E -)The use of energy in the company's own activities (provision of healthcare and social assistance services) and in the value chain contributes to greenhouse gas (GHG) emissions. The proportion of energy from non-renewable sources increases these emissions, negatively impacting climate change. (E -) GHG emissions attributable to the activities carried out by the Group and those of players in the value chain, upstream and downstream (scope 1, 2 and 3 emissions), negatively impact climate change. (R) Compliance and/or financial risk arising from the possibility of potential tightening of regulations concerning GHG emissions. Such regulatory changes could indeed lead to increased compliance requirements and potential penalties in case of non-compliance
Responsible waste management	Consider the environmental impacts derived from one's activities and actively promote careful and responsible waste management, with particular reference to hazardous healthcare waste	(P -) Inadequate management of medical waste disposal (hazardous and non-hazardous), with potential negative impact on the environment and/or human health (R) Possibility of incurring penalties related to the violation of environmental regulations with particular reference to the management of special waste safety

The current and/or anticipated effects of impacts, risks, and significant opportunities are periodically analyzed by the GHC Group and incorporated into its strategic and operational assessments. In this regard, it is specified that during 2024, these analyses – developed with the support of relevant internal functions – were subject to specific reporting to the Risk Control and Sustainability Committee and the Parent Company's Board of Directors and considered in the context of multi-year strategic planning.

The current financial effects of the significant risks and opportunities on the financial position, economic result, and cash flows are instead considered during the preparation of the Consolidated Financial Statements of the GHC Group and/or the Separate Financial Statements of GHC S.p.A., to which reference is made for further details. Similarly, it is noted that as of the publication date of this report, no significant risks of material corrections in the next fiscal year are identified for the carrying values of assets and liabilities reported in the Consolidated Financial Statements of the GHC Group and/or the Separate Financial Statements of GHC S.p.A.

The Group is currently not conducting a formal qualitative-quantitative resilience analysis. All risks are mapped and, if necessary, mitigated/managed within the periodic Enterprise Risk Assessment activities conducted by the Risk Management function, as well as through specific vertical assessments on processes that present a significant risk profile, in order to address any control system gaps and leverage potential opportunities.

Environmental Information

The EU Taxonomy

The regulatory context

The EU Regulation 2020/852, known as **the Taxonomy Regulation**, established a unique classification system for defining sustainable economic activities, aimed at ensuring comparability among operators and promoting more responsible investment decisions.
Specifically, according to the EU Taxonomy, an economic activity is considered eligible if it is included in the Delegated Regulations and aligned if it respects the following criteria:

1. **it substantially contributes to achieving at least one of the 6 environmental and climate objectives** defined by Art. 9 of the Regulation;
2. it adheres to the **“Do Not Significant Harm” (“DNSH”)**, causing no significant harm to any of the remaining environmental objectives;
3. it complies with **the minimum safeguards (“Minimum Safeguards”),** defined by Article 18 of Regulation (EU) 2020/852 and are based on principles and guidelines established by international conventions and treaties (including: the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the rights enshrined in the eight fundamental conventions of the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, as well as the International Bill of Human Rights).

Below are the 6 environmental and climate objectives identified by the Taxonomy Regulation:

- Climate change mitigation;
- Climate change adaptation;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution reduction;
- Protection and restoration of biodiversity and ecosystems.

For each objective, the European Commission has published a technical annex aimed not only at identifying the economic activities potentially suitable to contribute to its achievement, but also at defining the eligible activities, the Technical Screening Criteria (TSC), and compliance with the DNSH principle.
Specifically, over the years the European Commission has adopted the Technical Delegated Acts, known as the \\u201cClimate Delegated Act\\u201d, which define the main sectors and economic activities included in the Taxonomy, as well as the technical screening criteria necessary to assess the substantial contribution to achieving the first two climate-related environmental objectives, and the Taxonomy Environmental Delegated Act (2023/2486), establishing the technical screening criteria for economic activities that significantly impact the other four environmental objectives of the EU Taxonomy. At the same time, changes have been introduced to the two existing delegated acts: the Taxonomy Disclosures Delegated Act (2021/2178), concerning the content and presentation of the Taxonomy, and the Taxonomy Climate Delegated Act (2021/2139).
The GHC Group, which is among the companies subject to the regulatory obligations under the Taxonomy Regulation, has considered the detailed provisions contained in Annex I of the Taxonomy Disclosures Delegated Act 2021/2178, which states that non-financial organizations are required to disclose: i) the percentage of revenue derived from

products or services associated with economic activities considered environmentally sustainable; ii) the percentage of capital expenditure (CapEx) and the percentage of operational expenditure (OpEx) related to assets or processes associated with economic activities aligned with the EU Taxonomy.

Taxonomy eligibility and alignment analysis

In 2024, the GHC Group, with the support of a leading specialized advisor, conducted analyses aimed at identifying economic activities eligible under the EU Taxonomy, to verify their possible alignment in terms of Turnover, CapEx, and OpEx.

This screening process began initially with a preliminary mapping of potentially eligible activities, and secondly, through a specific quantitative analysis of the Turnover, CapEx, and OpEx aggregates from the Consolidated Financial Statements. Following this process, a panel of potentially eligible activities was defined, relating to each of the 6 environmental objectives, aimed at verifying eligibility and alignment requirements. ammissibilità e allineamento.

Below are the results of these verification activities.

List of identified potentially eligible activities	
7. Construction and real estate activities	
7.1 Construction of new buildings	Mitigation objectives (1), climate change adaptation (2), and circular economy (3)
7.2 Renovation of existing buildings	
7.3 Installation, maintenance, and repair of energy efficiency devices	Mitigation objectives (1), climate change adaptation (2)
7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings	
7.7 Acquisition and ownership of buildings	
12. Healthcare and social assistance activities	
12.1 Residential care activities	Climate change adaptation objectives (2)

For activities identified as potentially eligible, alignment with the technical screening criteria (substantial contribution and DNSH) and minimum safeguards has also been verified through the analysis of the Group's formal documentation available as of 31.12.2024. It is noted, in particular, that the activity 12.1 Residential care activities – although potentially eligible - was not found to be eligible for the adaptation objective due to the absence of a Climate Risk Assessment with reference to the 2024 financial year. Similarly, it is noted that the activity 7.7 Acquisition and ownership of buildings - although potentially eligible - cannot be valued as such because the Turnover of the GHC Group related to this economic activity (through the wholly owned subsidiary GHC Real Estate) are exclusively intra-group.

In this regard, following the analyses carried out, it is noted that no economic activity aligned with the EU Taxonomy was identified as it was not possible to confirm compliance with the technical screening criteria for the related activities. However, it is specified that the GHC Group has conducted its economic activities in compliance with the minimum safeguards established by Article 18 of the Taxonomy Regulation, except for the Due Diligence activities on Human Rights, which are currently not covered by corporate policies given the nature of its business and the structure of the value chain, which are based exclusively in Italy.

Specifications of the information accompanying the KPIs of non-financial companies

This paragraph aims to describe the process of defining Turnover data, Capital Expenditure (CapEx), and Operating Expenses (OpEx) associated with eligible activities, in line with Annex I of the Delegated Regulation EU 2021/2178.

Turnover

Regarding Turnover, following a thorough study of the mapped economic activities that contribute to climate and environmental objectives, as well as an analysis of the managerial and accounting information of the activities carried out by the GHC Group, it emerged that the numerator of the KPI in terms of potential eligibility to the EU Taxonomy is attributable to the following activities:

12.1 Residential care activities, 7.7 Acquisition and ownership of buildings. The following emerged from the analyses carried out with reference to these two activities:

- 12.1 Residential care activities: this activity was not deemed eligible due to the absence of a Climate Risk Assessment with reference to the year 2024;
- 7.7 Acquisition and ownership of buildings: this activity cannot be considered eligible as the revenues of the GHC Group related to this economic activity (through the wholly-owned subsidiary GHC Real Estate) are exclusively intra-group.

Consequently, for the current fiscal year, no Turnover eligible and aligned with the EU Taxonomy has been identified. Therefore, the numerator of the Turnover KPI is zero. The denominator of the Turnover KPI is represented by the Group's consolidated revenues, as reported in the \"Turnover from services rendered\" item of the Consolidated Income Statement for the year ended December 31, 2024.

Capital Expenditure (CapEx)

With regard to capital expenditures (CapEx) eligible under the Regulation, the numerator considers the capital expenditures recorded in the Consolidated Financial Statements related to eligible activities [(13)].
The denominator is instead calculated as the sum of the gross increases recorded in 2024 for tangible and intangible assets in accordance with IAS 16, 38, 40, and IFRS16, as per the movement tables of Intangible Assets, Tangible Assets, and Right of Use (Note No.3 and Note No.4 of the Consolidated Financial Statements as of December 31, 2024). The denominator also includes increases to tangible and intangible assets resulting from business combinations.

Operating Expenses (OpEx)

With reference to operating expenses (OpEx) eligible under the Regulation, for the numerator, the criteria defined in point 1.1.3.2 of the Delegated Regulation EU 2021/2178 were followed, determining the portion of operating expenses associated with eligible activities.
It is noted that, considering the guidelines of the Disclosure Delegated Act (§ 1.1.3.2. of Annex I) and the clarifications provided by the European Commission, it was decided not to provide an

[13] These activities have been identified in accordance with the criteria defined in point 1.1.2.2. of the Delegated Regulation (EU) 2021/2178.

indication of the value of the numerator of the KPI in question, since the denominator was considered to be of insignificant magnitude (i.e. approximately 3.6% of total operating expenses).
It is specified, however, that this denominator was determined by including direct non-capitalized costs related to research and development, building restructuring measures, short-term leasing, and other maintenance and repair works, carried out by the company or by third parties [(14)].

Assessment of compliance with Regulation EU 2020/852

In light of the analysis carried out, the GHC Group has identified the following activities that contribute to the objectives of climate change mitigation and adaptation; however, these activities were not found to be aligned with the EU Taxonomy as they do not meet the technical screening criteria set by the Climate Delegated Act and the Environmental Delegated Act.

- **7.1 Construction of new buildings,** with particular reference to the Group's investments in the development of healthcare and social care facilities, in line with the principles of energy efficiency and reducing environmental impact;
- **7.2 Renovation of existing buildings,** related to the expenses incurred by the Group for the requalification and renovation of managed properties, with particular emphasis on energy efficiency improvements and enhancing the environmental sustainability of healthcare facilities;
- **7.3 Installation, maintenance, and repair of devices for energy efficiency,** related to the interventions on the Group's technological systems, including the installation and upgrading of heating, ventilation, and air conditioning (HVAC) systems, as well as the replacement of light sources with higher energy efficiency solutions;
- **7.5. Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings,** aimed at optimizing energy consumption in the structures managed by the Group, in compliance with energy efficiency standards.

Contextual information

Contextual Information on the Turnover KPI
In light of the above, for 2024 the total Turnover of the Group eligible under the EU Taxonomy Regulation is **0%**.

Contextual Information on the KPI related to capital expenditures (CapEx)
The share of eligible economic activities amounts to approximately **€4.2** million [(15)], composed as follows:

- **€2.3** million related to the activity "7.1 Construction of new buildings", linked to the Group's investments in the creation of new healthcare facilities;
- **€1.8** million related to the activity "7.2 Renovation of existing buildings", referring to the redevelopment and modernization of the Group's properties;
- **€0.03 million** related to the activity "7.3 Installation, maintenance, and repair of devices for energy efficiency", particularly for interventions on low-consumption climate control and lighting systems;

[14] Point 1.1.2.1. of the Delegated Regulation (EU) 2021/2178.

[15] For more details, refer to the Taxonomy Template - Share of capital expenditures (CapEx) deriving from products or services associated with taxonomy-aligned economic activities – Disclosure for the year 2024.

- **€0.03 million** related to the activity “7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings”, aimed at optimizing the energy efficiency of the structures.

Each investment was uniquely assigned to a single activity of the EU Taxonomy. In particular, the investments related to activities 7.3 and 7.5 were distinguished from those related to activities 7.1 and 7.2, ensuring that energy efficiency interventions and monitoring systems were not duplicated within the overall expenses for the construction of new buildings or the renovation of existing buildings.
In light of the above, for 2024 the Group's capital expenditures eligible under the EU Taxonomy Regulation **amount to approximately 16.9%.** However, none of the identified activities are aligned, as they do not meet the technical screening criteria related to substantial contribution defined by the Climate Delegated Act and the Environmental Delegated Act.

Contextual Information on the KPI related to operating expenses (OpEx)

Regarding the KPI for operating expenses [16], it is noted that no activities eligible for the EU Taxonomy have been identified. Indeed, based on what is indicated in paragraph 1.1.3 of Regulation 2021/2178, the Group considered for 2024 the denominator value of the KPI related to OpEx as non-material for its business model. For this reason, the analysis for calculating the numerator of the KPI related to OpEx. Therefore, for 2024, 100% of the Group's operating expenses are attributed to activities not eligible under the EU Taxonomy, amounting to **€14.48** million.

[16] For more details, refer to the Taxonomy Template - Share of operational expenditures (OpEx) deriving from products or services associated with taxonomy-aligned economic activities – Disclosure for the year 2024

Climate Change [ESRS E1]

Governance

Integration of sustainability-related performance in incentive schemes [GOV-3]

Remuneration policy

As anticipated in ESRS 2, which is referenced for further details, GHC has a remuneration policy formalized in the Report on the Remuneration Policy and the compensation paid, which includes the identification – for certain specific categories of recipients – of ESG objectives. It specifies that the objectives (short-term and/or medium-long term) set for the governing bodies, management, and control are not currently linked to targets for reducing GHG emissions.

Strategy

Transition plan for climate change mitigation [E1-1]

With regard to the 2024 fiscal year, the Group has not established a transition plan. However, the Group reserves the right to consider it in the medium to long term, integrating it into its value creation strategy, also assessing any needs in this regard from its stakeholders, with whom GHC maintains an open and constructive ongoing dialogue.

Nonetheless, as reported in the following paragraphs, in 2024, the GHC Group undertook several energy efficiency measures and benefited from the activation of a so-called "PPA" ("Power Purchase Agreement") for the supply of electricity from renewable sources, which covers a substantial portion of its electricity needs, thus achieving a significant reduction in GHG emissions compared to previous years, as reported in the subsequent sections.

Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]

The identified significant risks related to climate are associated with potential tightening of regulations concerning greenhouse gas emissions (known as "Green House Gas", "GHG") and can therefore be defined as transition risks. In this regard, it is noted that the GHC Group will conduct an assessment in 2025 aimed at evaluating the possible presence (and extent) of physical climate risks for a cluster of structures selected based on geographical area.
Given the strategic importance of its real estate assets, the GHC Group considers the risks associated with environmental issues within the scope of risks transferable to the market through specific insurance policies, managed independently by individual entities, also with the support of specific functions of the Parent Company (including: CFO, Risk Management). In particular, there is a so-called "Property Policy" that provides coverage for events related to climate change such as specific weather events (for example: hail, snow overload, etc.) and floods.

Regarding the fiscal year 2024, it is noted that the GHC Group has not conducted a technical-formal analysis of "resilience", but reserves the possibility of doing so in the future by integrating it into its medium and long-term value creation strategy, also considering any needs in this regard from its stakeholders, with whom GHC maintains an open and constructive ongoing dialogue.

Management of impacts, risks, and opportunities

Description of the processes to identify and assess material climate-related impacts, risks and opportunities [IRO-1]

The GHC Group, for the identification and evaluation of impacts, risks, and opportunities related to climate, has taken into account: i) the territorial location of the Group, equipped with a diversified geographical presence through 37 facilities operating in 8 regions of central-northern Italy, (ii) the overall activities provided, represented by healthcare and social assistance services diversified by sector, and (iii) the reference sector. This analysis also considered the characteristics of its value chain, upstream and downstream. Specifically, the Group generates significant impacts on climate change through its operations and, indirectly, through interactions with value chain actors; these impacts (in terms of GHG emissions) are quantified and reported within the framework of disclosure obligation E1-6, to which reference is made for further details.

In the process of identifying the risks and opportunities applicable to the Group, both physical and transition risks related to climate have been considered, through consulting industry standards, national public platforms, scientific research, and delving into various sections of the value chain. Based on the findings from the analyses conducted and the established relevance thresholds, physical climate-related risks (including floods, overflows, temperature increases, and extreme weather events) have been assessed as not financially significant. In light of the above, no climate scenario analysis was conducted in 2024 to guide the identification and assessment of physical risks as well as transition opportunities and risks in the short, medium, and long term. Nonetheless, the Group will proceed in 2025 to carry out an assessment aimed at evaluating the possible presence (and extent) of physical climate risks for a cluster of structures selected based on geographical area.

Policies related to climate change mitigation and adaptation [E1-2]

It should be noted that within the GHC Group's Code of Ethics (detailed in ESRS G1), respect for the environment is recognized as a fundamental value. Specifically, GHC acknowledges "*the importance of respecting the environment and requires recipients to assess the environmental impact of their decisions in order to minimize any negative effects. It plans its activities and investments by seeking the best possible balance between economic initiatives and environmental needs.*"

With reference to the 2024 financial year, the GHC Group does not have formalized policies concerning climate change mitigation and adaptation or energy efficiency.

The Group, however, reserves the possibility of adopting them in the medium to long term, also considering any needs in this regard that may be expressed by its stakeholders.

Actions and resources in relation to climate change policies [E1-3]

During 2024, the Group has made energy efficiency investments amounting to 0.2 million euros, approved by the administrative bodies of the subsidiaries involved in the specific initiatives as well as by the administrative body of the Parent Company.

Within the scope of these investments, the following are those associated with so-called eligible economic activities according to the Taxonomy Regulation:

Taxonomy Activity - "7.3 Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings," totaling €0.03 million:

- Installation of LED lamps for common areas;

- Replacement of lighting fixtures;
- Replacement of lighting systems;
- Thermal break windows.

Taxonomy Activity - "7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings", totaling €0.03 million:

- Automation of climate control systems and thermal power plants;
- Energy management system for buildings.

In addition to the above, it is noted that during 2024, the GHC Group benefited from the activation of a Power Purchase Agreement ("PPA") with Iren Mercato S.p.A. (a company within the Iren Group active in the sale of energy and services), which involves the contractual supply of certified renewable energy sources (including through Guarantees of Origin). This supply agreement, effective from January 1, 2024, and valid for the period 2024-2028, has already allowed the Group to cover most of its energy needs through the Iren Group's 18.4 MW photovoltaic plant located in Palo del Colle (BA), thus mitigating its exposure to the volatility of raw materials over a medium-term horizon.
Additionally, it is noted that several facilities within the Group are equipped with photovoltaic panels for the self-production of electricity (Villa Garda, XRay One).

The key performance indicators outlined in the EU Delegated Regulation 2021/2178 are presented in the previous section
"EU Taxonomy", which is referred to for further details.

Metrics and targets

Targets related to climate change mitigation and adaptation [E1-4]

Regarding the 2024 fiscal year, no formal goals have been established for climate change mitigation, adaptation, and energy efficiency.

In 2024, the GHC Group conducted a Double Materiality analysis to identify the most significant sustainability issues for its operations and value chain. Based on this analysis, the Group plans to embark on a medium to long-term strategic exploration, laying the groundwork for defining specific policies, actions, and objectives related to the sustainability themes that have emerged as significant.
The lack of defined policies and objectives on the subject, in the context of the first year of implementing the CSRD directive and ESRS standards, is attributed to the need for careful evaluation and planning to ensure that the management of these areas is effective and aligned with GHC's long-term value creation strategy, as well as with the expectations and interests of key stakeholders, with whom the Group maintains an ongoing open and constructive dialogue.
Therefore, the GHC Group commits to providing regular updates on progress made on relevant sustainability issues starting from the next reporting.

The energy efficiency measures implemented by the Group are monitored through trends in energy consumption and carbon footprint analysis.

Energy consumption and mix [E1-5]

In 2024, the Group made significant progress in the sustainable management of energy consumption in its healthcare facilities through the signing of a Power Purchase Agreement (already mentioned in previous paragraphs) which contributed to the reduction of Scope 2 emissions (renewable electricity consumption equal to 85% of the total electricity purchased).

Below are the aggregated energy consumption figures for GHC for 2024[17]:

Energy Consumption and Energy Mix	**2024**
Consumption of coal and coal products (MWh)	-
Consumption of crude oil and petroleum products (MWh)	548
Consumption of natural gas (MWh)	22,051
Consumption of unconventional fossil gas (MWh)	5
Consumption of electricity, heat, steam, and cooling from fossil sources, purchased and acquired (MWh)	9,995
Total energy consumption from fossil sources (MWh)	**32,559**
Share of fossil sources in total energy consumption (%)	**58.70%**
Consumption from nuclear sources (MWh)	-
Share of nuclear sources in total energy consumption (%)	-
Consumption of renewable fuels, including solid, liquid, and gaseous biomass and biologically derived biofuels (MWh)	-
Consumption of electricity, heat, steam, and cooling from renewable sources (MWh)	22,765
Renewable energy self-consumed without the use of fuels (MWh)	111
Total energy consumption from renewable sources (MWh)	**22,877**
Share of renewable sources in total energy consumption (%)	**41.30%**
Total energy consumption (MWh)	**55,436**

[17] It should be noted that the companies GHC Real Estate S.p.A, Genia Immobiliare, Gestiport '86 S.p.A., GHC Project 11, RAM and Finaur, identified with the NACE code 68.20.1, fall under the category of High Climate Impact companies. However, it is important to highlight that they do not record associated energy consumption, which results in an energy intensity of zero.

Gross Scopes 1, 2, 3 and Total GHG emissions [E1-6]

In the following table, GHG emissions (greenhouse gases) are reported in tons of CO_2 equivalent:

Total GHG Emissions		
	UoM	**2024**
Gross GHG emissions Scope 1	t(CO2)e	4,689
Gross GHG emissions Scope 2 - Location based	t(CO2)e	8,636
Gross GHG emissions Scope 2 - Market based	t(CO2)e	3,081
Gross GHG emissions Scope 3	t(CO2)e	39,657
- of which Purchased goods and services (Category 1)	t(CO2)e	*25,224*
- of which Capital goods (Category 2)	t(CO2)e	*3,544*
- of which Fuel and energy-related activities - not included in Scope 1 and 2 (Category 3)	t(CO2)e	*3,744*
- of which Upstream transportation and distribution (Category 4)	t(CO2)e	*196*
- of which Waste generated during operations (Category 5)	t(CO2)e	*530*
- of which Business trips (Category 6)	t(CO2)e	*362*
- of which Employee commuting (Category 7)	t(CO2)e	*4,107*
- of which Upstream leased assets (Category 8)	t(CO2)e	*1,183*
- of which Downstream transportation (Category 9)	t(CO2)e	*n.a.*
- of which Processing of sold products (Category 10)	t(CO2)e	*n.a.*
- of which Use of sold products (Category 11)	t(CO2)e	*n.a.*
- of which End-of-life treatment of sold products (Category 12)	t(CO2)e	*n.a.*
- of which Downstream leased assets (Category 13)	t(CO2)e	*n.a.*
- of which Franchising (Category 14)	t(CO2)e	*n.a.*
- of which Investments (Category 15)	t(CO2)e	767
Total GHG emissions (Market-based)	**t(CO2)e**	**47,427**
Total GHG emissions (Location-based)	**t(CO2)e**	**52,983**

In the following table, the Group's emission intensity is reported in relation to consolidated Revenues.

Emission Intensity		
	UoM	**2024**
Revenue from service activities FY2024	€k	462,175
Emission intensity (Market-based)	t(CO2)e / €k	0.103
Emission intensity (Location-based)	t(CO2)e / €k	0.115

GHC conducted an in-depth analysis of its Carbon Footprint, following the guidelines of the Greenhouse Gas Protocol; for this analysis, the most recent emission factors were used for each type of activity and source of emission, including energy consumption, transportation, and other operations that generate emissions.

Furthermore, to ensure compliance with regulatory requirements, emissions have been consolidated considering all entities over which operational control is exercised, including joint ventures, subsidiaries, and investments.

Scope 1 and 2 emissions (which include a share of district heating from fossil sources) were calculated using the activity-based methodology, employing actual data on the Group's consumption and IEA emission factors.

Scope 3 emissions were calculated using different methodologies depending on data availability. Below is a summary of the methodologies used:

- Categories 1 "Purchase of goods and services", 2 "Capital goods", 4 "Upstream transportation and distribution", 5 "Waste generated during operations", 6 "Business travel", and 8 "Upstream leased assets" were quantified using the spend-based methodology, utilizing the relevant items from the consolidated Income Statement and other cost items related to the purchase of capital goods during the fiscal year 2024.

For this purpose, EPA emission factors were employed, updated to 2024 for inflation and the euro/dollar exchange rate.

- Category 3 "Fuel- and energy-related activities" was quantified by considering the consumption of electricity and fuel used as inputs for calculating Scope 1 and 2. The emission factors used are Ecoinvent and DEFRA.
- Category 7 \"Employee Commuting\" was quantified by developing a model based on the number of employees in the Group and national average data, including, for example, the number of working days per year, the mode of transport used for commuting (public or personal), and the average distance traveled daily using transportation. DEFRA conversion factors were then applied to these estimates.
- Category 15 \"Investments\" was quantified using the Revenues of the reference companies (Eutonia and Il Fiocco), the emission factor by sector based on Revenues, and the percentage of equity held by GHC.

GHG removals and GHG mitigation projects financed through carbon credits [E1-7]

During 2024, no initiatives were undertaken that involved the absorption and/or storage of GHGs.

Internal carbon pricing [E1-8]

The GHC Group did not apply internal carbon pricing systems in 2024.

Resource Use and Circular Economy [ESRS E5]

Management of impacts, risks, and opportunities

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities [IRO-1]

The process followed to identify relevant impacts, risks, and opportunities is reported within ESRS 2. Regarding the topic of resource use and circular economy, the identification of relevant impacts, risks, and opportunities was conducted by analyzing the overall activities provided by the Group's structures, represented by diversified healthcare and social assistance services across sectors. In particular, concerning outgoing resource flows, the analysis was conducted considering the nature of the characteristic activity, with particular attention to the generation and management of healthcare waste. It is specified that no consultations with the affected communities were conducted.

Policies related to resource use and circular economy [E5-1]

Considering the activities carried out by the Group, it is noted that the main type of waste generated by the various healthcare facilities pertains to healthcare waste.
The legislation on healthcare waste, governed by Legislative Decree 152/2006, stipulates that waste from healthcare activities is classified as so-called "special" waste.
In particular, healthcare waste is categorized by the legislation into hazardous and non-hazardous as shown below (based on the indications in Annexes I and II of the healthcare waste regulation ex. Presidential Decree 254/2003):

- Hazardous healthcare waste: they can be:
    - infectious risk, meaning waste that poses a biological risk, as well as objects and materials to be disposed of that have come into contact with blood or biological material that is infected or suspected to be infected (e.g., sharp and piercing waste like needles and syringes, waste from dressings, waste contaminated with biological material like blood samples and their containers, waste of biological nature and their containers);
    - non-infectious risk (so-called "chemical-physical risk");
    - or that require special disposal methods, such as expired or unusable medications, narcotic or psychotropic substances;
- Non-hazardous medical waste (e.g., unused sharp waste still packaged) and waste similar to urban waste, meaning that it falls within the flow of urban waste or is similar to it, collected and managed by municipal services that ensure, through separate collection, they are sent for proper recovery or disposal.

In this regard, it is noted that the GHC Group does not have, with reference to the 2024 fiscal year, formalized policies related to resource use and circular economy, and particularly on the issue of waste. However, it is highlighted that within the GHC Group's Code of Ethics (detailed in the ESRS G1-1), environmental respect is recognized as a fundamental value. Specifically, GHC acknowledges "the importance of respecting the environment and requires the assessment, by the Recipients, of the environmental impact of their decisions, in order to minimize any negative effects. It plans its activities and investments seeking the best possible balance between economic initiatives and environmental needs.

Consistent with this fundamental value, it is anticipated that waste management will be regulated for each controlled company by specific corporate procedures (so-called "Waste Management Procedure"), which:

- classify the main waste produced by each facility in the course of its activities (in terms of: type, CER code - "European Waste Catalogue", hazard class, treatment and disposal methods, reference behavioral norms to be followed during their handling);
- define the waste management process for each of the main types of waste produced by the facility;
- establish roles, responsibilities, and control and verification measures for each phase of the process.

These procedures aim - inter alia - to ensure the correct management of waste by overseeing the relevant process phases such as:

- collection and storage;
- organization of spaces designated for "temporary storage" – for the management of hazardous healthcare waste at risk of infection, where present;
- proper maintenance of the so-called "register of loading and unloading" of hazardous waste (i.e. document that records, in compliance with the timelines indicated by regulations, the qualitative and quantitative flows of waste production – "loading" – and removal from the facility – "unloading").

In this regard, it is specified that each subsidiary:

- has appointed a person, either internal or external, responsible for implementing the necessary measures to mitigate the risks of improper healthcare waste management;
- has formalized its environmental waste management procedure, within which responsibilities for managing and verifying the process and classifying the waste are defined;
- has activated service contracts with companies specialized and authorized in waste transport and disposal, which periodically collect the waste stored at the temporary depots located within the facilities themselves (if present);
- can rely on specialized external consultants for monitoring regulations and ensuring the correct fulfillment of mandatory requirements.

Actions and resources related to resource use and circular economy [E5-2]

The subsidiaries of the GHC Group, due to the activities they perform related to the provision of healthcare and social care services – and the consequent classification of the waste they produce, primarily, as "special waste", are subject to strict mandatory regulations.
For these reasons, during the 2024 fiscal year, no further specific actions aimed at optimizing waste management have been formalized. However, the Group reserves the right to adopt them in the medium to long term, also considering any needs in this regard that might be expressed by its stakeholders.

Metrics and targets

Targets related to resource use and circular economy [E5-3]

With reference to the 2024 fiscal year, no formal objectives related to waste management have been defined.
In 2024, the GHC Group conducted a Double Materiality analysis to identify the most significant sustainability issues for its operations and value chain. Based on this analysis, the Group plans to embark on a medium to long-term strategic exploration, laying the groundwork for defining specific policies, actions, and objectives related to the sustainability themes that have emerged as significant.
The lack of defined policies, actions, and objectives on the topic, within the context of the first year of applying the CSRD directive and ESRS standards, is attributed to the need for thorough evaluation and planning, to ensure that managing these areas is effective and aligned with GHC's long-term value creation strategy, as well as with the expectations and interests of key stakeholders, with whom the Group maintains an ongoing open and constructive dialogue.
Therefore, the GHC Group commits to providing regular updates on progress made on relevant sustainability issues starting from the next reporting.

Resource outflows [E5-5]

All GHC Group facilities have service contracts with specialized and authorized companies for the transport and disposal of waste. These companies are responsible for periodically collecting the waste stored in designated temporary deposits within the facilities, ensuring compliance with current environmental regulations and proper handling of materials.

Below are the data related to the total amount of waste produced in 2024, divided between hazardous and non-hazardous waste.

Waste Produced	UoM	Hazardous	Non-hazardous	Total	% Total
		2024			
Waste not intended for disposal	**t**	**492**	**252**	**744**	**56%**
Reuse	t	417	32	449	34%
Recycling	t	0	49	49	4%
Composting	t	0	10	10	1%
Energy recovery	t	56	145	201	15%
Other recovery operations	t	19	16	35	3%
Waste intended for disposal	**t**	**416**	**174**	**590**	**44%**
Incineration	t	286	11	297	22%
Landfill	t	96	155	251	19%
On-site storage prior to disposal operations	t	35	0	35	3%
Other disposal operations	t	0	8	8	1%
Total	**t**	**909**	**426**	**1,335**	**100%**
Of which radioactive waste	t			0	0%
Of which non-recycled waste	t	909	377	1,286	96%

It is specified that, considering the activities carried out by the Group's facilities, the materials contained in the waste - mainly of a sanitary nature - can be of various types (chemical, biological, etc.), given their heterogeneous nature.

The data relating to the waste produced by the Group during 2024 come from the declarations made by the individual facilities.
Each facility identified and classified the waste produced, filling out the Waste Identification Form (FIR) in four copies, as required by Article 193 of Legislative Decree April 3, 2006, No. 152. This document accompanies the waste during transport to the destination facility, certifying the handover and receipt of the waste. Subsequently, each facility completed and submitted the Single Environmental Declaration Form (MUD) to the competent authorities, reporting information on the waste produced and managed in the previous year.

It is noted that the data in question do not include the contribution of the Parent Company, as it is a Holding that does not engage in healthcare activities and is characterized by quantities of municipal waste considered insignificant. Furthermore, some data regarding municipal waste generated by healthcare facilities have been estimated based on the average capacity of containers used for disposing of such waste and considered as waste for disposal, due to the lack of precise information regarding the actual disposal methods employed by specialized and authorized waste treatment companies.

Social Information

Own Workforce [ESRS S1]

Strategy

Interests and views of stakeholders [SBM-2]

GHC is inspired by the management of work and collaboration relationships with full respect for workers' rights, promoting equal opportunities, full appreciation, and professional development based on individual skills and personal attitudes while refraining from any discriminatory behavior.
In particular, the Group's Code of Ethics explicitly states that GHC *“considers the protection of individual freedom and personality as an essential value and is committed to developing the skills and competencies of each employee and collaborator so that the energy and creativity of individuals can be fully expressed, and everyone's potential can be fully realized.”*
Furthermore, the Group's Code of Ethics stipulates that the Group's activities are inspired by some of the main supranational recommendations for the protection of workers' rights, which include – but are not limited to – the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the Declaration on Fundamental Principles and Rights at Work and the eight fundamental Conventions of the International Labour Organization (“ILO”), the Universal Declaration of Human Rights and subsequent international conventions on civil and political rights and on economic, social and cultural rights, the United Nations Conventions on the rights of women, on the elimination of all forms of racial discrimination, on the rights of the child, and on the rights of persons with disabilities.

It is noted that the interests and opinions of the company's own employees are constantly monitored, also through specific corporate functions, and contribute to shaping the strategies and business model of the individual subsidiaries and the Group as a whole.

Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]

The relevant impacts, risks, and opportunities concerning the company's workforce identified and described within the disclosure requirements set by ESRS 2 (related to working conditions, particularly health and safety, and equal treatment and opportunities for all, with a focus on training and skills development) are directly linked to the activities carried out and guide the strategy and business model of the GHC Group, which operates in a highly human-intensive sector.

In particular, the actual negative impact linked to the adverse effects on the health and safety of employees (resulting from physical injuries, occupational diseases, and stress) has been attributed to the operational and/or reputational risk arising from the possibility of events occurring that cause significant harm to the health or safety of employees or collaborators (e.g., death, serious injuries); likewise, the actual positive impact associated with the ability to offer significant professional opportunities, considering the primary standing of the Group, has been attributed to the opportunity to attract top medical-scientific professionals.

The GHC Group continuously monitors the risks and opportunities arising from the actual and potential impacts related to its own workforce. This activity is carried out through specific internal functions (including – inter alia – CFO, Internal Audit, Risk Management, Sustainability) that periodically report the main risks and opportunities identified in this area to the administration, management, and control bodies.

The information provided under ESRS 2 includes all own workers who may experience significant impacts, including those directly connected to its own operations and the value chain.
The Group utilizes the contributions of both employee and non-employee personnel (primarily collaborators and freelancers) to carry out its activities. Overall, the workforce subject to significant impacts includes both healthcare and staff personnel.

The significant negative impacts identified by the GHC Group (described within the scope of ESRS 2) are inherent to the healthcare sector and, in the case of the GHC Group, connected to "individual incidents".

The significant positive impacts (also already described within the scope of ESRS 2) potentially address the entirety of both employed and non-employed workers who comprise their workforce.

It is noted that there are no transition plans that generate or could generate negative impacts on their workforce.

The activities carried out by the GHC Group, considering their nature, may expose their workers to risks related to health and safety at work. The Group periodically monitors these risks, also within the Enterprise Risk Management framework coordinated by the Risk Management Function.

No significant risks and opportunities are identified that are exclusively linked to specific groups of its own workers (i.e., in terms of particular age groups or specific structures within the Group).

Management of impacts, risks, and opportunities

Policies related to own workforce [S1-1]

The Group's policies in these areas concern its entire workforce as a whole and refer mainly to:

- Group Code of Ethics (already described in detail within the scope of ESRS G1-1), which also includes the Group's commitments regarding human rights, including labor rights;
- Diversity & Inclusion Policy, approved in 2021 by the Parent Company's Board of Directors and applicable to all subsidiaries, aims to establish directions, guidelines, and commitments regarding Diversity and Inclusion topics, with the essential elements provided below. This Policy is particularly inspired by the following national and supranational recommendations:
    - Constitution of the Italian Republic;
    - Principles of the United Nations Global Compact;
    - Declaration of the International Labour Organization on fundamental principles and rights at work;
    - The eight Fundamental Conventions of the International Labour Organization;
    - The Universal Declaration of Human Rights;
    - The United Nations Conventions on women's rights, on the elimination of all forms of racial discrimination, on children's rights, on the rights of persons with disabilities;
    - The goals of the United Nations 2030 Agenda for Sustainable Development.

<table>
<tr><th colspan="2">Key elements contained in the Diversity & Inclusion Policy</th></tr>
<tr><td>Commitments</td><td>▪ The Group, through the Diversity & Inclusion Policy, is committed to undertaking all necessary actions to prevent incidents of discrimination related to the following personal characteristics:
– age;
– gender;
– sexual-affective orientation;
– different abilities;
– geographical origin, ethnicity, nationality, skin color;
– religious orientation;
– political and trade union orientation;
– marital status, pregnancy status, maternity, paternity;
– socio-economic status and professional background;
– contractual framework</td></tr>
<tr><td>Areas</td><td>▪ Non-discrimination and promotion of diversity;
▪ Equal opportunities and gender balance;
▪ Inclusive work environment;
▪ Diversity in the composition of corporate bodies;
▪ Spreading the culture of diversity within the company and openness to listening</td></tr>
<tr><td>Dissemination methods, monitoring and reporting</td><td>▪ The Diversity & Inclusion Policy of GHC is communicated and shared within the organization and with all individuals who engage with GHC, with a focus on transparency and collaboration. It is also published in both Italian and English on the company's website (section "Sustainability" / "Policy ESG");
▪ GHC assesses the effectiveness of the approach adopted and outlined in the Diversity & Inclusion Policy also through the identification of risks of violation of the adopted principles, periodic monitoring of compliance with the commitments made, and a dedicated system for reporting violations;
▪ GHC provides employees and all stakeholders with a specific communication channel to use in the event of alleged violations of rules, principles, and commitments regarding personal rights and their relational dimension with others. The Policy</td></tr>
</table>

	specifies that no form of retaliation will be enacted or tolerated within the Group against employees and stakeholders who have reported incidents of discrimination or harassment, nor against employees and stakeholders who have provided information on the matter.

Additionally, the Group, for managing health and safety at work, is equipped with the following operational documents:

- Workplace injury management systems and related prevention policies;
- Risk Assessment Document ("DVR"), a mandatory document aimed at identifying injury prevention measures for each professional role. This document, approved by the "Employer" of each company within the Group, is then translated into operational procedures made available to the indicated professional roles.

Processes for engaging with own workforce and workers' representatives about impacts [S1-2]

The Group's structures engage in continuous dialogue with their workers and their representatives.
In particular, each facility has an internal communication system, widespread and structured at all levels, which ensures that its workforce is informed and can participate in pursuing corporate strategies and objectives. It is specified that such an engagement system is also expressly provided for by the general requirements defined within the authorization and accreditation processes of each Region in which the Group operates.

This engagement is carried out periodically, also based on the needs expressed from time to time by the workers and their representatives, as well as the specific requests deriving from the authorization and accreditation requirements to which all facilities are subject.

The operational responsibility to ensure that such involvement takes place lies dash; primarily but not exclusively dash; with the CEO, the General Manager, and/or the Chief Operating Officer of each Group structure.

The findings of the involvement activities can be shared with the top figures of the subsidiaries, where deemed relevant.

Processes to remediate negative impacts and channels for own workforce to raise concerns [S1-3]

Employees are included among the Recipients of the Code of Ethics and therefore are obliged *"to report any behavior contrary to what is provided by the same Code of Ethics to their hierarchical superior or to the Human Resources function. If the behavior to be reported also constitutes a violation of the organization and management model pursuant to Legislative Decree 231/2001 adopted by the relevant Group company and/or a violation provided by Legislative Decree 24/2023, the report can be made and will be handled in accordance with the Whistleblowing Procedure adopted by the individual company to which the violation refers. In cases where the report falls within the scope of Legislative Decree 24/2023, the recipient of the report will forward it to the competent function, which will handle it through the Whistleblowing Procedure adopted by the Company."* For further insights, refer to the information reported within the ESRS G1-1 framework.

In addition to the above, it is noted that within the processes for managing Health & Safety Environment (known as "HSE") issues, each company within the Group adopts procedures that include specific methods for reporting any concerns or needs related to health and safety topics, as well as measures aimed at preventing and/or mitigating any negative impacts (e.g., providing specific training).
Regarding the health and safety field and the related "HSE Procedures," it is specified that these include specific methods for handling such complaints/reports, the management of which is entrusted to various parties including:

- "Supervisor", refers to the individual formally appointed to: (i) oversee the work activities carried out by the workers, (ii) ensure the implementation of the directives received from the "Workplace Safety Manager" or the Employer, (iii) monitor the correct execution of these directives by the workers;
- "Workplace Safety Manager", is the individual who, due to their professional competencies and hierarchical and functional powers appropriate to the nature of the task assigned to them, implements the Employer's directives by organizing and overseeing the work activities;
- Head of the Prevention and Protection Service (known as "RSPP"), appointed by the Employer.

The GHC Group is committed to disseminating the aforementioned reporting channels to its own workers. In particular, with reference to the dissemination of the Code of Ethics, *"GHC is committed to promoting and ensuring adequate awareness of the Code of Ethics by disseminating it to the relevant parties through appropriate and suitable communication activities. To this end, GHC in particular commits to:*

- *verify the application and compliance with the Code of Ethics;*
- *monitor initiatives for spreading knowledge and understanding of the Code of Ethics;*
- *receive and analyze reports of violations of the Code of Ethics;*
- *review proposals for revising company policies and procedures that may affect business ethics;*
- *propose to the Board of Directors the changes, updates, and additions to be made to the Code of Ethics;*
- *make decisions regarding significantly relevant violations of the Code of Ethics;*
- *to deliberate on the review of the most significant company policies and procedures, in order to ensure consistency with the Code of Ethics;*
- *to conduct a periodic review of the Code of Ethics."*

Regarding the HSE Procedures, each subsidiary is required to disseminate and ensure the availability of such procedures to its own workers.

The methods by which the Group assesses the availability for its own workers of structures or processes to communicate concerns or needs and the policies to protect them from potential retaliation are reported within the ESRS G1-1, to which reference is made for further details.

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions [S1-4]

The Group consistently monitors the impacts, risks, and significant opportunities related to its workforce through a structured system of policies and business processes, detailed above. Specifically, regarding its own workers, throughout 2024, no actions or initiatives were undertaken concerning the impacts, risks, and significant opportunities identified, considering the numerous existing control and constant monitoring measures in place, active both at the level of individual subsidiaries and the Parent Company.

Metrics and trargets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S1-5]

The Group did not set measurable and result-oriented objectives in these areas during 2024.
These aspects are, in any case, constantly monitored within the scope of formalized and structured processes for each company of the Group.

In 2024, the GHC Group conducted a Double Materiality analysis to identify the most significant sustainability issues for its operations and value chain. Based on this analysis, the Group plans to embark on a medium to long-term strategic exploration, laying the groundwork for defining specific policies, actions, and objectives related to the sustainability themes that have emerged as significant.
The lack of defined actions and objectives on the subject, within the context of the first year of implementing the CSRD directive and ESRS standards, is attributed to the need to proceed with careful assessment and planning, to ensure that the management of these areas is effective and aligned with GHC's long-term value creation strategy, as well as with the expectations and interests of key stakeholders, with whom the Group maintains an ongoing open and constructive dialogue.
Therefore, the GHC Group commits to providing regular updates on progress made on relevant sustainability issues starting from the next reporting.

Furthermore, these aspects are also monitored within the framework of Enterprise Risk Management coordinated by the Risk Management function, which periodically informs the management, administration, and oversight bodies about the findings and any corrective actions to be taken

Characteristics of the undertaking's employees [S1-6]

As of December 31, 2024, the Group employed[18] 2,708 staff members, as reported below. In this regard, it is noted that the values presented refer to the number of employees ("headcount") on staff.

It is also noted that approximately 94% of employees are employed on a permanent basis.

[18] Reference can also be made to what is reported in Note No. 46 of the Consolidated Financial Statement as of 12/31/24. It is noted that the Income Statement item related to personnel costs amounts to €k 112,341.

Employees	2024		
	Men	Women	Total
Permanent contract	666	1,886	2,552
Fixed-term contract	35	114	149
Apprenticeship	0	7	7
Variable hours (hired without the guarantee of a fixed number of hours)	0	0	0
Total	**701**	**2,007**	**2,708**

Employees	2024		
	Men	Women	Total
Full-time	641	1,703	2,344
Part-time	60	304	364
Total	**701**	**2,007**	**2,708**

In 2024, the Group recorded an employee turnover rate of approximately 17%, calculated as the ratio between employees who left the Group during 2024 and employees on staff as of 12/31/2024, as reported below.

Employee Turnover Rate		
	UoM	2024
Employees in the organization as of December 31, 2024	N.	2,708
Employees who left the Group during 2024	N.	459
Employee turnover rate	**%**	**16.9%**

The Group will continue to monitor the turnover rate of its structures for 2025 as well, providing information in the next report.

Characteristics of non-employees in the undertaking's own workforce [S1-7]

(55, 56) As of December 31, 2024, the Group employed 2,528 non-employee personnel ("headcount"), primarily consisting of freelancers such as doctors, consultants, psychologists, and health technicians.

Non-Employee Workers 2024	2024		
	Men	Women	Total
Self-employed workers	1,662	809	2,471
Workers provided by companies engaged in "research, selection, and supply of personnel"	30	27	57
Total	**1,692**	**836**	**2,528**

Collective bargaining coverage and social dialogue [S1-8]

Almost all employees of the Group on staff as of 31.12.2024 are covered by collective bargaining (coverage percentage of 99.9%). Furthermore, it is noted that the Group's facilities all operate in Italy and therefore within the EEA. All own workers are covered by worker representatives.
Trade unions are present in the Group's healthcare facilities through the appointment of worker representatives.

Diversity metrics [S1-9]

As of 31.12.2024, the Group's female employees account for approximately 74%, as reported below. Similarly, it is noted that about 15% of the workforce is under 30 years of age. The Group also has 16 managers, representing 0.6% of the total workforce.

Employee Diversity by Job Category and Gender						
2024						
	Men	Women	Total	M (%)	F (%)	Total (%)
Executives	11	5	16	69	31	100
Managers	9	8	17	53	47	100
Clerks	570	1,775	2,345	24	76	100
Workers	111	219	330	34	66	100
Total	**701**	**2,007**	**2,708**	**26**	**74**	**100**

Employee Diversity by Job Category and Gender						
2024						
	Men	Women	Total	M (%)	F (%)	Total (%)
Executives	11	5	16	69	31	100
Managers	9	8	17	53	47	100
Clerks	570	1,775	2,345	24	76	100
Workers	111	219	330	34	66	100
Total	**701**	**2,007**	**2,708**	**26**	**74**	**100**

Adequate wages [S1-10]

All employees receive a fair wage aligned with the relevant National Collective Labor Agreement ("CCNL").

Social protection [S1-11]

Virtually all employees of the company are covered by the social protection mechanisms provided by the relevant National Collective Labor Agreements, covering 99.9% of the workforce as reported in the previous point S1-8.

Training and skills development metrics [S1-13]

In 2024, a total of 29,462 training hours were provided. Below is the breakdown of the training provided, divided by gender and contractual classification of employees.

	Training Hours - Men	Training Hours - Women	Total Training Hours
2024			
Executives	38	27	65
Managers	26	34	60
Clerks	6,340	20,280	26,620
Workers	812	1,906	2,718
Total	**7,215**	**22,247**	**29,462**

Below are the details regarding the per capita training hours delivered during the reporting period, referring only to the Group's employees (totaling 2,708 staff members, as reported in the previous point S1-6).

	Training Hours - Men	Training Hours - Women	Total Training Hours
2024			
Executives	3	5	4
Managers	3	4	4
Clerks	11	11	11
Workers	7	9	8
Total	**10**	**11**	**11**

Health and Safety metrics [S1-14]

100% of the Group's employees are covered by the company's health and safety management system. Likewise, it is noted that all the Group's facilities are subject to potential audits on health and safety issues through the Parent Company's Internal Audit function and/or the Health Prevention and Protection Officer ("RSPP") of the individual facility.
Below are the work-related injuries recorded during 2024 concerning the employees.

Workplace Injuries - Employees	
Employees	**2024**
Death rate due to workplace accidents or work-related diseases	0
Rate of serious workplace accidents (excluding deaths)	1
Recordable workplace injury rate (employee)	77

Here is also reported the injury rate of employees, obtained by relating the total number of recorded injuries to the total number of hours worked (amounting to 3,963,221 in 2024).

Rates Related to Employee Injuries	
Employees	**2024**
Death rate due to workplace accidents or work-related diseases	0
Rate of serious workplace accidents (excluding deaths)	0
Recordable workplace injury rate (employee)	19

Lastly, it is noted that during 2024, no deaths occurred due to work-related injuries or work-related illnesses concerning external workers operating within the Group's facilities.

Work-life balance metrics [S1-15]

The right to leave for family reasons is provided within the respective National Collective Bargaining Agreements ("CCNL") and thus covers almost all the Group's employees as reported within S1-8.

Remuneration metrics (pay gap and total remuneration) [S1-16]

As of 12/31/2024, the gender pay gap, calculated based on Gross Annual Salary ("RAL", value excluding severance pay, social charges, and variable remuneration components), is approximately 16%.
Similarly, it is noted that the ratio between the total annual compensation for the CEO and the average total annual compensation of the Group's employees has been calculated, amounting to 47.3x for 2024[19]. The methods for calculating this ratio are detailed in the 2025 Remuneration Policy Report and the 2024 Compensation Report, which are referenced for further information.

Incidents, complaints and severe human rights impacts [S1-17]

During the reporting period, there were no incidents, complaints, or severe impacts regarding human rights, as reported below.

Reporting on incidents, complaints, and severe impacts regarding human rights for FY 2024	
Total number of reported discrimination episodes (number)	-
Total number of complaints submitted by workers (number)	-
Total amount of fines / penalties / compensations due to incidents and complaints (mentioned above) incurred during the reporting period (Euro)	-
Total number of severe incidents regarding human rights (number)	-
Total amount of fines / penalties / compensations due to incidents (mentioned above) incurred during the reporting period (Euro)	-

[19] The calculation, considering the complex structure of the Group, was carried out taking into account: (i) for the CEO, the total annual remuneration (which includes fixed compensation, variable non-equity *compensation* and the *fair value* of equity compensation) and (ii) for employees, the personnel cost value indicated in the Consolidated Financial Statement, related to the number of employees on staff as of 12/31/2024. However, considering the company's business and operations exclusively in Italy, it is not believed that the calculation would have led to significant deviations if carried out using the median salary value as a reference.

Workers in the Value Chain [ESRS S2]

Strategy

Interests and views of stakeholder [SBM-2]

The GHC Group, in order to protect the interests, opinions, and rights of its workers in the value chain, has adopted a Code of Ethics that also applies to "medical, technical, nursing, and auxiliary staff associated with GHC through independent collaboration agreements, as well as to suppliers of goods and services. These parties must be properly informed of the conduct criteria contained in the Code of Ethics and align their behavior accordingly for the entire duration of their contractual relationship with GHC, while respecting any professional codes of ethics of their respective orders."

Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]

As part of the Double Materiality analysis, negative impacts and significant risks related to health and safety have been identified, which are linked to the Group's strategy and business model due to the nature of the activities provided.
These impacts refer to the possibility of negative effects on the health and safety of workers in the value chain during the performance of their professional activities within the Group's facilities, which could lead to potential operational and/or reputational risks (especially in the case of serious injuries and/or fatalities). Below are all the main categories of workers in the upstream value chain as considered in the Double Materiality analysis conducted, who may experience significant impacts in view of their relationship with the Group:

- Actors involved in providing cleaning, laundry, catering services, and/or professional services (e.g., consultants) who predominantly perform their activities also at the premises of subsidiaries and/or the Parent Company;
- Actors involved in waste disposal activities and the provision and maintenance of healthcare equipment, who mainly perform their activities outside the premises of subsidiaries and/or the Parent Company.

The negative impacts, as well as the significant identified risks, all related to health and safety, are to be considered as connected to individual incidents (e.g., accidents) and concern all workers in the aforementioned value chain.

Management of impacts, risks, and opportunities

Policies related to value chain workers [S2-1]

The GHC Group does not have, with reference to the 2024 fiscal year, formalized policies related to workers in the value chain, particularly concerning the topic of health and safety at work. However, it is noted that the Group's commitments on these topics are formalized within the GHC Group's Code of Ethics detailed in the ESRS G1-1.

The issues of forced or compulsory labor and child labor are explicitly addressed within the Model ex. D. Lgs. 231/2001, which must be mandatorily adopted by the Group's suppliers and, together with the provisions of the Code of Ethics, constitutes the main control safeguard on these issues. Currently, the Group does not have a Supplier Code of Conduct.

As of the publication date of this statement and concerning workers in the value chain, no cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises, recommendations and supranational principles expressly mentioned - inter alia - also within the Group's Code of Ethics have been identified.

Processes for engaging with value chain workers about impacts [S2-2]

As of the publication date of this Sustainability Report, the GHC Group has not formalized a general process to involve workers in the value chain regarding impacts. However, the Group reserves the right to define such a process in the future if deemed relevant to its value creation strategy, considering any needs that may be expressed by its stakeholders, with whom the Group maintains ongoing dialogue and interactions.

Processes to remediate negative impacts and channels for value chain workers to raise concerns [S2-3]

Workers in the value chain are included among the Recipients of the Code of Ethics and, therefore, are required “to report any behavior contrary to what is provided by the Code of Ethics to their direct superior or the Human Resources function. If the behavior to be reported also constitutes a violation of the organizational and management model pursuant to Legislative Decree 231/2001 adopted by the relevant Group company and/or a violation provided for by Legislative Decree 24/2023, the report can be made and will be managed in compliance with the Whistleblowing Procedure adopted by the individual company to which the violation refers. In cases where the report falls within the scope of application of Legislative Decree 24/2023, the entity receiving the report will forward it to the competent function, which will manage it through the Whistleblowing Procedure adopted by the Company.” For further details, refer to the information reported under ESRS G1-1.
In addition to the above, it is noted that within the processes for managing Health & Safety Environment (known as “HSE”) issues, each company in the Group adopts procedures (known as “HSE Procedures”) that include specific methods for reporting any concerns or needs related to health and safety topics, which are also applicable to workers in the value chain.
With particular reference to contracts, the tools available to workers in the value chain to express any concerns or needs are formally communicated in mutual information documents between the client and the contractor (i.e. Single Document for the Assessment of Interference Risks, known as “DUVRI”).
To evaluate the effectiveness of remediation measures, periodic audits are conducted on HSE Procedures and management systems related to health and safety issues, potentially involving external consultants to verify the effectiveness of these measures (e.g., an advisor dedicated to Whistleblowing topics).

It is specified that the GHC Group is committed to disseminating these reporting channels to workers within the value chain. Regarding the dissemination of the Code of Ethics, "GHC undertakes to promote and ensure adequate knowledge of the Code of Ethics by disseminating it to interested parties through specific and appropriate communication activities. To this end, GHC is particularly committed to:

- verify the application and compliance with the Code of Ethics;
- monitor initiatives for spreading knowledge and understanding of the Code of Ethics;
- receive and analyze reports of violations of the Code of Ethics;
- review proposals for revising company policies and procedures that may affect business ethics;
- propose to the Board of Directors the changes, updates, and additions to be made to the Code of Ethics;
- make decisions regarding significantly relevant violations of the Code of Ethics;

- to deliberate on the review of the most significant company policies and procedures, in order to ensure consistency with the Code of Ethics;
- conduct periodic reviews of the Code of Ethics.

Regarding HSE procedures, each subsidiary is required to disseminate and ensure these are available to workers within the value chain.
In the realm of procurement contracts, the dissemination activity is expected to be carried out by the contractor following the instructions contained in the contract and the DUVRI.

Regarding the Code of Ethics, the Supervisory Body of each company within the GHC Group, endowed with autonomous powers of initiative and control, checks for alleged violations of the rules and, when required by the situation, proposes appropriate measures to the competent parties. The Supervisory Body of each company within the GHC Group periodically reports on the outcomes of such activities to the administrative body and (where established) to the control body of the respective Group company, as well as to the Supervisory Body of Garofalo Health Care S.p.A..

With reference to HSE procedures, it is specified that these include specific methods of monitoring and verification assigned to the designated control bodies, including:

- "Supervisor", meaning the person formally appointed to: (i) oversee the work activities carried out by employees, (ii) ensure the implementation of the directives received from the Occupational Safety Manager or the Employer, (iii) monitor the correct execution of these directives by the employees;
- "Workplace Safety Manager", is the individual who, due to their professional competencies and hierarchical and functional powers appropriate to the nature of the task assigned to them, implements the Employer's directives by organizing and overseeing the work activities;
- Head of the Prevention and Protection Service (known as "RSPP"), appointed by the Employer;
- Group Risk Management and Internal Audit Function.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions [S2-4]

With specific reference to workers in the value chain, during 2024 no actions or initiatives were undertaken regarding the identified significant impacts and risks, also considering the numerous control measures and constant monitoring already in place, active both at the level of individual subsidiaries and the Parent Company.
However, in the event that significant negative impacts on workers in the value chain regarding health and safety occur, it should be noted that the subsidiaries and the Parent Company have company procedures in place that assign specific responsibilities for identifying the applicable response mechanisms, both short and medium-term.

Additionally, it should be noted that the Group periodically monitors risks related to these areas within the context of periodic Enterprise Risk Management activities coordinated by the Risk Management function using the Group's ERM metrics. Actions aimed at mitigating any identified risks are periodically shared with the so-called Risk Owners identified within each structure and subsequently monitored as part of the follow-up activities periodically conducted by the Risk Management and Internal Audit functions.

As of the publication date of this Sustainability Report, the GHC Group reports that no serious issues or incidents related to human rights have been reported in connection with its value chain.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S2-5]

The Group has not yet formalized measurable and results-oriented goals in these areas.

In 2024, the GHC Group conducted a Double Materiality analysis to identify the most significant sustainability issues for its operations and value chain. Based on this analysis, the Group plans to embark on a medium to long-term strategic exploration, laying the groundwork for defining specific policies, actions, and objectives related to the sustainability themes that have emerged as significant.
The lack of defined policies, actions, and objectives on the topic, within the context of the first year of applying the CSRD directive and ESRS standards, is attributed to the need for thorough evaluation and planning, to ensure that managing these areas is effective and aligned with GHC's long-term value creation strategy, as well as with the expectations and interests of key stakeholders, with whom the Group maintains an ongoing open and constructive dialogue.
Therefore, the GHC Group commits to providing regular updates on progress made on relevant sustainability issues starting from the next reporting.

It is specified that these aspects are in any case constantly monitored through the competent functions described above, within formalized and structured processes for each company in the Group. Furthermore, these aspects are also monitored within the framework of Enterprise Risk Management coordinated by the Risk Management function, which periodically informs the administrative, management, and control bodies about the findings and any corrective actions to be taken.

Consumers and End Users [ESRS S4]

Strategy

Interests and views of stakeholders [SBM-2]

The Group's Code of Ethics stipulates that the Group's activities are inspired by some of the main supranational recommendations regarding the protection of consumer rights and end users, including – but not limited to – the United Nations Global Compact, the Universal Declaration of Human Rights and subsequent international conventions on civil and political rights, as well as economic, social, and cultural rights, the United Nations Conventions on women's rights, the elimination of all forms of racial discrimination, children's rights, and the rights of persons with disabilities. Additionally, the GHC Group operates according to a so-called "patient-centered" model, meaning it is based on the centrality of the patient, taking into account all their physical, psychological, and social needs. This commitment is explicitly stated in the Group's Code of Ethics, which asserts that *The Group's mission is to place the patient at the heart of the care and assistance system according to a 'patient-centered' model. This means considering the preferences, needs, and values of each individual patient in every clinical decision and committing daily to ensure the highest professionalism of doctors and staff, the excellence of the technological equipment used, and the highest levels of comfort, cleanliness, and hospitality of the environments. Following the guiding principle inspired by Prof. Raffaele Garofalo, "Health is the most precious asset a person can have," the Group acknowledges that health is a fundamental asset that no human being can forgo and, as such, must be protected and safeguarded.*

Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]

The actual and potential impacts on end users (i.e., patients), identified and described within the disclosure requirements set out by ESRS 2, are directly linked to the activities carried out by the GHC Group and guide its strategy and business model.

It is noted that all impacts, actual and potential, as well as the identified risks and opportunities, refer to end users (i.e., patients) who represent the main and essential focus of the Group's mission, namely *"placing the patient at the center of the care and assistance system according to a model defined as patient-centered"*.

The GHC Group continuously monitors the risks and opportunities arising from the actual and potential impacts related to end users (i.e., patients). These activities are also carried out through specific internal functions (including – inter alia – CFO, Internal Audit, Risk Management, Sustainability) that periodically report the main risks and opportunities identified in this area to the management, administration, and control bodies.

The information provided under ESRS 2 includes end users who may experience significant impacts, including those directly related to the Group's operations and value chain (i.e., patients receiving healthcare and social-healthcare services provided by the Group's facilities).

The activities carried out by the Group's facilities could potentially have a negative impact on end users (i.e., patients) – on an extraordinary basis – due to possible violations of the regulations concerning the management, processing, and protection of personal data.
However, it should be noted that the GHC Group constantly monitors the security and privacy of the data it holds,

also due to its exposure to risks related to the compromise of the availability, confidentiality, and integrity of the specific personal (health) and economic-financial data processed.
With specific regard to privacy, the GHC Group's Code of Ethics states that "*GHC is committed, in carrying out its activities, to collecting, managing, and processing personal data in compliance with current legislation and to ensuring confidentiality in data processing".* Moreover, the Code of Ethics formally commits the Recipients – which also include the subsidiaries – to "*ensure compliance with privacy regulations and to pursue the correct, legitimate, and limited use of IT and telecommunication tools, avoiding any use aimed at collecting, storing, and disseminating data and information for purposes other than the activities of GHC and/or, in any case, the purpose of damaging others' information, data, programs, or IT or telecommunication systems and/or the interception, obstruction, or unlawful interruption of others' IT or telecommunication communications."*
These areas are constantly monitored through the Parent Company's Information Technology and Risk Management function.

It is also noted that the activities carried out by the Group's facilities require—by their nature—that end-users (i.e., patients) receive accurate and accessible communications regarding the scope, nature, and type of services offered to them.
The GHC Group periodically monitors the outcomes of such communications, also as part of the Enterprise Risk Management process coordinated by the Risk Management function through a quality perception measurement indicator that specifically reports on the *"clarity and completeness of the information/explanations received."*.

Similarly, the activities conducted by the Group's facilities—by their very nature—may also be directed at end-users (i.e., patients) who are vulnerable to impacts on their health or privacy.

Regarding significant negative impacts (already described within ESRS 2), these are intrinsically linked to dynamics inherent to the healthcare sector and, in the case of the GHC Group, associated with *"individual incidents"*.

Regarding significant positive impacts (also already described within ESRS 2), these potentially address the entirety of their end users (i.e. patients).

The activities carried out by the GHC Group, due to their nature, may expose end users (i.e. patients) to risks primarily of a clinical-health nature.
The Group monitors these risks at least annually, also within the framework of Enterprise Risk Management coordinated by the Risk Management function.

No significant risks and opportunities are identified as exclusively associated with specific groups of end-users (i.e., patients).

Management of impacts, risks, and opportunities

Policies related to consumers and end-users [S4-1]

The policy formalized by the Group to manage significant impacts, risks, and opportunities is the Group Code of Ethics (detailed in ESRS G1-1) aimed at all its end-users (i.e., patients). To effectively implement the above, the Group has additional operational and implementation documents for managing and monitoring identified significant impacts, risks, and opportunities, including:

- Service Charter of each Group structure \\u2013 mandatory and published on the respective company websites \\u2013 to be understood as the document through which each structure communicates its commitments to users in terms of services, delivery methods, quality standards, and informs the user about the protection methods provided;
- Procedures for managing clinical risks, formalized at each Group structure;
- Procedure concerning Data Security and Privacy (so-called \\\\u201cManagement of IT incidents\\\\u201d Procedure, approved by the Parent Company and applicable to all subsidiaries), aimed at further strengthening company safeguards on these topics, of which the essential elements are provided below.

IT Incident Management Procedure	
Objectives	▪ Define the methods for managing IT incidents and problems to ensure: - efficiency and effectiveness in the process of managing incidents and problems in order to enhance security, maximize system availability, improve service levels and user satisfaction, and optimize costs; - reduction in the number of incidents through proactive problem management and investigation methods using dedicated monitoring dashboards; - ability to monitor ICT-related activities in incident and problem management by tracking all interventions and enabling drivers for measuring service quality; - increase in the GHC Group's ability to proactively identify potential internal areas for improvement by also leveraging knowledge gained from managing past incidents and/or problems; - involvement of all company functions with technical and/or specialized skills to resolve the incident and investigate the problems that caused it, including by extending the scope of analysis
Scope of application	▪ The “Management of IT Incidents” Procedure applies to Garofalo Health Care S.p.A. and all its subsidiaries; ▪ To this end, GHC ensures its widespread distribution within the Group; ▪ The Procedure and any subsequent changes or additions must be adopted by the administrative body of each subsidiary
Subject	▪ The Procedure governs the operational processes related to the management of IT incidents throughout their life cycle, with reference to the

	phases of "Opening and classification", "Analysis and resolution", "Closure and reporting" and, finally, "Problem management". ▪ More precisely, this Procedure regulates the technical support activity carried out by IT groups for all ICT issues that require their involvement for resolution.
Recipients	▪ Users of the GHC Group and corporate organizational units that, during their work activities, detect events that may cause unplanned interruptions or reductions in services, or loss or damage to the ICT infrastructure. ▪ Technical functions responsible for managing IT incidents and problems.

It is specified that in 2024, no violations of the principles of the United Nations Global Compact and the OECD Guidelines for multinational enterprises affecting consumers and/or end users were found.

Processes for engaging with consumers and end-users about impacts [S4-2]

The Group continuously gathers feedback from its end users (i.e., patients and/or caregivers, in the case of social-welfare facilities) as part of customer satisfaction processes and complaint management (through various channels, both digital and paper-based) described below.

Customer Satisfaction Process	
Description	▪ Tool adopted to obtain feedback on the performance provided to users, identifying any issues and/or service disruptions and related improvement actions, while preserving the service quality
Methods of supervision	▪ Surveys in paper and/or digital format ▪ Direct interviews (especially in the case of longer or shorter stays) ▪ Collection of quick feedback through kiosks in reception areas
Objectives	▪ Measure the perceived quality by users concerning specific aspects of each facility, which generally include, among others, admission procedures, staff courtesy, cleanliness of the environment, quality of the cafeteria service, information received from medical/nursing staff, adherence to waiting times

Complaints Management Process	
Description	▪ Toolavailable to users for reporting any issues related to the service
Methods of supervision	▪ Submission of the complaint via a specific paper form or digitally by email/phone to the Public Relations Office – URP, with immediate handling as soon as possible
Objectives	▪ Highlight any 'non-conformities' (in the case of more significant complaints), which could trigger a process of problem analysis and determination of corrective actions, involving the Medical Management

The involvement of end users (i.e. patients) in these processes occurs on an ongoing basis, with analyses aimed at identifying improvement actions and dedicated reports prepared at least annually.

The responsibility for managing and overseeing the processes of customer satisfaction and complaints management is generally formalized under the Quality Manager and/or the Medical Director. It is also noted that some Group structures have appointed a thematic representative for these aspects. Each structure allocates specific resources to these processes.

The results of the customer satisfaction process surveys, previously shared with the General Managers / Medical Directors of the subsidiaries, are usually included in the annual Management Review document published on each subsidiary's website as part of transparency information.
Similarly, it is noted that the results of the analysis of received complaints, as well as the response times, are also usually published in the annual Management Review document..
All Group Companies periodically review the adequacy of the current oversight mechanisms.

Given the nature of the activities carried out, the end users (i.e. patients) considered "vulnerable" are at the center of the Group's business model and strategy.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns [S4-3]

The Group's facilities are equipped with "Clinical Risk Management Procedures", which include conducting specific audit activities in the event of malpractice with direct and indirect impacts on patients, aimed at defining corrective actions for the processes that caused such events.
Furthermore, the facilities annually prepare the Review of the Health Directorate document, in which significant events – including those related to aspects of medical malpractice – and the related improvement actions are monitored.
In the case of so-called "sentinel events" (i.e. events, defined by the Ministry of Health, that can cause death or serious harm to the patient), the facilities are required to initiate a verification process through a specific audit aimed at identifying corrective actions and to activate an information flow towards the public counterpart (i.e. ASL/Region) and the patient, in which the subject and intervention methods are communicated.
With regard to these areas, the main measures in place at the subsidiaries are outlined below:

- Establishment of an internal/external control function, as well as dedicated procedures, concerning the compliance with the verification of quality standards and accreditation;
- Definition and structuring of a specific process, chaired by dedicated functions (including the Medical Directorate and the Public Relations Office, URP) concerning customer satisfaction processes and complaint management;
- Continuous monitoring and, if necessary, implementation of warnings and disciplinary measures towards healthcare personnel in cases deemed appropriate.

The responsibility for managing and controlling customer satisfaction and complaint management processes is generally formalized under the Quality Manager and/or the Medical Director. It is also noted that some Group structures have appointed a thematic representative on these aspects. Furthermore, each structure allocates specific resources to these processes.

At the Group level, these aspects are monitored within the Enterprise Risk Management framework coordinated by the Risk Management function of the Parent Company, which maps on an intra-annual basis the number of so-called "adverse events" (i.e. events that may cause harm to the patient) and so-called "sentinel events" (as mentioned above), in order to understand potential trends and concentrations related to specific structures within the Group.

Finally, the GHC Group reports that during 2024, no serious issues or incidents concerning human rights related to end users (i.e. patients) have been detected.

With reference to the communication channels adopted, each facility is equipped with specific communication channels within the scope of customer satisfaction processes and complaint management (detailed in ESRS S4-2), which involve the Healthcare Management/Public Relations Office ("URP") for the necessary handling and response.

The Group directly supports the availability of these channels, making public the reporting channels related to customer satisfaction and complaint management processes, as well as those aimed at so-called "whistleblowing," through the website and window displays located near the reception areas of each facility. It is specified that the Group does not support or require the availability of such channels in organizations with which it has commercial relationships.

Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions [S4-4]

The Group constantly monitors the significant impacts, risks, and opportunities related to end users (i.e., patients) through an organized system of policies and business processes, as described in detail above.
With specific reference to end users (i.e., patients), during 2024, no actions or initiatives were undertaken regarding the significant impacts, risks, and opportunities identified, also in light of the numerous constant control and monitoring measures already in place, active both at the level of individual subsidiaries and the Parent Company.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S4-5]

The Group, during 2024, has not formalized measurable, result-oriented objectives in these areas.

In 2024, the GHC Group conducted a Double Materiality analysis to identify the most significant sustainability issues for its operations and value chain. Based on this analysis, the Group plans to embark on a medium to long-term strategic exploration, laying the groundwork for defining specific policies, actions, and objectives related to the sustainability themes that have emerged as significant.
The lack of defined policies, actions, and objectives on the topic, within the context of the first year of applying the CSRD directive and ESRS standards, is attributed to the need for thorough evaluation and planning, to ensure that managing these areas is effective and aligned with GHC's long-term value creation strategy, as well as with the expectations and interests of key stakeholders, with whom the Group maintains an ongoing open and constructive dialogue.
Therefore, the GHC Group commits to providing regular updates on progress made on relevant sustainability issues starting from the next reporting.

Additionally, these aspects are also monitored within the Enterprise Risk Management framework coordinated by the Risk Management function, which periodically informs the management, administration, and control bodies about the findings and any corrective actions to be taken.

Governance Information

Business Conduct [ESRS G1]

Governance

The role of the administrative, management and supervisory bodies [GOV-1]

GHC is organized according to the so-called 'traditional model,' which assigns a prominent role concerning business conduct to the Board of Directors and the Board of Statutory Auditors. The characteristics of these bodies are provided below.

Board of Directors

Pursuant to Article 29 of the Statute, the Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the company, being responsible for everything that is not expressly reserved by law or the Statute to the competence of the Assembly.
According to the Corporate Governance Code, the Board of Directors leads the company in pursuing sustainable success, defines the strategies of the company and the Group to which it belongs (the **"GHC Group"**), establishes the corporate governance system that is most suitable for carrying out the company's activities and pursuing its strategies, and promotes, in the most appropriate ways, dialogue with shareholders and other stakeholders relevant to the company. In line with the provisions of the Corporate Governance Code, the Board of Directors:

a) examines and approves the company's and the GHC Group's business plan, also based on the analysis of relevant topics for long-term value creation;
b) periodically monitors the implementation of the business plan and assesses the overall management performance, periodically comparing the achieved results with those planned;
c) defines the nature and level of risk compatible with the company's strategic objectives, including in its assessments all elements that may be significant for the company's sustainable success;
d) defines the corporate governance system of the company and the structure of the GHC Group and evaluates the adequacy of the organizational, administrative, and accounting setup of the company and its strategically significant subsidiaries, with particular reference to the Internal Control and Risk Management System;
e) decides on matters reserved to it by law and the Statute as well as on those with significant strategic, economic, asset, or financial importance for the company itself, establishing, for this purpose, the general criteria to identify operations of significant importance;
f) defines the allocation of management delegations and identifies who among the executive directors holds the position of Chief Executive Officer;
g) develops the company's policy on the remuneration of directors and top management, in compliance with current regulations and the Corporate Governance Code;
h) determines, on the proposal of the Nomination and Remuneration Committee, the economic treatment of directors (after consulting the Board of Auditors pursuant to art. 2389, paragraph 3, Civil Code);

i) conducts, at least every three years, an evaluation of the functioning of the Board itself and its Committees, and
j) adopts, on the proposal of the Chairman and in agreement with the Chief Executive Officer, a procedure for the internal management and external communication of documents and information concerning the company, with particular reference to privileged information.

The Board of Directors has its own Regulations, last amended in May 2024.

Board of Statutory Auditors

As for the Board of Statutory Auditors, according to the applicable regulations and Article 34 of the Articles of Association, it oversees compliance with the law and the Articles of Association, adherence to the principles of proper administration, and particularly the adequacy of the organizational, administrative, and accounting structure adopted by the company and its effective functioning, performing any other tasks assigned by the current laws and regulations.

The management, direction, and control bodies possess extensive expertise on matters related to business conduct, also due to their proven overall experience in entrepreneurial, professional, managerial, institutional, and academic fields as inferred from each individual's curriculum vitae.
It is noted that all members of the Administration, Management, and Control Bodies have many years of experience and widespread expertise on issues related to business conduct relevant to the activities of the GHC Group, as can be inferred from the resumes of each, published on the Group's website.

Management of impacts, risks, and opportunities

Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1]

The general process followed to identify relevant impacts, risks, and opportunities is documented in the ESRS 2 standard, to which reference is made for further details.
With particular reference to issues related to business conduct, it is specified that the identification of relevant impacts, risks, and opportunities has been carried out – in line with the requirements of the ESRS standards – also considering (i) the territorial location of the Group, which has a diverse geographical presence through 37 facilities operating in 8 regions of central-northern Italy, (ii) the overall activities provided, represented by healthcare and social-assistance services diversified by sector, and (iii) the reference sector, due to the public function performed by the Group as a private accredited healthcare operator operating in a highly regulated sector.

Business conduct policies and corporate culture [G1-1]

The GHC Group is committed to maintaining the highest standards of honesty and integrity in all relations with individuals and entities outside the Group. Professionalism, competence, fairness, and courtesy are the guiding principles that the Group must observe in its dealings with third parties and/or its companies. In line with the principles of integrity at the core of the GHC model, it is essential that relationships with both external and internal parties are based on:

- full transparency and fairness;

- compliance with the law, particularly concerning offenses against public administration and corruption between private parties;
- independence from any form of influence, both internal and external.

In order to effectively follow up on the above, each company of the GHC Group has published on its website and possibly on available company tools:
- the Group's Code of Ethics, which incorporates the guidelines of the "Whistleblowing" legislation;
- the related procedure for managing reports of misconduct; and
- a link for direct access to a reporting management platform for specific categories of stakeholders, including external ones (e.g., suppliers).

Code of Ethics

The Group, aware of the growing attention of its stakeholders on issues related to responsible business conduct, has updated its Code of Ethics in 2023 to incorporate the Whistleblowing legislation.
The GHC Group's Code of Ethics explicitly refers to some of the main supranational recommendations, including:
- United Nations Global Compact: with particular reference to the principles related to the sphere of "Human Rights" (*"businesses are asked to promote and respect universally recognized human rights within their spheres of influence"* and *"ensure that they are not, even indirectly, complicit in human rights abuses"*) and "Labor" (*"businesses are asked to uphold the freedom of association of workers and recognize the right to collective bargaining, […] the elimination of all forms of forced and compulsory labor, […] the effective abolition of child labor, […] the elimination of all forms of discrimination in employment and occupation"*);
- OECD Guidelines for Multinational Enterprises: with particular reference to the principles related to the topic of Competition (*"Businesses should […] conduct their activities in a manner compatible with all applicable competition laws and regulations […], refrain from entering into or implementing anti-competitive agreements […], regularly raise awareness among employees about the importance of adhering to all applicable competition laws and policies and, in particular, train the company's senior management on these topics"*), the Environment (*"[…] businesses should take into account the need to protect the environment, public health, and safety and, generally, should conduct their activities in a way that contributes to the broader goal of sustainable development"*) and Taxation (*"[…] companies should comply both with the letter and the spirit of the tax laws and regulations of the countries in which they operate […], Boards of Directors should adopt strategies for managing tax risk that ensure that financial, legal, and reputational risks associated with taxation are fully identified and assessed"*);
- Objectives of the 2030 Agenda for Sustainable Development by the United Nations (SDGs): with a particular focus on goals no. 3 (*"ensure health and well-being for all and at all ages"*), no. 5 (*"achieve gender equality and empower all women and girls"*), no. 8 (*"promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all"*), no. 9 (*"build resilient infrastructure and promote innovation and equitable, responsible, and sustainable industrialization"*) and n. 16 (*"promote peaceful and inclusive societies for sustainable development, ensure access to justice for all, and create effective, accountable, and inclusive institutions at all levels"*);
- Declaration on Fundamental Principles and Rights at Work and The 8 Fundamental Conventions of the International Labour Organization (ILO);
- Universal Declaration of Human Rights and subsequent international conventions on civil and political rights and on economic, social, and cultural rights;

- United Nations conventions on women's rights, on the elimination of all forms of racial discrimination, on children's rights, on the rights of persons with disabilities.

The Group's Code of Ethics is intended for directors, members of supervisory bodies, employees, collaborators, and suppliers of all controlled companies, and expressly requires that all recipients, without distinctions or exceptions, are obliged to know its contents and to observe and ensure its observance within their roles and responsibilities. In particular, the Code of Ethics explicitly refers to the following categories of recipients:

- Directors, members of supervisory bodies, and executives of all the Group's companies, who are required (a) to align all their decisions and actions with the Ethical Code and any professional codes of their respective associations; (b) to promote awareness of the Ethical Code and encourage its sharing by employees and third parties acting on behalf of GHC (such as, by way of example, doctors, nurses, and partners); and (c) to serve as a role model through their behavior for the staff;
- Employees, who are required to act in accordance with the Ethical Code and any professional codes of their respective associations;
- Collaborators and suppliers, who must be properly informed of the conduct criteria contained in the Code of Ethics and align their behaviors for the entire duration of the contractual relationship with GHC, while respecting any professional codes of their respective orders.

Within the Code of Ethics, the responsible conduct criteria to which recipients are called to adhere are also outlined, detailed below with the associated provisions.

Responsible Conduct Criteria indicated in the Code of Ethics	
"Responsibility and ownership"	▪ Managers, employees, and collaborators who collaborate in any capacity in the interest of GHC commit to (inter alia): - contribute, through constant professional commitment and correct personal behavior, to achieving and maintaining GHC's excellence goals in providing healthcare and social assistance services; - strictly adhere to the precepts provided by any applicable professional and ethical codes relevant to their work; - respect and safeguard the organization's property, as well as prevent its fraudulent or improper use; - use company tools functionally and exclusively for performing work activities or purposes authorized by the designated internal functions; - ensure equal treatment for all patients
"Prevention of conflicts of interest"	▪ Recipients must avoid any possible conflict of interest situation that may arise from: - participate in decisions related to affairs from which a personal interest might arise; - accept agreements from which personal benefits may derive; - perform actions, enter into agreements, and generally engage in any behavior that could, directly

	or indirectly, cause GHC harm, including in terms of market image and/or credibility; - conflict with the interest of GHC, influencing the decision-making autonomy of another party tasked with defining commercial relationships with or for GHC
"Integrity and professionalism"	▪ Acts of commercial courtesy, such as gifts or hospitality, should not compromise the integrity or reputation of any party and should not be interpreted by an impartial observer as aimed at gaining improper advantages
"Prohibition of handling stolen goods and money laundering"	▪ The establishment of business relationships with clients, suppliers, collaborators, and partners must include careful checks on the reputation and ethical values of the counterpart, allowing, among other things, to reasonably exclude the risk of violation of any money laundering regulation by those acting on behalf or in the interest of GHC ▪ GHC is committed to complying with all national and international regulations and provisions regarding anti-money laundering
"Reliable and transparent administrative accounting management	▪ A reliable and transparent administrative-accounting system forms the foundation for corporate and business management capable of pursuing entrepreneurial goals in a balanced manner, fully complying with the law, applicable regulations in force, and the legitimate interests of GHC's stakeholders. For this reason, the data and information contained in the financial statements, reports, and other legally required social communications directed to shareholders and the public must represent the actual economic, asset, and financial situation of the Group and its constituent companies. Therefore, any conduct, carried out by anyone and for any reason, aimed at altering its accuracy and truthfulness is strictly prohibited.
"Legitimate use of IT resources and protection of privacy"	▪ Computer and telecommunication resources are a fundamental tool for the proper and competitive operation of the business, as they ensure the speed, breadth, and accuracy of the information flows necessary for efficient management and control of business activities. To ensure compliance with privacy regulations, the use of computer and telecommunication tools is pursued in a correct,

	legitimate, and limited manner, avoiding any use aimed at collecting, storing, and disseminating data and information for purposes other than GHC's activities and/or, in any case, the aim of damaging information, data, programs, or others' computer or telecommunication systems and/or the unlawful interception, obstruction, or interruption of others' computer or telecommunication communications ▪ The transmission of data and information via computer and telematics to public entities or concerning documents with probative value occurs according to criteria of legality, truthfulness, and exact correspondence to the facts and circumstances represented. With reference to the theme of privacy protection, GHC commits, in the course of its activities, to collect, manage, and process personal data in compliance with current legislation and to ensure confidentiality in data processing
"Respect for the environment and safety protection"	▪ GHC is committed to spreading and reinforcing a culture of respect for the environment and safety, increasing risk awareness, and promoting responsible behavior among all collaborators; furthermore, it works to preserve, especially through preventive actions, the health and safety of workers, as well as the interests of other stakeholders, striving for continuous improvement in the efficiency of corporate structures

Modes of dissemination, control, and reporting of the Code of Ethics	
Modes of dissemination	▪ GHC is committed to facilitating and ensuring adequate knowledge of the Code of Ethics by distributing it to interested parties through specific and appropriate communication activities. To this end, GHC is particularly committed to: - verifying the application and compliance with the Code of Ethics; - monitor initiatives for the dissemination of knowledge and understanding of the Code of Ethics; - receive and analyze reports of violations of the Code of Ethics; - analyze proposals for revising company policies and procedures likely to affect corporate ethics; - propose modifications, updates, and additions to the Code of Ethics to the Board of Directors; - make decisions on significantly relevant violations of the Code of Ethics; - deliberate on the revision of the most important company policies and procedures to ensure consistency with the Code of Ethics; - carry out periodic reviews of the Code of Ethics
Monitoring methods	▪ The Supervisory Body of each company within the GHC Group, endowed with independent powers of initiative and control, verifies the existence of alleged violations of the Code of Ethics and, when required by the situation, suggests the adoption of appropriate measures to the competent parties ▪ Periodically, the Supervisory Body of each company in the GHC Group also reports on the above activities to the administrative body and (if established) to the control body of the respective Group company, as well as to the Supervisory Body of Garofalo Health Care S.p.A. ▪ In case of violations of the Code of Ethics relevant to Legislative Decree 231/01 by the Directors and self-employed workers, of which the Supervisory Body of the respective Group company becomes aware, it is required to inform the administrative body and (where established) the control body of the respective company, who will take all appropriate actions
Reporting methods	▪ All Recipients are required to report any behavior contrary to the provisions of this Code of Ethics to their hierarchical superior or to the Human

	Resources function. If the behavior to be reported also constitutes a violation of the organizational and management model pursuant to Legislative Decree 231/2001 adopted by the respective Group company and/or a violation provided for by Legislative Decree 24/2023, the report can be made and will be managed in compliance with the Whistleblowing Procedure adopted by the individual company to which the violation refers ▪ In any case, whistleblowers will be protected against any form of retaliation, discrimination, or penalty; the confidentiality of the whistleblower's identity will also be guaranteed, subject to legal obligations and the protection of the rights of the company or persons wrongly accused and/or in bad faith

The GHC Code of Ethics - in its updated version - was approved by the Board of Directors of GHC S.p.A. on November 14, 2023, and subsequently approved by the administrative bodies of each subsidiary company. The Code of Ethics is published in both Italian and English on the company's website (section Governance/ Code of Ethics and Model 231).

Whistleblowing Procedure ("management of reports")

Each subsidiary company within the Group has a Whistleblowing Procedure (known as "Procedure for the management of reports"), which defines the system for handling reports of wrongdoing to protect the identity of the whistleblower and the related right to confidentiality, and introduces specific provisions within the disciplinary system aimed at penalizing any acts of retaliation and discriminatory behavior against the whistleblower.

In this context, each procedure lists the relevant Recipients (including: company executives, members of the management, direction and control bodies, employees, and collaborators) and outlines the related process detailing:

- The actions subject to reporting (including illegal acts within the scope of European Union and national legislation, acts or omissions that harm the financial interests of the European Union, acts or omissions concerning the internal market, unlawful conduct relevant under Decree 231 and/or violations of Model 231;
- The methods of transmitting the report (which must provide all available and useful elements to enable proper and appropriate checks and investigations to verify the validity of the reported facts), indicating the relevant reporting channels (which can be internal and/or external);
- The measures planned to protect the whistleblower and the so-called "reported" (ensuring the confidentiality of the identities of the whistleblower, the reported, and any person mentioned in the report, as well as the content of the report and the related documentation);
- The measures planned for the preservation of documentation and privacy protection (providing traceability, confidentiality, preservation, and retrievability of the same throughout the entire process).

Specifically, the Procedures for handling reports outline (i) the ways in which whistleblowers are protected by confidentiality and retaliation mechanisms, in accordance with applicable legislation implementing Directive (EU) 2019/1937 of the European Parliament and the European Council, (ii) the composition of the "Whistleblowing Committee", (iii) the mechanisms for forwarding reports to the bodies responsible for analysis within their area of competence, and (iv) the investigation procedures. The company has Procedures for handling reports, which specify the ways in which whistleblowers are protected by confidentiality and retaliation mechanisms, in accordance with applicable legislation implementing Directive (EU) 2019/1937 of the European Parliament and the European Council).

It is reported that during 2024 no specific training activities were conducted on the topics of the Whistleblowing Procedure for employees and staff responsible for receiving reports.

Corruption Prevention

The prevention of corrupt practices represents for the Group, in addition to a legal obligation, one of the principles guiding the Group's actions. In particular, the GHC Group has zero tolerance for acts of corruption committed in any form, whether direct or indirect.

The Group has an Anti-Corruption Policy approved by the Parent Company's Board of Directors, which contains explicit references to:

- national regulations applicable to GHC and the other companies of the Group;
- best practices and guidelines developed by international organizations (ICC – International Chamber of Commerce, Transparency International, PACI – Partnering Against Corruption Initiative, and the United Nations Global Compact);
- International law conventions including – inter alia – the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997), the Criminal Law Convention on Corruption of the Council of Europe (1999), and the United Nations Convention Against Corruption (2004).

The Anti-Corruption Policy, developed in accordance with anti-corruption legislation and in coordination with the Code of Ethics and GHC's Model 231 and its subsidiaries, aims to minimize the risk of behaviors that could be associated with corruption offenses.
In particular, the objectives of this Policy are:
(i) strengthen among recipients (i.e. Group personnel, corporate bodies of GHC and other Group companies, and all those who operate in the name and/or on behalf and/or in the interest of the Group or who have professional or business relations with it, including consultants, suppliers, and business partners) the awareness of the rejection and the firm condemnation by the Group of any corrupt conduct;
(ii) describe the general principles of conduct that the Recipients must observe – even in the initial stages of negotiations – in managing relations with Public Administration and private entities, within the scope of their work activities;
(iii) protect the reputation of the Group.

To achieve these objectives, within the Anti-Corruption Policy, explicit rules of conduct to be followed are outlined below.

Rules of conduct recalled in the Anti-Corruption Policy	
Gifts, hospitality expenses and representation	▪ It is prohibited to distribute gifts or presents outside of what is stipulated by company procedures ▪ Permitted gifts are always characterized by their modest value, even in social contexts where such

	practices are customary. They must not compromise the integrity, independence of judgment, or reputation of any party, nor be perceived by an impartial observer as aiming to gain or grant improper advantages or illicit influences ▪ Undeclared or unregistered accounts, funds, assets, or transactions are strictly prohibited within the GHC Group ▪ GHC and its subsidiaries establish specific procedures to manage gifts received/offered by their staff in dealings with internal personnel, third parties, and public administration
Acquisition of companies	▪ Each acquisition must comply with internal procedures, which include, among other things, identifying the main risk factors related to corruption in the Target company ▪ The post-acquisition integration plan includes the implementation of all necessary measures to enforce the Anti-Corruption Policy in the acquired Target
Relationships with third parties	▪ The relationship with third parties is based on principles of transparency, loyalty, integrity, confidentiality, diligence, professionalism, and objectivity of judgment ▪ The processes for purchasing goods and services, consultations, and professional services are geared towards safeguarding the reputation of the GHC Group, granting equal opportunities for every supplier, consultant, or business partner, as well as promoting loyalty and impartiality ▪ To ensure maximum competition and market openness, principles such as transparency and rotation in the selection of suppliers, consultants, and contractors must be guaranteed, among others ▪ The selection of third parties must be based on possessing the specific professional and/or technical skills necessary to carry out the task
Selection and management of human resources	▪ GHC Group condemns any activities contrary to professional ethics that violate the principles of objectivity, competence, professionalism, and equal opportunity, regardless of whether they fall under the definition of corruption ▪ The hiring of employees and collaborators based on specific recommendations from third parties, in exchange for favors, compensation, or other

	advantages for oneself and/or for GHC or other Group companies, is prohibited. ▪ The selection and management process of human resources must be conducted according to the criteria of impartiality, transparency, autonomy, and independence of judgment and must be carried out solely based on merit
Non-profit initiatives and sponsorships	▪ Non-profit initiatives and sponsorships are carried out by GHC and the Group companies in compliance with the current procedures ▪ In choosing the initiatives to participate in, GHC and the other Group companies: - pay attention to any potential conflicts of interest of a personal and corporate nature; - they ascertain in advance the nature and significance of the initiative and the reputational profile of the recipients of the sponsorship or contribution
Relations with political and trade union organizations	▪ The Group does not provide contributions of any kind, directly or indirectly, to political parties, movements, committees, and political and trade union organizations, nor to their representatives or candidates, both in Italy and abroad
Facilitation payments	▪ The Group expressly prohibits, both in Italy and abroad, all so-called "facilitation payments," which are any type of payment or provision of other benefits made directly or indirectly to Public Officials or Public Service appointees, whether they are individuals or economic entities, Italian or foreign, to expedite, facilitate, or simply ensure the performance of a routine activity or an activity that is lawful and legitimate within the scope of these subjects' duties
Transaction Traceability	▪ Every transaction must be tracked and supported by accounting documents in accordance with applicable accounting principles

Roles and responsibilities outlined in the Anti-Corruption Policy	
Board of Directors, President, CEO, and senior management of GHC and its subsidiaries	▪ Responsible for creating and disseminating the risk management culture within the organization and ensuring the supervision of the required conduct
Internal Audit Function (also in support of the Supervisory Body as per Legislative Decree 231/01)	▪ Responsible for: - providing advice and opinions on major anti-corruption issues; - verifying the implementation of the principles and standards defined in the Group's Anti-Corruption Policy also within the scope of audits performed in accordance with the annual Audit Plan; - supporting company structures, where requested and necessary, in conducting anti-corruption due diligence; - promptly highlighting to corporate bodies and the Supervisory Body any issues that arise during conducted verification activities; - present to the corporate bodies and the Supervisory Body the need to update the Group Anti-Corruption Policy and/or to strengthen the organizational, procedural, and ICT measures adopted by the GHC Group in the field of anti-corruption; - ensure adequate training of staff on the main contents of the Group Anti-Corruption Policy and the related Group and company regulations

Methods of dissemination, control, and reporting of the Anti-Corruption Policy	
Modes of dissemination	▪ The Group promotes awareness of the Anti-Corruption Policy among all Recipients, through its dissemination and publication on the website of each company within the Group ▪ For this purpose, the GHC Group also: - is responsible for the training of the members of its corporate bodies and the Supervisory Body pursuant to Legislative Decree 231/01, as well as its employees, also within training programs dedicated to the topic of Administrative Liability of entities pursuant to Legislative Decree 231/01; - encourages all third parties it deals with to review and adopt the anti-corruption standards and principles contained in the Group's Anti-Corruption Policy. To this end, the GHC Group adopts anti-corruption clauses that must be included in the written agreements with third parties, which include the right of the GHC Group to suspend or terminate the relationship if there is knowledge, even just presumed, based on a formal measure, even precautionary, that the third party is involved in corrupt acts
Monitoring methods	▪ The Group Internal Audit Function or other control bodies carry out periodic activities to verify compliance with the principles and rules of conduct contained in the Anti-Corruption Policy, or their effectiveness and adequacy for mitigating corruption risks
Reporting methods	▪ Recipients who identify critical situations that involve a violation, even potential, of what is contained in the Anti-Corruption Policy, must report them promptly in accordance with the terms and methods provided in each company's Whistleblowing procedure, describing the circumstance and the identified issue ▪ The Anti-Corruption Procedure ensures that reports will be handled in accordance with internal procedures and policies and, in any case, in a manner that ensures the confidentiality of the entire reporting management process

The Anti-Corruption Policy was approved by the GHC Board of Directors in 2023, and its adoption is mandatory for all subsidiaries, which formally approve it through their own administrative body.

Each company within the Group adopts additional preventive and control measures to address their specific risks and manage the processes characteristic of their activities, with particular attention to the relevant legal and operational context.

Each company within the Group focuses training activities on specific topics related to anti-corruption and the management of reports, either as directed by the Parent Company or at the initiative of internal control bodies, including Internal Audit and Supervisory Bodies. It is noted that no specific training activity on anti-corruption and the management of reports was conducted in 2024.

The functions within the company considered most at risk for active and passive corruption are the Procurement and Communication Functions. It is noted that during 2024 no specific training activities were conducted for the functions at risk of active and passive corruption mentioned above.

Management of relationships with suppliers [G1-2]

The Group assesses its risks in the supply chain as part of the periodic Risk Assessment activity conducted by the Risk Management function, through the mapping of a specific process ("Procurement"), which relates to the following risks:

- Contractual assignments to individuals or entities lacking ethical, financial, and/or regulatory requirements (e.g., Health and Safety) as required by internal and/or external regulations;
- Failure / unavailability of a key supplier, with potential impacts on the delivery and quality of healthcare services;
- Operational deficiencies / non-compliance in the procurement process;
- Unexpected increase in costs associated with the procurement of goods and services instrumental to the execution of clinical-assistance activities.

The Group also measures specific Key Risk Indicators (so-called "KRI"), concerning:

- Complaints made against suppliers;
- The "Service Level Agreements" (so-called "SLA") applied to suppliers.

The results of these measurements are subject to periodic reports to the administration, management, and control bodies of both the Parent Company and the individual subsidiaries, as part of the sharing of the results of the annual Risk Assessment coordinated by the Risk Management function.
The suppliers of the Group companies are appropriately informed of the conduct criteria contained in the Code of Ethics and are invited to align their behavior with it for the entire duration of their contractual relationship with GHC, while still respecting any ethical codes of their respective professional orders.

Each company within the Group applies its own supplier selection procedures, in line with the guidelines provided by the Parent Company, with the possibility of benefiting from economies of scale at the Group level, ensuring a supplier selection that meets the highest quality standards.

The selection of the Group's suppliers currently does not formally include compliance with specific social and environmental criteria (known as ESG). The Group's subsidiaries have specific corporate procedures for supplier management (known as "Supplier qualification, purchasing, and accounts payable procedures"), which pertain to activities managed independently by the individual entities, except for significant supplies at the Group level (in this case, such activity is centrally coordinated by the Parent Company, which negotiates the so-called "framework contracts" where the terms for supplying goods and services are formalized – in terms of quantity, price, delivery times, payment methods, etc.).

Additionally, the Group's Code of Ethics includes specific references to the management of relationships with suppliers, explicitly providing that "*Individuals responsible for the procurement process of goods and/or services are required to adhere to principles of impartiality and independence in carrying out their assigned duties and tasks. They must remain free from personal obligations to suppliers and consultants, must not accept goods or services from external or internal parties in exchange for obtaining confidential information or initiating actions or behaviors aimed at benefiting such parties, even if there are no direct repercussions for the Group. They are required to immediately report any attempt or instance of unjustified alteration of normal commercial relationships to the Supervisory Body. Under no circumstances can the procurement process of goods/services according to the principle of economic efficiency result in the waiver, even partial, of the highest quality standards.*".
To complete the information, it is noted that, where possible, the involvement of local suppliers is preferred due to the geographically diverse presence of the Group in 8 regions of central-northern Italy.

The Group has not currently adopted a specific policy to avoid payment delays. However, it should be noted that the company's procedures for supplier management regulate, among other things: (i) the inclusion of suppliers in the appropriate supplier register based on compliance with certain requirements and their periodic evaluation; (ii) the planning of procurement and the management of any extra-budget; (iii) the specific process for purchasing products, goods, and services (i.e., procurement request/order proposal, proposal verification, order approval, and order submission); (iv) the methods of controlling the procurement of products/services; (v) the method for receiving, verifying the accuracy of, and recording invoices.
The process of purchasing goods and services from suppliers is managed, for each unit, with the support of a dedicated specific IT system, equipped with a schedule based on the terms and payment methods provided by each contract and recorded within the IT system itself.
Finally, it is noted that this process includes a dedicated function at each subsidiary (known as the "Purchasing Function"), responsible for managing the purchasing process.

Prevention and detection of corruption and bribery [G1-3]

The Group companies have Procedures for Handling Reports (known as "Whistleblowing Procedures"), as well as an updated Model 231 that includes behavioral principles and controls aimed at preventing corruption risk. Additionally, the Parent Company has issued an Ethical Code and an Anti-Corruption Policy in line with international anti-corruption regulations (for further details, refer to ESRS G1-1).

The Procedures for Handling Reports – already detailed in previous sections – ensure the separation of investigators or the investigative committee from the management chain affected by the issue and specify the reporting flows and communication of investigation results to both the administrative bodies of the Parent Company and the controlled companies.
Following the issuance of the Anti-Corruption Policy in 2023, a training session was conducted for the senior management of all Group companies on the topic "Corruption Offenses and GHC's Anti-Corruption Policy", organized with the support of an external consultant of high standing. This training session, held in the presence of the CEO of the GHC Group and coordinated by the Group's General Counsel and Internal Audit, invited all CEOs/Sole Directors, General Managers, Operations Directors, Administrative Managers, Quality Managers, and Medical Directors of GHC

Group's facilities to participate. The invitation could be extended (where applicable) to include Procurement, Communication, and Human Resources Managers, as well as any external consultants/collaborators who had or might have dealings with Public Administration on behalf of the Group's companies.

Metrics and targets

Incidents of corruption or bribery [G1-4]

During the reporting period, no cases of violation of laws against active and passive corruption were recorded, as reported below. The Group did not become aware of such cases through the reporting channels, both internal (e.g., whistleblowing) and external (e.g., managed by the National Anti-Corruption Authority - ANAC), nor through periodic review processes and internal audits conducted by the competent function.

Cases of active and passive corruption for FY 2024	
Number of convictions for violation of laws against active and passive corruption (number)	-
Amount of fines imposed for violation of laws against active and passive corruption (Euro)	-
Total number of confirmed cases of active or passive corruption (number)	-
Number of confirmed cases where own employees were dismissed or disciplined for instances of active or passive corruption (number)	-
Number of confirmed cases related to contracts with business partners that were terminated or not renewed due to violations related to active and passive corruption (number)	-

Payment practices [G1-6]

The GHC Group reports the average payment time through a specific Alternative Performance Indicator ("API") – i.e. "Average payment days" – reported in the Management Report and referred to for any further details.
This indicator, considered the most effective today for monitoring these aspects at the Group level and for individual subsidiaries, is calculated as the ratio of Trade Payables to the sum of Costs for raw materials and consumables, Costs for services and use of third-party assets, and other costs as recorded in the Group Consolidated Financial Statements, multiplied by the days of the relevant fiscal year. It is noted that there are no standardized payment terms formalized at the Group level for the various categories of suppliers.
The GHC Group has reported this indicator on a consolidated and aggregated basis for the current fiscal year, providing detailed information in the Management Report, to which reference is made for further details.
As of the publication date of this report, there are no pending legal proceedings due to payment delays. For further references, please consult the Supplementary Note of the Consolidated Financial Statement and the information contained therein regarding "Legal disputes and potential liabilities."

Actions and targets related to business conduct

In 2024, the GHC Group conducted a Double Materiality analysis to identify the most significant sustainability issues for its operations and value chain. Based on this analysis, the Group plans to embark on a medium to long-term strategic exploration, laying the groundwork for defining specific policies, actions, and objectives related to the sustainability themes that have emerged as significant.
The lack of defined actions and objectives on important topics related to corporate conduct, in the context of the first year of implementing the CSRD directive and ESRS standards, is due to the need for thorough evaluation and planning to ensure effective management of these areas. This aims to align with GHC's long-term value creation strategy and the expectations and interests of key stakeholders, with whom the Group maintains an ongoing open and constructive dialogue.
Therefore, the GHC Group commits to providing regular updates on progress made on relevant sustainability issues starting from the next reporting.

It is specified that such aspects, as well as the effectiveness of the policies adopted in this regard, are constantly monitored through formalized and structured processes for each company of the Group, as described in the previous paragraphs. Additionally, these aspects are monitored within the Enterprise Risk Management framework coordinated by the Risk Management function, which periodically informs the management, direction, and control bodies about the findings and any corrective actions to be taken.

Appendix

Table of Contents of ESRS covered by the Sustainability Reporting [IRO-2]

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	E1-8	Internal carbon pricing	89	
	MDR-M	Metrics in relation to material sustainability matters	87	
	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		For FY 2024, the Group has omitted the information prescribed by ESRS E1-9, as provided by Appendix C (ESRS 1) of the Delegated Regulation (EU) 2023/2772.
E5	ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	90	
	E5-1	Policies related to resource use and circular economy	90	
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	E5-3	Targets related to resource use and circular economy	92	
	MDR-T	Tracking effectiveness of policies and actions through targets	92	
	E5-5	Resource outflows	92	
	MDR-M	Metrics in relation to material sustainability matters	92	
	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities		For FY 2024 the Group omitted the information required by ESRS E5-6, as provided for in Appendix C (ESRS 1) of Delegated Regulation (EU) 2023/2772.
S1	ESRS 2 SBM-2	Interests and views of stakeholders	94	
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	S1-9	Diversity metrics	101	
	S1-10	Adequate wages	101	
	S1-11	Social protection	101	
	S1-13	Training and skills development metrics	101	The Group has omitted the information required by S1-13, paragraphs 83a, 84 and 85, as stipulated in Appendix C (ESRS 1) of Delegated Regulation (EU) 2023/2772.
	S1-14	Health and safety metrics	102	The Group has omitted the information required by S1-14, paragraph 88, item d and e, as stipulated in Appendix C (ESRS 1) of Delegated Regulation (EU) 2023/2772.
	S1-15	Work-life balance metrics	103	The Group has omitted the information required by S1-15, paragraph 93, item b, as stipulated in Appendix C (ESRS 1) of Delegated Regulation (EU) 2023/2772.
	S1-16	Compensation metrics (pay gap and total compensation)	103	
	S1-17	Incidents, complaints and severe human rights impacts	103	
	MDR-M	Metrics in relation to material sustainability matters	99	
S2	ESRS 2 SBM-2	Interests and views of stakeholders	104	
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	104	
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	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	105	
	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	106	
	MDR-A	Actions and resources in relation to material sustainability matters	106	
	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	107	

Index of Information Elements Derived from Other EU Legislative Acts

Disclosure obligation and corresponding information element	SFDR Reference	Pillar 3 Reference	Benchmark regulation Reference	EU climate legislation Reference	Page
ESRS 2 GOV-1 Gender diversity in the board, paragraph 21, letter d)	Annex I, table 1, indicator no. 13		Delegated regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS 2 GOV-1 Percentage of independent board members, paragraph 21, letter e)			Delegated regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS 2 GOV-4 Duty of care statement, paragraph 30	Annex I, table 3, indicator no. 10				
ESRS 2 SBM-1 Involvement in activities related to activities in the fossil fuel sector, paragraph 40, letter d), point i)	Annex I, table 1, indicator no. 4	Article 449 bis of regulation (EU) no. 575/2013; implementing regulation (EU) 2022/2453 of the Commission (6), table 1 – Qualitative information on environmental risk and table 2 – Qualitative information on social risk and table 2 (EU) 2020/1816 of the	Commission, annex II ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40, letter d), point ii)		
	Annex I, table 2, indicator no. 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		

ESRS 2 SBM-1 Participation in activities related to Controversial Weapons, paragraph 40, letter d), point iii)	Annex I, table 1, indicator no. 14		Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818 (7) and Annex II of Delegated Regulation (EU) 2020/1816		
ESRS 2 SBM-1 Involvement in activities related to the cultivation and production of tobacco, paragraph 40, letter d), point iv)			Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		
ESRS E1-1 Transition plan to achieve climate neutrality by 2050, paragraph 14				Article 2, paragraph 1, of Regulation (EU) 2021/1119	
ESRS E1-1 Companies excluded from benchmark indices aligned with the Paris Agreement, paragraph 16, letter g)		Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking portfolio – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions remaining maturity	Article 12, paragraph 1, letters a to g), and paragraph 2, of Delegated Regulation (EU) 2020/1818		
ESRS E1-4 GHG emission reduction targets, paragraph 34	Annex I, table 2, indicator no. 4	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Banking portfolio – Indicators of potential transition risk related to climate change: alignment metrics	Article 6 of the delegated regulation (EU) 2020/1818		
ESRS E1-5 Fossil fuel energy consumption broken down by source (only sectors with high climate impact), paragraph 38	Annex I, table 1, indicator no. 5 annex I, table 2, indicator no. 5				

ESRS E1-5 Energy consumption and energy mix, paragraph 37	Annex I, table 1, indicator no. 5				
ESRS E1-5 Energy intensity associated with activities in sectors with high climate impact, paragraphs 40 to 43	Annex I, table 1, indicator no. 6				
ESRS E1-6 Gross emissions of scope 1, 2, 3 and total GHG emissions, paragraph 44	Annex I, table 1, indicators nos. 1 and 2	Article 449 bis of the regulation (EU) no. 575/2013; implementing regulation (EU) 2022/2453 of the Commission, model 1: Banking portfolio – Indicators of the potential transition risk related to climate change: Credit quality of exposures by sector, emissions, and residual maturity	Article 5, paragraph 1, article 6 and article 8, paragraph 1, of the delegated regulation (EU) 2020/1818		
ESRS E1-6 Intensity of gross GHG emissions, paragraphs 53 to 55	Annex I, table 1, indicator no. 3	Article 449 bis of the regulation (EU) no. 575/2013; implementing regulation (EU) 2022/2453 of the Commission, model 3: Banking portfolio – Indicators of the potential transition risk related to climate change: alignment metrics	Article 8, paragraph 1, of the delegated regulation (EU) 2020/1818		
ESRS E1-7 GHG Absorptions and carbon credits, paragraph 56				Article 2, paragraph 1, of Regulation (EU) 2021/1119	
ESRS E1-9 Benchmark portfolio's exposure to climate-related physical risks, paragraph 66			Annex II of delegated regulation (EU) 2020/1818 and annex II of delegated regulation (EU) 2020/1816		Not applicable (transitional provision)

ESRS E1-9 Breakdown of monetary amounts by acute and chronic physical risk, paragraph 66, letter a) ESRS E1-9 Position of significant activities at relevant physical risk, paragraph 66, letter c)		Article 449 bis of the regulation (EU) No. 575/2013; points 46 and 47 of the Commission Implementing Regulation (EU) 2022/2453; template 5: Banking portfolio – Indicators of potential physical risk related to climate change: exposures subject to physical risk			Not applicable (transitional provision)
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy efficiency classes, paragraph 67, letter c)		Article 449 bis of the regulation (EU) No. 575/2013; point 34 of the Implementing Regulation (EU) 2022/2453 of the Commission; Template 2: Banking portfolio – Indicators of potential transition risk related to climate change: loans secured by real estate – Energy efficiency of real guarantees			Not applicable (transitional provision)
ESRS E1-9 Degree of portfolio exposure to climate-related opportunities, paragraph 69			Annex II of delegated regulation (EU) 2020/1818		Not applicable (transitional provision)
ESRS E2-4 Quantity of each pollutant listed in Annex II of the E-PRTR regulation (European Pollutant Release and Transfer Register) emitted into the air, water, and soil, paragraph 28	Annex I, table 1, indicator no. 8; annex I, table 2, indicator no. 2; annex 1, table 2, indicator no. 1; annex I, table 2, indicator no. 3				Not relevant
ESRS E3-1 Water and marine resources, paragraph 9	Annex I, table 2, indicator no. 7				Not relevant
ESRS E3-1 Dedicated policy, paragraph 13	Annex I, table 2, indicator no. 8				Not relevant

ESRS E3-1 Ocean and sea sustainability paragraph 14	Annex I, table 2, indicator no. 12				Not relevant
ESRS E3-4 Total recycled and reused water, paragraph 28, letter c)	Annex I, table 2, indicator no. 6.2				Not relevant
ESRS E3-4 Total water consumption in m^3 relative to net revenues from own operations, paragraph 29	Annex I, table 2, indicator no. 6.1				Not relevant
ESRS 2 IRO-1 – E4 paragraph 16, letter a), point i)	Annex I, table 1, indicator no. 7				Not relevant
ESRS 2 IRO-1 – E4 paragraph 16, letter b)	Annex I, table 2, indicator no. 10				Not relevant
ESRS 2 IRO-1 – E4 paragraph 16, letter c)	Annex I, table 2, indicator no. 14				Not relevant
ESRS E4-2 Sustainable agricultural/land use policies or practices, paragraph 24, letter b)	Annex I, table 2, indicator no. 11				Not relevant

ESRS E4-2 Sustainable sea/ocean use practices or policies, paragraph 24, letter c)	Annex I, table 2, indicator no. 12				Not relevant
ESRS E4-2 Policies addressing deforestation, paragraph 24, letter d)	Annex I, table 2, indicator no. 15				Not relevant
ESRS E5-5 Non-recycled waste, paragraph 37, letter d)	Annex I, table 2, indicator no. 13				
ESRS E5-5 Hazardous and radioactive waste, paragraph 39	Annex I, table 1, indicator no. 9				
ESRS 2 – SBM3 – S1 Risk of forced labor, paragraph 14, letter f)	Annex I, table 3, indicator no. 13				Not relevant
ESRS 2 – SBM3 – S1 Risk of child labor, paragraph 14, letter g)	Annex I, table 3, indicator no. 12				Not relevant
ESRS S1-1 Political commitments on human rights, paragraph 20	Annex I, table 3, indicator no. 9 and annex I, table 1, indicator no. 11				

ESRS S1-1 Due diligence policies on issues covered by the fundamental conventions from 1 to 8 of the International Labour Organization, paragraph 21			Delegated regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS S1-1 Procedures and measures to prevent human trafficking, paragraph 22	Annex I, table 3, indicator no. 11				
ESRS S1-1 Prevention policy or management system for workplace injuries, paragraph 23	Annex I, table 3, indicator no. 1				
ESRS S1-3 Mechanisms for handling complaints/grievances, paragraph 32, letter c)	Annex I, table 3, indicator no. 5				
ESRS S1-14 Number of deaths and number and rate of work-related injuries, paragraph 88, letters b) and c)	Annex I, table 3, indicator no. 2		Delegated regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities, or illnesses, paragraph 88, letter e)	Annex I, table 3, indicator no. 3				

ESRS S1-16 Unadjusted gender pay gap, paragraph 97, letter a)	Annex I, table 1, indicator no. 12		Delegated regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS S1-16 Excessive pay gap favoring the CEO, paragraph 97, letter b)	Annex I, table 3, indicator no. 8				
ESRS S1-17 Incidents related to discrimination, paragraph 103, letter a)	Annex I, table 3, indicator no. 7				
ESR S1-17 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and OECD, paragraph 104, letter a)	Annex I, table 1, indicator no. 10 and annex I, table 3, indicator no. 14		Annex II of the delegated regulation (EU) 2020/1816 and article 12, paragraph 1, of the delegated regulation (EU) 2020/1818		
ESRS 2 SBM-3 – S2 Serious risk of child labor or forced labor in the labor chain, paragraph 11, letter b)	Annex I, table 3, indicators nos. 12 and 13				Not relevant
ESRS S2-1 Political commitments on human rights, paragraph 17	Annex I, table 3, indicator no. 9 and annex I, table 1, indicator no. 11				

ESRS S2-1 Policies related to workers in the value chain, paragraph 18	Annex I, table 3, indicators nos. 11 and 4				
ESRS S2-1 Non-compliance with the UN guiding principles on business and human rights and the OECD guidelines, paragraph 19	Annex I, table 1, indicator no. 10		Annex II of the delegated regulation (EU) 2020/1816 and article 12, paragraph 1, of the delegated regulation (EU) 2020/1818		
ESRS S2-1 Due diligence policies on issues covered by the core conventions from 1 to 8 of the International Labour Organization, paragraph 19	N/A		Delegated regulation (EU) 2020/1816 of the Commission, Annex II		
ESRS S2-4 Human rights issues and incidents in its upstream and downstream value chain, paragraph 36	Annex I, table 3, indicator no. 14				
ESRS S3-1 Political commitments on human rights, paragraph 16	Annex I, table 3, indicator no. 9 and annex I, table 1, indicator no. 11				Not relevant
ESRS S3-1 Failure to comply with the United Nations guiding principles on business and human rights, ILO principles, or OECD guidelines, paragraph 17	Annex I, table 1, indicator no. 10		Annex II of the delegated regulation (EU) 2020/1816 and article 12, paragraph 1, of the delegated regulation (EU) 2020/1818		Not relevant

ESRS S3-4 Human rights issues and incidents, paragraph 36	Annex I, table 3, indicator no. 14				Not relevant
ESRS S4-1 Policies related to consumers and end users, paragraph 16	Annex I, table 3, indicator no. 9 and annex I, table 1, indicator no. 11				
ESRS S4-1 Failure to comply with the United Nations guiding principles on business and human rights and the OECD guidelines, paragraph 17	Annex I, table 1, indicator no. 10		Annex II of the delegated regulation (EU) 2020/1816 and article 12, paragraph 1, of the delegated regulation (EU) 2020/1818		
ESRS S4-4 Issues and incidents related to human rights, paragraph 35	Annex I, table 3, indicator no. 14				
ESRS G1-1 United Nations Convention against Corruption, paragraph 10, letter b)	Annex I, table 3, indicator no. 15				
ESRS G1-1 Whistleblower protection, paragraph 10, letter d)	Annex I, table 3, indicator no. 6				
ESRS G1-4 Fines imposed for violations of laws against active and passive corruption, paragraph 24, letter a)	Annex I, table 3, indicator no. 17		Annex II of the Delegated Regulation (EU) 2020/1816		
ESRS G1-4 Rules for combating active and passive corruption, paragraph 24, letter b)	Annex I, table 3, indicator no. 16				

Taxonomy Template

Share of Turnover derived from products or services associated with economic activities eligible and aligned with taxonomy – Disclosure related to the year 2024

Financial year 2024	2024			Criteria for substantial contribution						DNSH criteria ("do no significant harm")									
Economic activities (1)	Code (2)	Turnover (3)	Share of Turnover, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguard Guarantees (17)	Proportion of Turnover Aligned (A.1.) or Eligible (A.2) with the Taxonomy Year 2023 (18)	Enabling Activity Category (19)	"Category (transition activity) (20)"
		€ mln	*%*	*Yes; No; N/AM*	*Yes; No; N/AM*	*Yes; No; N/AM*	*Yes; No; N/AM*	*Yes; No; N/AM*	*Yes; No; N/AM*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*A*	*T*
A. ELIGIBLE ACTIVITIES FOR THE TAXONOMY																			
A.1 Eco-sustainable Activities (aligned with the taxonomy)																			
Turnover from eco-sustainable activities (aligned with the taxonomy) (A.1)		-	0.00%	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No				
Including enabling		-	0.00%	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No				
Including transition		-	0.00%	0.00%						No	No	No	No	No	No				
A.2 Activities eligible for the taxonomy but not eco-sustainable (activities not aligned with the taxonomy)																			
				AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM										

Turnover from taxonomy-eligible activities but not environmentally sustainable (taxonomy non-aligned activities) (A.2)	€0	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	[redacted]
A. Turnover from taxonomy-eligible activities (A.1 + A.2)	€0	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	[redacted]
B. NON-ELIGIBLE ACTIVITIES FOR TAXONOMY									
Turnover from non-eligible activities for taxonomy	462,174,843 €	100%							
Total	462,174,843 €	100%							

Share of capital expenditures (CapEx) from products or services associated with taxonomy eligible and aligned economic activities — Disclosure for the year

Financial year 2024	2024			Criteria for substantial contribution						DNSH criteria ("do no significant harm")									
Economic activities (1)	Code (2)	CapEx (3)	Share of CapEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguard Guarantees (17)	Aligned (A.1) or Eligible (A.2) CapEx Share according to taxonomy, Year 2023 (18)	Category (enabling activities) (19)	"Category (transition activity) (20)"
		€ mln	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. ELIGIBLE ACTIVITIES FOR THE TAXONOMY																			
A.1 Eco-sustainable Activities (aligned with the taxonomy)																			
CapEx of eco-sustainable activities (aligned with taxonomy) (A.1)		-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	No	No	No	No	No	No				
Including enabling		-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	No	No	No	No	No	No				
Including transition		-	0.00%	0.00%						No	No	No	No	No	No				
A.2 Activities eligible for the taxonomy but not eco-sustainable (activities not aligned with the taxonomy)																			
				AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM										
Construction of new buildings	7.1 CCM 3.1 CE	€2,319,327.53	9.3%	AM	N/AM	N/AM	N/AM	AM	N/AM										

Renovation of existing buildings	7.2 CCM 3.2 CE	€1,842,386.65	7.4%	AM	N/AM	N/AM	N/AM	AM	N/AM	[redacted]
Installation, maintenance, and repair of tools and devices for measuring, regulating, and controlling the energy performance of buildings	7.3 CCM	€26,289.19	0.1%	AM	N/AM	N/AM	N/AM	N/AM	N/AM	[redacted]
Installation, maintenance, and repair of tools and devices for measuring, regulating, and controlling the energy performance of buildings	7.5 CCM	€30,720.20	0.1%	AM	N/AM	N/AM	N/AM	N/AM	N/AM	[redacted]
CapEx of taxonomy-eligible activities but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		€4,218,723.57	16.9%							[redacted]
A. CapEx of taxonomy-eligible activities (A.1+A.2)		€4,218,723.57	16.9%							[redacted]
B. NON-ELIGIBLE ACTIVITIES FOR TAXONOMY										

CapEx of non-taxonomy eligible activities	€20,756,934.43	83.1%
Total	€24,975,658.00	100%

	Share of CapEx/Total CapEx	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0.0%	16.9%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	16.7%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Share of operating expenses (OpEx) from products or services associated with taxonomy eligible and aligned economic activities — Disclosure for the year 2024

Financial year 2024	2024			Criteria for substantial contribution						DNSH criteria (“do no significant harm”)									
Economic activities (1)	Code (2)	OpEx (3)	Share of OpEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguard Guarantees (17)	Share of OpEx aligned (A.1) or eligible (A.2) with taxonomy, Year 2023 (18)	Category (enabling activity) (19)	“Category (transition activity) (20)”
		€ mln	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. ELIGIBLE ACTIVITIES FOR THE TAXONOMY																			
A.1 Eco-sustainable Activities (aligned with the taxonomy)																			
Operating expenses of eco-sustainable activities (aligned with the taxonomy) (A.1)		-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	No	No	No	No	No	No				
Including enabling		-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	No	No	No	No	No	No				
Including transition		-	0.00%	0.00%						No	No	No	No	No	No				
A.2 Activities eligible for the taxonomy but not eco-sustainable (activities not aligned with the taxonomy)																			

			AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Operating expenses of taxonomy-eligible but not environmentally sustainable activities (activities not aligned with the taxonomy) (A.2)	€0.00	0.00%							[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.00%	[redacted]	[redacted]
A. OpEx of taxonomy-eligible activities (A.1 + A.2)	€0.00	0.00%							[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.00%	[redacted]	[redacted]
B. NON-ELIGIBLE ACTIVITIES FOR TAXONOMY																		
Operating expenses of non-taxonomy eligible activities	€0.00	0%																
Total	€14,367,725.00	100%																

Activities related to gas and nuclear – Model 1[20]

	Activities related to nuclear energy	
1.	The company engages in, finances, or has exposure to research, development, demonstration, and implementation of innovative plants for electricity generation that produce energy from nuclear processes with a minimal amount of fuel cycle waste.	No
2.	The company engages in, finances, or has exposure to the construction and safe operation of new nuclear plants for electricity or process heat generation, including for district heating or for industrial processes such as hydrogen production, and improvements in their safety, using the best available technologies.	No
3.	The company engages in, finances, or has exposures to the safe operation of existing nuclear facilities that generate electricity or process heat, also for district heating or for industrial processes such as the production of hydrogen from nuclear energy, and improvements in their safety.	No
	Activities related to fossil gases	
4.	The company engages in, finances, or has exposures to the construction or operation of facilities for the production of electricity using fossil gas fuels.	No
5.	The company engages in, finances, or has exposures to the construction, upgrading, and management of combined heat/cool and power generation facilities using fossil gas fuels.	No
6.	The company engages in, finances, or has exposure to the construction, renovation, and management of heat generation plants that produce heating/cooling using fossil gas fuels.	No

Mr. Alessandro Maria Rinaldi
Legal representative

Rinaldi

[20] In compliance with Regulation 2021/2178, Model 1 of Annex XII to the Delegated Regulation 2021/2178 is provided concerning the activities of the GHC Group.

SEPARATE FINANCIAL STATEMENTS

at December 31, 2024

CONTENTS

COMPANY REGISTERED OFFICE

Garofalo Health Care S.p.A.

Piazzale Belle Arti, 6 – Rome 00196

PARENT COMPANY LEGAL DETAILS

Approved share capital: Euro 31,570,000

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

* enrolled in the Companies Registration Office on 26/1/2021

CORPORATE BOARDS

BOARD OF DIRECTORS

Alessandro M. 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

SEPARATE FINANCIAL STATEMENTS
AT DECEMBER 31, 2024

Balance sheet at December 31, 2024 and December 31, 2023

		For the year ended December 31			
in Euro thousands		2024	of which related parties	2023	of which related parties
Other intangible assets	Note 2	741		596	
Property, plant and equipment	Note 3	6,375		6,538	
Equity investments	Note 4	285,700		260,707	
Other non-current financial assets	Note 5	104,917	104,213	118,393	118,383
Deferred tax assets	Note 6	442		220	
TOTAL NON-CURRENT ASSETS		**398,175**		**386,455**	
Trade receivables	Note 7	2,366	2,365	1,342	1,338
Tax receivables	Note 8	3,372		2,633	
Other receivables and current assets	Note 9	11,216	10,841	17,351	17,196
Other current financial assets	Note 10	46,653	41,476	24,153	24,153
Cash and cash equivalents	Note 11	11,557		647	
TOTAL CURRENT ASSETS		**75,164**		**46,126**	
TOTAL ASSETS		**473,339**		**432,582**	

	For the year ended December 31				
in Euro thousands		2024	of which related parties	2023	of which related parties
Share capital	Note 12	31,570		31,570	
Legal reserve	Note 12	1,088		614	
Other Reserves	Note 12	160,536		151,969	
Net profit	Note 28	3,005		9,488	
TOTAL SHAREHOLDERS' EQUITY		**196,199**		**193,641**	
Employee benefits	Note 13	146		192	
Non-current financial payables	Note 14	179,986		119,497	
Deferred tax liabilities		38		134	
TOTAL NON-CURRENT LIABILITIES		**180,170**		**119,823**	
Trade payables	Note 15	1,182	21	1,443	270
Current financial payables	Note 16	73,952	73,626	109,117	75,376
Tax payables	Note 17	2,318		2,694	
Other current liabilities	Note 18	19,518	18,006	5,862	4,224
TOTAL CURRENT LIABILITIES		**96,970**		**119,117**	
TOTAL LIABILITIES		**277,139**		**238,941**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**473,339**		**432,582**	

2024 and 2023 Separate Income Statement

		For the year ended December 31			
in Euro thousands		2024	of which related parties	2023	of which related parties
Revenues from services	Note 19	5,230	5,230	4,600	4,600
Other revenues	Note 19	682	575	267	262
TOTAL REVENUES	Note 19	**5,912**		**4,867**	
Raw materials and consumables	Note 20	24		18	
Service costs	Note 21	4,617	277	5,689	709
Personnel costs	Note 22	3,258		2,940	
Other operating costs	Note 23	825		858	
TOTAL OPERATING COSTS		**8,724**		**9,506**	
TOTAL EBITDA		**(2,812)**		**(4,639)**	
Amortisation, depreciation and write-downs	Note 24	870		597	
TOTAL AMORTISATION, DEPRECIATION, WRITE-DOWNS,		**870**		**597**	
EBIT		**(3,682)**		**(5,236)**	
Financial income	Note 25	17,882	17,133	22,358	22,286
Financial charges	Note 26	(14,256)	(3,224)	(10,503)	(2,550)
FINANCIAL INCOME AND CHARGES		**3,626**		**11,854**	
PROFIT BEFORE TAXES		**(56)**		**6,618**	
Income taxes	Note 27	3,061		2,869	
PROFIT FOR THE YEAR	**Note 28**	**3,005**		**9,488**	

2024 And 2023 Comprehensive Separate Income Statement

in Euro thousands	*At December 31*	*At December 31*
	2024	**2023**
NET PROFIT/(LOSS) FOR THE YEAR	**3,005**	**9,488**
Other components of comprehensive income that will not subsequently be reclassified to profit/(loss) for the year net of income taxes:		
Actuarial gains/(losses) on defined employee benefit plans	65	(22)
Tax effect	(16)	5
Total other components of comprehensive income that will not subsequently be reclassified in profit/(loss) for the year net of income taxes	**50**	**(17)**
Other components of comprehensive income that may subsequently be reclassified to profit/(loss) for the year net of income taxes:		
Fair value of derivative instruments	(861)	-
Tax effect	207	-
Total other components of comprehensive income that may subsequently be reclassified to profit/(loss) for the year net of income taxes	**(654)**	**-**
Profit/(loss) recognised to equity	**(604)**	**(17)**
Total comprehensive income	**2,401**	**9,471**

Statement of changes in separate shareholders' equity at December 31, 2024 and December 31, 2023

in Euro	Share capital	Legal reserve	Other reserves	Net profit	Shareholders' Equity
January 1, 2023	**31,570**	**532**	**151,177**	**1,638**	**184,917**
Allocation of result	-	82	1,556	(1,638)	**-**
Acquisition of treasury shares	-	-	(1,491)	-	**(1,491)**
Performance Shares Reserve	-	-	769	-	**769**
Use of Reserve as per Article 40	-	-	(25)	-	**(25)**
Comprehensive profit/(loss)	-	-	(17)	9,488	**9,471**
December 31, 2023	**31,570**	**614**	**151,969**	**9,488**	**193,640**
Allocation of result	-	474	9,014	(9,488)	**-**
Movement treasury shares	-	-	(506)	-	**(506)**
Performance Shares Reserve	-	-	574	-	**574**
Retained earnings	-	-	89	-	**89**
Comprehensive profit/(loss)	-	-	(604)	3,005	**2,401**
December 31, 2024	**31,570**	**1,088**	**160,536**	**3,005**	**196,199**

Separate cash flow statement for the year ended December 31, 2024 and December 31, 2023

In Euro thousands	Dec 31	
	2024	2023
OPERATING ACTIVITIES		
Profit for the year	**3,005**	**9,488**
- Amortisation and depreciation	870	597
- Provisions for employee benefit liabilities	44	41
- Net change in deferred tax assets and liabilities	(94)	115
- Payments for employee benefits	(33)	(7)
- Other non-cash adjustments	1,572	623
- Interest from discounting	124	826
Changes in operating assets and liabilities:		
(Increase) decrease in trade and other receivables	(1,025)	386
Increase (decrease) in trade and other payables	(261)	737
Other current assets and liabilities	18,649	(12,369)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**22,852**	**436**
Investments in intangible assets	(461)	(532)
Investments in tangible assets	(174)	(307)
(Investments)/disposals in financial assets	(20,261)	(60,698)
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	**(20,896)**	**(61,537)**
Issue of medium/long term loans	177,800	18,721
Repayments of bank payables	(151,898)	-
Movement in other current and non-current financial receivables/payables	(16,098)	40,421
Use of Reserve as per Article 40	-	(25)
(Acquisition) treasury shares	(849)	(1,491)
NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)	**8,954**	**57,626**
TOTAL CASH FLOWS (D=A+B+C)	**10,911**	**(3,475)**
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR (E)	**647**	**4,122**
CASH & CASH EQUIVALENTS AT END OF YEAR (F=D+E)	**11,557**	**647**
Other information		
Interest paid	9,542	6,868
Income taxes paid	3,488	3,040

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AT DECEMBER 31, 2024

1.1 Company information

The publication of the separate financial statements of Garofalo Health Care S.p.A. (hereafter also "GHC") for the period ended December 31, 2024 was approved by the Board of Directors on March 14, 2025.

1.2 General Principles

The separate financial statements of the GHC Group for the year ended December 31, 2024 (the "Separate Financial Statements") have been prepared in compliance with IFRS international accounting standards, supplemented by the related interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC), previously called the Standing Interpretations Committee (SIC), as well as the provisions issued in implementation of Article 9 of Legislative Decree no. 38/2005. The IFRSs applied are those in effect at the reporting date.

The transition date to IAS/IFRS defined in the end of 2018 financial statements was January 1, 2015. In order to establish the value of assets and liabilities on the transition of the separate financial statements, the company, as per IFRS 1, decided to use the same transition date as the consolidated financial statements.

The Separate Financial Statements are presented in thousands of Euro and all the amounts are rounded to the nearest thousand, unless otherwise specified.

The financial statements have been prepared on an historical cost basis, except for financial receivables (financial assets) and financial liabilities, which are recognised at fair value. The Separate Financial Statements, in the absence of uncertainties or doubts about the ability of the Company 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 Separate Financial Statements of the Company consist of the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement and Notes. The financial statements have been prepared on an historical cost basis, except for financial receivables (financial assets) and financial liabilities, which are recognised at fair value. 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 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.

1.3.1 Summary of the main accounting standards

a) Other intangible assets

Intangible assets acquired separately are initially recognized at cost, while those acquired through business combinations are recognized at fair value on the acquisition date. Intangible assets internally generated, with the exception of development costs, are not capitalized and are recorded in the income statement of the financial year in which they were incurred.

Intangible assets with a finite useful life are subsequently amortized over their useful life and tested for impairment whenever there is evidence of a loss of value. The amortization period and the amortization method of an intangible asset with finite useful life are reconsidered at least at the end of each year. Changes in the expected useful life or in the manner in which the future economic benefits related to the asset will be realized are recognized through the change in the period or amortization method, as the case may be, and are considered changes in accounting estimates. The amortisation of intangible assets with finite useful life is recorded in the income statement under the category of costs relating to intangible assets.

Intangible assets with indefinite useful life are not amortised but are subject to an annual impairment test at an individual level or at cash-generating unit level. The valuation of the indefinite useful life is reviewed annually to determine whether this allocation continues to be sustainable, otherwise, the change from indefinite useful life to finite useful life is applied on a prospective basis.

The gains and losses deriving from the elimination of an intangible asset are measured as the difference between the net sales consideration and the book value of the intangible asset and are recorded in the income statement in the year in which they are eliminated.

Description	Years
Concessions, licenses, trademarks and similar rights	5 years/by contract term
Software	5 years
Other intangible assets	5 years

b) Property, plant and machinery

Property, plant and equipment purchased separately are recorded at historical cost, including ancillary costs directly attributable and necessary for entry into operation of the asset for the use for which it was purchased; said cost includes expenses for the replacement of part of machinery and plants at the time they are incurred, if they comply with the recognition criteria.

Property, plant and equipment acquired through business combinations are initially recognised at fair value determined at the acquisition date.

Maintenance and repair expenses, which do not increase the value and/or extend the residual useful life of the asset are expensed in the year in which they are incurred; where they increase the value and/or extend the residual life of the assets, they are capitalised.

Property, plant and equipment are stated net of the relevant accumulated depreciation and impairment, if any, determined according to the methods described below. Depreciation is calculated on a straight- line basis over the estimated useful life of the asset. This period is reviewed annually and any changes are made on a prospective basis.

The estimated useful life, expressed in years, of the main classes of tangible assets is as follows:

Description	Years
Industrial & commercial equipment	8 years
Plant & machinery	10 years
Operational buildings	33 years
Furniture & fittings	10 years
EDP	5 years

If components of property, plant and equipment have different useful lives, these components are accounted for separately. Land, whether free of construction or related to buildings, is recognized separately and is not depreciated as elements of unlimited useful life.

The book value of plant, property and equipment is subject to verification of any loss in value when events or changes occur indicating that the carrying value can no longer be recovered.

If there are indications of impairment, property, plant and equipment are tested for impairment; any write-downs may be written back if the reasons for the write-down no longer apply.

At the time of sale, or when there are no expected future economic benefits from the use of an asset, it is eliminated from the financial statements and any loss or profit (calculated as the difference between sale's price and book value) is charged to the income statement in the year of its elimination.

c) Leased assets

Right-of-use assets

The Company recognises right-of-use assets at the initial leasing date (i.e. the date on which the underlying asset is available for use). The right-of-use assets are measured at cost, net of accumulated depreciation and impairments, adjusted for any remeasurement of the lease liabilities. The cost of the right-of-use assets includes the amount of the lease liabilities recognised, the initial direct costs incurred and the payment of leases at the commencement date or before, net of any incentives received. Unless the Company does not have the reasonable certainty of obtaining ownership of the leased asset on conclusion of the leasing contract, the right-of-use assets are amortised on a straight-line basis for a period covering the lesser between the estimated useful life and the lease duration.

Lease liabilities

At the lease commencement date, the Company recognises the lease liabilities measuring them at the present value of the payments due for leasing not yet settled at that date. The payments due include the fixed payments (including the fixed payments in substance), net of any lease incentives to be received, the variable lease payments which depend on an index or a rate and the amounts expected to be paid as guarantee on the residual value. The lease payments include also the exercise price of a purchase option where it is reasonably certain that this option will be exercised by the Company and the lease termination penalty payments, where the lease duration takes account of the exercise by the Company of the termination option on the lease.

The variable lease payments not depending on an index or a rate are recognised as costs in the period in which the event or the condition generating the payment occurs.

Short-term leases and low value asset leases

The Company applies the exception for the recognition of short-term leases for machinery and equipment (i.e. leasing with a duration of 12 months or less from the commencement date and not containing a purchase option). The Company has also applied the exception for leases concerning assets of a low value with regards to the leasing contracts on office equipment whose value is considered low (i.e., less than Euro 5,000). The short-term lease charges and those for low value assets are recognised as costs on a straight-line basis over the lease duration.

d) Impairments

At each year-end, the company assesses the existence of impairment indicators regarding property, plant and equipment, intangible assets and investments. Where there are indicators of impairment, or every year for assets with indefinite lives, the recoverable amount of the asset is estimated (impairment test). In the case in which the book value of the intangible or tangible assets or of investments exceeds the recoverable value, they are written down to reflect the latter. The recoverable amount is determined as the higher of the fair value of an asset or cash-generating unit net of costs of sale and its use value and is determined for each asset individually, unless an asset generates cash flows that are not largely independent from those generated by other assets or groups of assets; in this case, the Company estimates the recoverable value of the cash-generating unit to which the asset belongs.

When determining value in use, the estimated future cash flows are discounted by the Company at a pre-tax rate that reflects the market assessment of the time value of money and the risks specific to the asset.

For the purposes of estimating value in use, future revenue streams are obtained from the business plans approved by the Board of Directors, which constitute the best estimate of the Company on the forecast economic conditions over the period of the plan. The projections of the plan normally cover a time span of three years; the long-term growth rate used to estimate the terminal value of the asset or unit is normally lower than the average long-term growth rate of the sector or market of reference. If the carrying amount of the investments is higher than its recoverable value, this asset has incurred a loss in value and is consequently written down to the recoverable value.

The losses in value of equity investments are recorded in the income statement. At the reporting date, the Company also assesses any indicators of a reduction in the loss of value previously recorded and, where these indicators exist, performs a new estimate of the recoverable value. A previously recognised impairment loss can be reversed only if there have been changes in the estimates used to determine the recoverable amount since the last impairment loss was recognized. In this case, the carrying amount of the asset is recorded at the recoverable value, while the restated value must not exceed the carrying amount which would have been determined, after amortisation or depreciation, if no loss in value had been recognised in previous years. Each reversal is recognized as income in the income statement; after a reversal is recognized, the depreciation or amortization charge for the asset is adjusted in future periods to allocate the asset’s revised book value, less its residual value, if any, on a systematic basis over its remaining useful life. Impairment of goodwill cannot in any case be subject to reversals.

e) Investments in subsidiaries, associates

The subsidiaries are all those companies over which GHC S.p.A. exercises control. Control is obtained where the company is exposed to or has the right to the variable returns from the relationship with the investee and has the capacity, through the exercise of its power, to influence returns. Such power is defined as the capacity to manage the core operations of the investee on the basis of the substantial existing rights.

Associates are those companies over which GHC S.p.A. exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an investee, however not exercising control or joint control.

Shareholdings in subsidiaries and associates are valued at cost. The cost is adjusted for any impairment; the latter shall be subsequently reinstated if the conditions which have determined them cease to exist; recoveries can not exceed the original cost.

Where the loss pertaining to GHC S.p.A. exceeds the book value of the investment, and where the holding is obliged to comply with legal or implicit obligations of the company or in any case to cover the losses, any excess over the book value is written down and any excess is recorded in a specific risks and charges provision. In the case of a non-economic sale of a shareholding to a jointly controlled company, any difference between the consideration received and the carrying amount of the investment is recognized under equity.

Dividends from investments are recorded to the income statement when the right of the shareholders to receive the payment arises. The dividends payable to third parties are recorded as changes in shareholders' equity at the date in which the Shareholders and Board of Directors meetings approve them respectively.

The use of estimates and the opinions of management adopted in preparing the separate financial statements are the same, where applicable, to those adopted for the preparation of the consolidated financial statements, to which reference should be made, except for the valuation of investments (as reported below).

f) Classification current/non-current

Assets and liabilities in the Company's financial statements are classified as current or non-current.

An asset is current when:

- it is expected to be realised, or is held for sale or consumption, in the normal course of the operating cycle;
- it is held principally for trading;
- it is expected to be realised within twelve months from the reporting date;
- it comprises cash or cash equivalents, upon which no prohibition exists on their exchange or utilisation to settle a liability for at least 12 months from year-end.

A liability is considered current when:

- it is expected to be settled within the normal operating cycle;
- it is held principally for trading;
- it is expected to be settled within twelve months from the year-end;
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months of year-end.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand and short-term deposits. Short-term deposits must have an original maturity of three months or less and not subject to significant risks related to the change in value.

j) Treasury shares

Treasury shares acquired are recorded at cost and as a reduction of shareholders' equity. The purchase, sale or cancellation of treasury shares does not give rise to any profit or loss in the income statement.

The difference between the purchase price and the payment received, in the case of reissue, is recorded in the share premium reserve.

k) Stock Grants and Performance Shares

The Stock Grant and Performance Shares Plan confers to certain categories of employees the right to receive free shares of their company or of a Group company as remuneration for the achievement of a specific objective or on the occurrence of certain conditions set out in the plan.

IFRS 2 requires the company to recognise the cost of goods and services purchased or received in a share-based payment transaction at the time in which the goods are received or the service is rendered. For equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. Where the entity cannot estimate reliably the fair value of the goods or services received, it shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

To apply the requirements to transactions with employees and others providing similar services,† the entity shall measure the fair value of the services received by reference to the fair value of the equity instruments granted, because typically it is not possible to estimate reliably the fair value of the services received. The fair value of those equity instruments shall be measured at the grant date.

Typically, shares, share options or other equity instruments are granted to employees as part of their remuneration package, in addition to a cash salary and other employment benefits. Usually, it is not possible to measure directly the services received for particular components of the employee's remuneration package. It might also not be possible to measure independently the fair value of the total package, without measuring directly the fair value of the equity instruments granted. Furthermore, shares or share options are sometimes granted as part of a bonus arrangement, rather than as a part of basic remuneration, e.g. as an incentive to the employees to remain in the entity's employ or to reward them for their efforts in improving the entity's performance. By granting shares or share options, in addition to other remuneration, the entity is paying additional remuneration to obtain additional benefits. Estimating the fair value of those additional benefits is likely to be difficult. Because of the difficulty of measuring directly the fair value of the services received, the entity shall measure the fair value of the employee services received by reference to the fair value of the equity instruments granted.

h) Provisions for risks and charges

The provisions for risks and charges are recorded only when there is a present obligation as a consequence of past events, of a legal or contractual nature or deriving from declarations or conduct of the enterprise which induce third parties to view the company as responsible or to have assumed the responsibility to fulfil a given commitment (constructive obligations).

Provisions for risks and charges are recorded when the Company has a legal or implicit obligation (that derives from a past event) and a payment of resources is probable to satisfy the obligation and the amount of this payment can be reliably estimated.

No provision is made however against risks presenting only a possible emergence of a liability. In this case, a comment is made in the relevant commitments and risks section and no provision is made.

If the discounting effect of the value of money is significant, allocations are discounted using a pre-tax discount rate that reflects, where appropriate, the specific risks associated with the liabilities. When provisions are discounted, increases resulting from the passage of time are recognized as borrowing costs.

i) Employee Benefit Provisions

Post-employment benefits are defined on the basis of programs, even if not formalized, which according to their characteristics are divided into “defined benefit” programs and “defined contribution” programs.

Italian legislation (Article 2120 of the Civil Code) provides that, on the date on which each employee terminates the employment contract with the company, indemnity referred to as TFR is received. The calculation of this indemnity is based on some items that make up the employee’s annual salary for each year of work (appropriately re-evaluated) and on the length of the employment relationship. According to Italian civil law, this indemnity is reflected in the financial statements according to a calculation method based on the indemnity accrued by each employee at the reporting date, in the event that all employees terminate the employment contract on that date.

The International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standards Board (IASB) addressed the subject of the Italian TFR and concluded that, in application of IAS 19, it must be calculated according to a method called Projection Unitary Credit Method (PUCM), according to which the amount of liabilities for the benefits acquired must reflect the date of expected resignation and must be discounted.

The actuarial assumptions and the related effects take into consideration the regulatory changes introduced by the Italian legislator, which provided for the option for the employee to allocate the TFR accrued from July 1, 2007 to INPS or supplementary pension funds.

The Company’s net obligation deriving from defined benefit plans is calculated by estimating the amount of the future benefit that employees have accrued in exchange for the activity performed in the current year and in previous years; this benefit is discounted to calculate the current value. The actuarial gains and losses referring to the defined benefit plans accumulated up to the previous year and which reflect the effects deriving from changes in the actuarial assumptions used, are recognized in full in the comprehensive income statement.

The actuarial valuation of the liability was entrusted to an independent actuary.

The company does not have other defined benefit pension plans.

The obligation of the company deriving from defined contribution plans is limited to the payment of contributions to the State or to a legally separate asset or entity (fund), and is determined on the basis of the contributions due.

l) Financial instruments

The following are the categories envisaged by IFRS 9, which replace the previous categories of IAS 39:

- Assets measured at amortised cost: the asset is not designated to FVTPL (fair value to profit and loss), the purpose of ownership is the collection of contractual cash flows; the contractual terms envisage cash flows for payments of principal and the relative interest at given dates;
- Assets measured at fair value through other comprehensive income (FVOCI): the asset is not designated to FVTPL, the business model envisages the possibility of both collecting contractual cash flows and of selling the asset; the contractual terms envisage cash flows for payments of principal and the relative interest at given dates;
- Assets measured at fair value through profit and loss (FVTPL): all assets not classified in the previous categories fall under this category.
- The company includes in the category Assets measured at amortised cost receivables originating over the course of the normal operating activity. At the time of the initial recognition, they are recorded on the basis of their fair value including ancillary costs. For trade and other receivables, this generally corresponds to their par value. Subsequently, if these have a pre-fixed maturity, they are measured at amortized cost using the effective interest method. When financial assets do not have a fixed maturity they are valued at the acquisition cost. Receivables due beyond one year, non-interest bearing or which mature interest below market rates are discounted using market rates. In turn, these assets are derecognised once the rights to receive cash flows from the asset are terminated or the Company has transferred the right to receive cash flows from the asset or has assumed the contractual obligation to pay them entirely and without delay to a third party by substantially transferring all of the risks and rewards of ownership of the financial asset, or by not substantially transferring or retaining all of the risks and rewards of the asset, but transferring its control. Where the Company has transferred all the rights to receive the financial flows of an asset and has not substantially transferred or withheld all of the risks and rewards or has not lost control, the asset is recorded in the financial statements of the Company up to the amount of its residual holding in the asset. In this case, the company also recognises an associated liability. The asset and liability are measured in order to reflect the rights and obligations maintained by the Company. Residual involvement that takes the form of a guarantee on the transferred asset is valued at the asset's initial book value or the maximum consideration that the company could be required to pay, whichever is less. The gains and losses are recognized in the income statement when the investment is eliminated or if there is an impairment, in addition to the amortization process and conversion.
- The company includes in the category Assets measured at fair value through profit and loss: equity securities represented by investments other than those in subsidiaries, associates and joint ventures and not held for trading purposes, as the Company has decided not to apply the option for FVOCI measurement.

Financial liabilities are recorded in the balance sheet accounts: Non-current payables to lenders, Other payables and liabilities, Current payables to lenders; Trade payables; Other current liabilities.

Initially, financial liabilities are recorded at fair value increased (or decreased in the case of financial liabilities measured at fair value through profit and loss) by the transaction costs directly linked to the issue of the liability. Subsequently, they are measured at amortized cost excluding the derivative financial instruments or the liabilities held for trading which are measured at fair value through profit and loss. They are classified and measured on the basis of the characteristics of their cash flows and the business model applied to their management. Financial liabilities held by GHC fall under the category of Financial Liabilities at amortised cost. They are measured at amortized cost, using the effective interest method. The amortized cost is calculated taking into consideration all discounts or purchase premiums and includes commissions and transaction costs which are an integral part of the effective interest rate. A financial liability is derecognised from the financial statements when the underlying liability is settled, cancelled or fulfilled. For investments measured at amortized cost, the gains and losses are recognized in the income statement when the investment is eliminated, in addition to the amortization process and conversion. If an existing financial liability is replaced by another by the same lender but under substantially different conditions, or if the conditions of an existing financial liability are substantially changed, such a swap or change is treated as an elimination of the original liability and the opening of a new liability, with any differences in accounting values recorded in the income statement.

The value of financial assets is adjusted to reflect the impairment losses measured according to the Expected Credit Loss Model, which requires estimating the expected loss over a greater or lesser period depending on the credit risk: i) for financial assets not having had a significant increase in credit risk since the initial recognition or having a low credit risk at the reporting date, the expected loss in the next 12 months is estimated; ii) for financial assets having had a significant increase in credit risk since the initial recognition, for which there is no evidence as yet of an objective impairment loss, the expected loss is calculated on the useful life of the asset; iii) for financial assets for which an objective impairment loss has occurred, the expected loss is calculated on the useful life of the asset and, with respect to the preceding point, the interest flows are calculated on the reduced value of the expected write-down. For trade receivables that do not contain a significant financial component, the expected losses are calculated utilising a simplified method with respect to the general approach outlined above. The simplified approach requires the estimation of the expected loss on the useful life of the credit and without the need to measure the Expected Credit Loss at 12 months and the existence of significant increases in credit risk.

m) Fair value measurement

The Company assesses financial instruments, such as derivatives and capital instruments, at fair value at each reporting date.

The fair value is the price that would be received for the sale of an asset, or that would be paid to transfer a liability in an arm’s length transaction at the measurement date. A fair value measurement assumes that the sale transaction of the asset or transfer of the liability takes place:

- in the main market of the asset or liability;

or

- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible for the Company.

The fair value of an asset or liability is measured adopting the assumptions which market operators would utilise in the determination of the price of the asset or liability, assuming they act to best satisfy their economic interests.

The fair value measurement of a non-financial asset considers the capacity of a market operator to generate economic benefits utilising the asset to its maximum and best use or by selling to another market operator that would utilise the asset to its maximum or best use.

The Company utilises measurement techniques which are appropriate to the circumstances and for which there is sufficient available data to measure the fair value, maximising the utilisation of relevant observable inputs and minimising the use of non-observable inputs.

All the assets and liabilities for which the fair value is measured or stated in the financial statements are categorised based on the fair value hierarchy, as described below:

- Level 1 - listed prices (not adjusted) on active markets for identical assets or liabilities which the entity can access at the measurement date;
- Level 2 - inputs other than listed prices included in Level 1, directly or indirectly observable for the asset or the liability;
- Level 3 - measurement techniques for which the input data are not observable for the asset or for the liability.

The fair value measurement is classified entirely in the same fair value hierarchical level in which the lowest hierarchical input level utilised for the measurement is classified.

For the assets and liabilities recognised in the financial statements at fair value on a recurring basis, the company assesses whether there have been transfers between the hierarchy levels, reviewing the classification (based on the lowest input level, which is significant for the fair value measurement in its entirety) at each reporting date.

n) Revenue recognition

IFRS 15 defines the criteria for the recognition of revenues and is applicable to all contracts with customers, with the exception of contracts falling within the scope of other standards.

The recognition of revenues generated from contracts with customers and requiring revenues to be recognised for an amount which reflects the consideration which the company expects to receive in exchange for the goods or services provided to the customer. All facts and circumstances should be taken into consideration in applying the 5 steps of the model. In addition, the standard sets out the accounting treatment of incremental costs incurred to obtain a contract and costs directly associated with the execution of a contract. The revenues which fall within the scope of IFRS 15 relate to the offsetting of costs of the holding company with the subsidiaries for administrative coordination, financial, corporate and IT services. Although these services are separate, they are closely related and therefore the company has identified only one obligation to be satisfied.

o) Recognition of costs

Costs are recognised on the acquisition of the goods or service.

p) Financial income and charges

Financial income and expenses are recorded on an accruals basis on the interest matured on the net value of the relative financial assets and liabilities and utilising the effective interest rate.

q) Income taxes

Current income taxes

Current taxes reflect an estimate of the tax burden, determined by applying the legislation in effect in the countries in which the company Garofalo Health Care operates. Current tax liabilities are calculated using the rates in effect or substantially approved on the closing date of the financial year.

The payable for current taxes is classified in the balance sheet, net of any tax advances paid.

Deferred taxes

Deferred taxes are calculated on deductible (deferred tax assets) and taxable (deferred tax liabilities) temporary differences resulting at the reporting date between the tax values taken as reference for assets and liabilities and the values in the financial statements.

Deferred tax assets are recognized 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.

The value to be recognized in the financial statements of deferred tax assets is reviewed on each reporting date and reduced to the extent that it is no longer likely that sufficient tax profits will be available in the future in order to allow all or part of this receivable to be used.

Unrecognized deferred tax assets are reviewed annually at the reporting date and are recognized to the extent that it has become likely that future taxable income will be sufficient for their recovery.

Deferred tax assets and liabilities are measured using the tax rates that are expected to be applied in the years in which the assets are realized or the liabilities are settled, considering the rates currently in effect and those already issued, or substantially issued, at the reporting date.

Deferred tax assets and liabilities are recognized directly in the Income Statement, with the exception of those relating to items recognized directly in equity; in this case, the related deferred taxes are recorded consistently without recognition in the income statement.

Deferred tax assets and liabilities are offset if there is a legal right to compensate current tax assets with current tax liabilities and the deferred taxes refer to the same legal entity and the same tax authority.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Indirect taxes

Costs, revenues, assets and liabilities are recognized net of indirect taxes, such as value added tax, with the following exceptions:

- the tax applied to the purchase of goods or services is non-deductible; in this case, it is recognized as part of the purchase cost of the asset or part of the cost recognized in the income statement;
- trade receivables and payables include the indirect tax applicable.

The net amount of indirect taxes to be recovered or paid to the tax authorities is included in the financial statements as receivables or payables.

s) Segment information

The identification of the operating sector in which the Company operates is carried out on the basis of the accounting standard IFRS 8 - Operating Segments. On December 12, 2012, the IASB issued a set of amendments that have made changes to the aforementioned standard requiring that information be provided on the assessments made by the company management in the aggregation of the operating segments describing the segments that have been aggregated and the economic indicators that have been evaluated to determine that the aggregated segments have similar economic characteristics.

The company GHC is a holding company operating in the private accredited healthcare sector in Italy and a leader in terms of turnover, with eighteen healthcare facilities located in six Italian regions. From the point of view of GHC S.p.A.'s management organization, the activity carried out was grouped into a single Strategic Business Unit (hereinafter "SBU"), which includes the entire business.

1.4 Discretional 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.

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, which depends on 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.

Recoverability of investments

The company assesses annually the existence of indicators of impairment regarding each investment, in line with its strategy to manage the legal entities within the company and, where evident, subject these assets to an impairment test. The processes and methods to value and establish the recoverable value of each investment are based on assumptions requiring the opinion of the directors, in particular with regards to the identification of the impairment indicators, the outlook on future earnings for the duration of the business plans of the companies, the establishment of the adjusted cash flows according to the estimate of the terminal value and the establishment of the growth and discounting rates applied to future cash flows.

1.5 New accounting standards, interpretations and amendments adopted by the Company

The Company has applied for the first time a number of standards and amendments entering into force from January 1, 2024, which were already issued but not adopted in advance:

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, these amendments did not have any impact on the separate 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 did not have any impact on the separate 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 did not have any impact on the separate financial statements.

1.6 IAS/IFRS international accounting standards whose compulsory application starts after December 31, 2024

The Company has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in force.

IFRS 18: Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. Despite a number of sections of IAS 1 were maintained, IFRS 18 introduced new requirements for the presentation of the income statement, including specific totals and subtotals. The entities will need to classify all expenses and revenues within the income statement within four categories: operating, investing, financing, income tax, and discontinued operations.

The standard also requires disclosures based on the new definition of management-defined performance indicators (MPMs), and includes new provisions for aggregating and disaggregating financial information based on the identified "roles" identified in the Primary Financial Statements (PFS) and the notes.

In addition, specific changes have been made to IAS 7 Statement of Cash Flows, including changing the starting point for determining cash flows from operations based on the indirect method, and to some provisions previously included in IAS 1 that have been moved to IAS 8, which has been renamed Basis of Preparation of Financial Statements.

IFRS 18 and all related amendments will be effective for fiscal years beginning on or after January 1, 2027, but early application is permitted, subject to disclosure. IFRS 18 will apply retrospectively.

The Company is currently working to identify the impacts that the changes will have on its financial statements and notes.

IFRS 19 Subsidiaries without Public Accountability

In May 2024, the IASB issued IFRS 19, which allows eligible entities to opt for a reduction in their disclosure requirements while continuing to apply the recognition, measurement and presentation requirements in the other IFRS accounting standards. To be eligible, at the end of the fiscal year, an entity must be a subsidiary as defined within IFRS 19, may not have "public accountability" and must have a parent (ultimate or interim) that prepares consolidated financial statements, available to the public, prepared in accordance with IFRS accounting standards. IFRS 19 will be effective for fiscal years beginning on or after January 1, 2027, but early application is permitted.

As the parent company, it is not eligible for the application of IFRS 19.

Note 2 Other intangible assets

The breakdown of the item "*Other intangible assets*", which at December 31, 2024 amounted to Euro 741 thousand compared to Euro 596 thousand in the previous year, is shown in the table below.

in Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Software	575	467	108
Concessions, licenses, trademarks and similar rights	111	129	(18)
Other intangible assets	55	-	55
Total	**741**	**596**	**145**

For the useful life of the account, reference should be made to the accounting policies.

The following tables show the changes in "*Other intangible assets*" for the period ended December 31, 2024, compared to the period ended December 31, 2023.

in Euro thousands	*Concessions, licences, trademarks and similar rights*	*Software*	*Other Intangible Assets*	*Total*
Net value at December 31, 2023	129	467	-	596
Acquisition	-	406	55	461
Amortisation	(18)	(298)	-	(316)
Net value at December 31, 2024	111	575	55	741

Software

The account "*Software*" was Euro 575 thousand, compared to Euro 467 thousand in the previous year. The net increase of Euro 108 thousand mainly concerns investments in management software and IT security of the GHC Group.

Concessions, licenses, trademarks and similar rights

"*Concessions, licenses, trademarks and similar rights*" amounted to Euro 111 thousand, compared to Euro 129 thousand in the previous year. The decrease of Euro 18 thousand is due to amortisation in the year.

Other Intangible Assets

The account "*Other Intangible Assets*" amounts to Euro 55 thousand (not present in the previous year); the increase refers to the activities for the implementation of cybersecurity risk management measures introduced by the European Directive NIS2.

Note 3 Property, plant and equipment

The breakdown of the item "*Property, plant & equipment*", which at December 31, 2024 amounted to Euro 6,375 thousand compared to Euro 6,538 thousand in the previous year, is shown in the table below.

in Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Land & buildings	5,082	4,940	142
Plant & machinery	57	19	38
Other assets	310	287	23
Right-of-use	926	1,012	(86)
Assets in progress and advances	-	280	(280)
Total	6,375	6,538	(163)

For the useful life of the account, reference should be made to the accounting policies.

The following tables show the changes in the item in question for the period ended December 31, 2024, compared to the period ended December 31, 2023:

In Euro thousands	*Land & buildings*	*Plant & Equipment*	*Other assets*	*Right of use assets*	*Assets in progress and advances*	*Total*
Net value at December 31, 2023	4,940	19	287	1,012	280	6,538
Acquisitions/(Sale)	240	5	44	104	-	392
Transition into operations	173	38	69	-	(280)	-
Depreciation	(271)	(5)	(89)	(190)	-	(555)
Net value at December 31, 2024	5,082	57	310	926	-	6,375

Land & buildings

"Land and buildings" at December 31, which amounted to Euro 5,082 thousand compared to the previous year's balance of Euro 4,940 thousand, recorded an increase of Euro 142 thousand due to the renovation work on the leased building for the expansion of the holding company's headquarters which became operational in 2024 (hereinafter also referred to as the "New Wing") in the amount of Euro 300 thousand, and the rate effect related to the aforementioned leased building in the amount of Euro 113 thousand, net of depreciation in the amount of Euro 271 thousand.

Plant and machinery

"Plant and machinery" at December 31, 2024, which amounted to Euro 57 thousand compared to a balance of Euro 19 thousand in the previous year, recorded an increase of Euro 38 thousand due to increases of Euro 43 thousand on equipment installed in the "New Wing" and depreciation of Euro 5 thousand.

Other assets

"*Other assets*" at December 31, 2024, which amounted to Euro 310 thousand compared to the previous year's balance of Euro 287 thousand, recorded an increase of Euro 23 thousand due to increases of Euro 113 thousand mainly related to furniture, furnishings and EDP for the "New Wing", net of depreciation of Euro 89 thousand.

Rights-of-use

"*Right-of-use*" at December 31, 2024, which amounted to Euro 926 thousand compared to a balance of Euro 1,012 thousand in the previous year, recorded a net decrease of Euro 86 thousand due to depreciation for the year of Euro 190 thousand, partly offset by increases of Euro 104 thousand related to the indexing of rental contracts.

The account includes the present value of vehicle hire contracts for periods in excess of 12 months and of an amount greater than Euro 5 thousand following the payment of set consideration.

Assets in progress and advances

"*Assets in progress and advances*" at December 31, 2024, which was zero compared to a balance of Euro 280 thousand in the previous year, recorded a decrease of Euro 280 thousand due to the transition into operations of the costs capitalized in the previous year related to the renovation work on the "New Wing."

Note 4 Equity investments

"*Equity investments*" amount to Euro 285,700 thousand at December 31, 2024, compared to the previous year's balance of Euro 260,707 thousand, an increase of Euro 24,993 thousand, and relate to investments in subsidiaries.

in Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Investments in subsidiaries	285,700	260,707	24,993
Total equity investments (in subsidiary companies)	**285,700**	**260,707**	**24,993**

The change in the item of Euro 24,993 thousand during 2024 is attributable to: (i) the acquisition of an additional 50% of the share capital of the equity investment in Fides Medica S.r.l. from Casa di Cura Villa Garda S.r.l. for a total amount of Euro 19,864 thousand, determined on the basis of the appraisal report prepared by an independent consultant; (ii) the irrevocable waiver of Euro 4,500 thousand of part of the financial receivable claimed by GHC from the company Gruppo Veneto Diagnostica e Riabilitazione S.r.l, converted into a capital reserve in the subsidiary's financial statements and with an increase in the carrying amount of the equity investments by the same amount; (iii) the acquisition of an additional 2.5% of the share capital of the equity investment held in Sanatorio Triestino S.p.A. for a total amount of Euro 330 thousand; (iv) the increase in the equity investment in Casa di cura Prof. Nobili S.r.l for Euro 66 thousand, equal to 0.26% of the share capital by virtue of which GHC as of December 31, 2024 came to hold 100% of the subsidiary's capital; (v) Assignment to the management of the subsidiaries of rights to receive shares in the company at the end of the three-year Performance Shares period, which resulted in an increase of Euro 232 thousand in the value of the equity investments.

The table below shows the breakdown of the item, as well as the share capital and the pro-quota shareholders' equity of each subsidiary as at December 31, 2024:

Investments Table

Company name	***Registered office***	***Share capital***	***Profit/(loss) 2024***	***Net Equity at December 31, 2024***	***Holding***	***Pro quota net equity at December 31, 2024 in Euro thousands***	***Book value at December 31, 2024***
L'Eremo Di Miazzina S.r.l.	Cambiasca (VB)	1,560	321	20,766	100%	20,766	15,369
Casa di Cura Villa Berica S.r.l.	Vicenza (VZ)	1,560	2,970	8,127	100%	8,127	2,210
Villa Von Siebenthal S.r.l.	Genzano di Roma (RM)	100	410	819	100%	819	3,781
Rugani Hospital S.r.l.	Monteriggioni (SI)	100	769	4,732	100%	4,732	186
Hesperia Hospital Modena S.r.l.	Modena (MO)	120	672	7,786	100%	7,786	20,675
C.M.S.R. Veneto Medica S.r.l.	Altavilla Vicentina (VI)	20	1,164	6,838	100%	6,838	8,699
Sanimedica S.r.l.	Altavilla Vicentina (VI)	10	101	609	100%	609	210
Casa di Cura Prof. Nobili S.r.l.	Castiglione dei Pepoli (BO)	104	1,544	9,940	100%	9,940	9,770
Casa di Cura Villa Garda S.r.l.	Garda (VR)	1,440	10,752	18,951	100%	18,951	7,531
Fides Medica S.r.l.	Piombino (LI)	200	405	20,827	100%	20,827	30,010
Poliambulatorio Dalla Rosa Prati S.r.l.	Parma (PR)	100	2,250	4,156	100%	4,156	19,203
Centro Medico San Biagio S.r.l.	Fossalta di Portogruaro (VE)	156	2,413	35,672	100%	35,672	32,122
Ospedali Privati Riuniti S.r.l.	Bologna (BO)	9,000	1,588	21,256	100%	21,256	33,092

Bimar S.r.l.	Fossalta di Portogruaro (VE)	100	114	611	100%	611	1,000
XRay One S.r.l.	Poggio Rusco (MN)	30	(400)	679	100%	679	2,317
Clinica San Francesco S.r.l.	Verona (VE)	5,232	836	5,070	100%	5,070	351
Domus Nova S.r.l.	Ravenna (RA)	990	1,853	6,480	100%	6,480	33,660
Garofalo Health Care Real Estate S.p.A.	Rome (RM)	300	1,949	72,776	100%	72,776	300
Gruppo Veneto Diagnostica e Riabilitazione S.r.l.	Cadoneghe (PA)	94	(1,357)	1,901	100%	1,898	4,834
Sanatorio Triestino S.p.A.	Trieste (TR)	1,240	929	8,274	99%	8,273	13,073
GHC PJ11 S.r.l.	Rome (RM)	300	5	303	100%	303	300
Aurelia Hospital S.r.l.	Rome (RM)	300	(810)	9,639	100%	9,639	47,008
Total equity investments in subsidiary companies							**285,700**

Pursuant to IAS 36, equity investments that at December 31, 2024 have a carrying amount that exceeds their shareholders' equity were tested for impairment. Specifically, the carrying amounts of the investments in Villa Von Siebenthal S.r.l., Hesperia Hospital Modena S.r.l., CMSR Veneto Medica S.r.l., Fides Medica S.r.l., Poliambulatorio Dalla Rosa Prati S.r.l., Ospedali Privati Riuniti S.r.l., Bimar S.r.l., X Ray One S.r.l., Domus Nova S.r.l., Gruppo Veneto Diagnostica e Riabilitazione S.r.l., Sanatorio Triestino S.p.A. and Aurelia Hospital S.r.l. were tested.

The impairment test of the recoverability of the carrying amount of the investments was performed by an outside independent professional. The valuation approach adopted is described in the following section.

Evaluation system

The value use of equity investments was determined by adding the Surplus Assets and the Net Financial Position of the subsidiaries to the Enterprise value.

The Enterprise Value was determined by discounting the operating cash flows (Unlevered Discounted Cash Flow or UDCF) at a rate equal to the weighted average cost of debt and equity (Weighted Average Cost of Capital or WACC).

The prospective cash flows used in the impairment test at December 31, 2024 are those deriving from the Business Plans of the individual companies relating to the years 2025-2028, approved by each company at the end of February 2025 and the beginning of March 2023. The time horizon of the Plans is 4 years. It should be clarified that the impairment test was approved by the Board of Directors of the Parent Company on March 7, 2025.

The prospective cash flows used in the impairment test have been calculated by taking as reference the EBITDA expected net of notional taxes and less the notional contribution of fixed assets and working capital. The assumptions and method used are consistent with the company's historical results and the reference market. In light of the above, for the development of the impairment test it was considered appropriate to refer to a growth rate *g* of 1.3%, which is in line with the real growth of the Euro estimated by the ECB for the year 2027, the last year forecast by the ECB approximating the last year of the Business Plan of the CGUs (2028).

The discounting rate of cash flows (WACC) used for the impairment tests at December 31, 2024 was 6.330% and was calculated by using the same method as at December 31, 2023 and in prior years.

The principal parameters at December 31, 2024 for the calculation of the discount rate (WACC) are the following:

* *Risk free rate*: the rate used is 3.70% for 2024; this value corresponds to the yield on Italian ten-year government securities recorded as a monthly average over the last twelve months of 2024 (Source: Bloomberg);

* *Beta*: for the estimation of the non-differentiable systemic risk coefficient, reference was made to the inputs elaborated by international practice (Source: Bloomberg), taking into consideration a group of listed companies operating in the same sector of the company to be valued, thus calculating an appropriate unlevered industry average beta, equal to 0.52% at December 31, 2024;

* *Market premium*: for the purposes of the analysis, a rate of 4.33% was used (Source: A. Damodaran - Stern University NY international research website) http://pages.stern.nyu.edu/~adamodar/); The movement in rates over the past 15 years reflects in the recent period the trend of stock prices after the outbreak of war in Ukraine and sudden increases in the cost of raw materials;

* *Additional risk premium:* a risk capital cost premium of 1% was applied, compared to 2.0% in previous years. With the acquisition of the Aurelia Hospital Group in late 2023, the Group in FY 2024 reduced its size gap with other comparable companies, and therefore it was deemed reasonable to reconsider the additional risk premium;

* With reference to the *cost of the debt (Kd)* for the companies that present outstanding loans, reference was made to the effective interest rate applied by the banking system on the same loans i.e. the twelve-month average ten-year EUR IRS (interest rate swap) (Source: Bloomberg) of 2.58%, with an additional spread of 208 points; this results in a total of 4.66%, which, considering the tax impact of 24%, brings the *Kd* to a level of 3.54%;

* *Financial structure:* consistently with that done for the purposes of the calculation of the beta, we applied to the cost of risk capital and the cost of debt capital, weights determined using a market D/E representative of the average financial structure of the sample of comparable listed companies, equal to 0.60 for December 31, 2024. The We (equity) and Wd (debt) weights were 62.3% and 37.7% for the year 2024. Specifically, with respect to the sample of comparable listed companies for the purpose of determining beta and market D/E as of December 31, 2023, it was considered reasonable to exclude Klariane, a listed French Group that showed a D/E of 10.55, an outlier compared to the other comparable companies.

Hesperia Hospital Modena S.r.l.

The recoverable value of Hesperia Hospital Modena S.r.l. was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 27, 2025. As a result of the updated analyses, management did not identify an impairment of this company. For the impairment test on the investment, the equity value of Aesculapio S.r.l., a wholly-owned subsidiary of Hesperia Hospital Modena S.r.l., was also considered.

C.M.S.R. Veneto Medica S.r.l.

The recoverable value of C.M.S.R. Veneto Medica S.r.l. was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 19, 2025. As a result of the updated analyses, management did not identify an impairment of this company.

Poliambulatorio dalla Rosa Prati S.r.l.

The recoverable value of Poliambulatorio dalla Rosa Prati S.r.l. was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 27, 2025. As a result of the updated analyses, management did not identify an impairment of this company.

Centro Medico San Biagio S.r.l. e Bimar S.r.l. (known as Centro Medico San Biagio S.r.l. CGU)

It should be noted that Bimar S.r.l. does not have independent cash flows, and therefore, the value in use can only be determined in combination with the value in use of Centro Medico San Biagio S.r.l., which therefore constitutes a single CGU. It should also be borne in mind that for the purposes of impairment testing of equity investments, the equity value of Centro Medico Università Castrense S.r.l., a wholly-owned subsidiary of Centro Medico San Biagio S.r.l., must also be taken into account.

Consequently, the recoverable value of the cash generating unit in question was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors of Centro Medico San Biagio on February 19, 2025. As a result of the updated analyses, management did not identify an impairment of this company.

X Ray One S.r.l

The recoverable value of X Ray One S.r.l. was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 18, 2025. As a result of the updated analyses, management did not identify an impairment of this company.

Domus Nova S.r.l.

The recoverable value of Domus Nova S.r.l. was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 27, 2025. As a result of the updated analyses, management did not identify an impairment of this company.

Gruppo Veneto Diagnostica e Riabilitazione S.r.l.

The recoverable value of Gruppo Veneto Diagnostica e Riabilitazione S.r.l. was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 17, 2025. As a result of the updated analyses, management did not identify an impairment of this company.

Sanatorio Triestino S.p.A.

The recoverable value of Sanatorio Triestino S.p.A was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 19, 2025. As a result of the updated analyses, management did not identify an impairment of this company.

Villa Von Siebenthal S.r.l.

The recoverable value of Villa Von Siebenthal S.r.l. was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 21, 2025. As a result of the updated analyses, management did not identify an impairment of this company.

Fides Medica S.r.l.

The recoverable value of Fides Medica S.r.l. was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 17, 2025. For the impairment test on the investment, the value of the investment in Il Fiocco S.r.l. was considered. As a result of the updated analyses, management did not identify an impairment of this company.

Ospedali Privati Riuniti S.r.l.

The recoverable value of Ospedali Privati Riuniti S.r.l. was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 17, 2025. As a result of the updated analyses, management did not identify an impairment of this company.

Aurelia Hospital Group

Following the acquisition of the Aurelia Hospital business unit, finalised by GHC on November 16, 2023, GHC's CFO Area Management availed of the option under IFRS 3 to complete the Purchase Price Allocation process within 12 months after the acquisition, and completed this process in the half-yearly report as of June 30, 2024. Three separate CGUs have been identified:

1. Aurelia Hospital and European Hospital CGU
2. Samadi CGU
3. Sant'Antonio CGU

The recoverable value of Aurelia Hospital S.r.l. (including European Hospital) was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on March 4, 2025. For the impairment test on the investment, the value of the investments in Samadi S.p.A. (77.98% owned) and Casa di Cura Sant'Antonio da Padova S.r.l. (99.89% owned) were considered. As a result of the updated analyses, management did not identify an impairment of this company.

Note 5 Other non-current financial assets

"Other non-current financial assets" amounted to Euro 104,917 thousand compared to the previous year's balance of Euro 118,393 thousand and recorded a net decrease of Euro 13,476 thousand, resulting from a decrease in Financial receivables from subsidiaries, for Euro 14,169 thousand, and an increase in Financial receivables from others, for Euro 693 thousand.

The account is broken down as follows:

in Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Financial receivables from subsidiaries	104,213	118,382	(14,169)
Financial receivables from others	704	11	693
Total other non-current financial assets	**104,917**	**118,393**	**(13,476)**

"Financial receivables from subsidiaries" principally includes the loans arising following the refinancing concluded in December 2021. The net decrease in this item, amounting to Euro 14,169 thousand, is mainly attributable to: (i) the decrease from the reclassification of the short-term portion due by December 31, 2025, amounting to Euro 14,982 thousand; (ii) the decrease in the financial receivable from the subsidiary Gruppo Veneto Diagnostica e Riabilitazione S.r.l. amounting to Euro 4,500 thousand as a result of the irrevocable waiver by GHC of the financial receivable; (iii) the increase for the loan granted to Sanatorio Triestino in July 2024 amounting to Euro 6,500 thousand, the long-term portion of which as of December 31, 2024 is for Euro 4,875 thousand; (iv) the increase for the recognition of interest on Ante Refinancing loans amounting to Euro 442 thousand.

In 2024, as a result of the proportional and partial demerger transactions of the subsidiaries Domus Nova S.r.l., Rugani Hospital S.r.l., Ospedali Privati Riuniti S.r.l. and Villa Von Siebenthal S.r.l., part of the financial payables due to GHC were also transferred to the subsidiary Garofalo Health Care Real Estate S.p.A..

The item *"Financial receivables from others",* amounting to Euro 704 thousand, includes non-current financial prepaid expenses related to the bank loan taken out in 2024, for Euro 693 thousand, and the security deposit paid to Alba Leasing related to the contract for the New Wing, for Euro 11 thousand.

Note 6 Deferred tax assets and liabilities

"Deferred tax assets and liabilities" amount to Euro 403 thousand, compared to a balance of Euro 86 thousand in the previous year, an increase of Euro 317 thousand.

Deferred tax assets and liabilities at December 31, 2024, compared with the situation at December 31, 2023, is presented below.

in Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Deferred tax assets:			
within 1 year	442	220	222
Total	442	220	222
Deferred tax liabilities:			
within 1 year	(38)	(134)	96
Total	(38)	(134)	96
Net balance	403	86	317

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

in Euro thousands	*At December 31, 2024*	*At December 31, 2023*
Net opening balance	86	197
Credit / (Debit) to the income statement	123	(111)
Other movements	194	-
Net closing balance	403	86

The item reports a net increase of Euro 317 thousand due to an increase in deferred tax assets for the period of Euro 222 thousand, mainly related to deferred tax assets on the derivative financial instrument for Euro 207 thousand, and a decrease in deferred tax liabilities of Euro 96 thousand, mainly due to the use of the provision following the collection of dividends in 2024.

The breakdown of net deferred taxes at December 31, 2024 is illustrated below:

	Balance sheet		Comprehensive Income Statement		P&L	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Adjustments IFRS 17 Leasing/IFRS 16	6	-	-	-	6	-
IAS 19 adjustments - Severance	13	4	-16	4	2	4
Other movements	203	18	207	-	20	18
DEFERRED TAX ASSETS	222	22	191	4	28	22

Deferred tax liabilities	95	(133)	--	-	95	(133)
Total	317	(111)	191	4	123	(111)

Note 7 Trade receivables

Trade receivables at December 31, 2024 amounted to Euro 2,366 thousand compared to Euro 1,342 thousand at December 31, 2023 and recorded an increase of Euro 1,024 thousand, mainly resulting from receivables for invoices to be issued to subsidiaries.

The receivables refer to the fees invoiced and not yet invoiced to the subsidiaries for the administrative coordination, financial, corporate and IT activities provided by the holding company.

in Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Receivables from subsidiaries	1,287	1,115	172
Invoices to be issued to Subsidiaries	1,079	223	856
Current other receivables	-	4	(4)
Total trade receivables	2,366	1,342	1,024

The Company has performed the Expected Credit Loss analysis and has not made any write-downs as it considers that the probability of default is close to zero.

Note 8 Tax receivables

The account "*Tax receivables*" stood at Euro 3,372 thousand, compared to Euro 2,633 thousand in the previous year, an increase of Euro 739 thousand.

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

in Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
IRES credits	3,372	2,633	739
Total tax receivables	3,372	2,633	739

This item consists of the first and second income tax payments on account made to the Treasury in July and December 2024, respectively; it should be noted that in FY2024 there was an expansion of the scope of GHC's tax consolidation with the entry of the companies: Aurelia Hospital S.r.l., Casa di Cura Sant'Antonio da Padova S.r.l., European Hospital S.p.A., Samadi S.p.A., Axa Residence S.p.A., Ram S.r.l., Finaur S.r.l., Gestiport 86 S.p.A., Video 1 S.r.l. in liquidation and Radio Ies S.r.l.

Note 9 Other receivables and current assets

"*Other receivables and current assets*" amounted to Euro 11,216 thousand at December 31, 2024, compared to Euro 17,351 thousand at December 31, 2023, a net decrease of Euro 6,135 thousand. The changes in the account were as follows:

in Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Advances to suppliers	11	7	4
Receivables from subsidiaries	10,841	17,196	(6,355)
Current other receivables	14	5	9
Other tax assets	222	19	203
Accrued income and prepaid expenses (non-financial)	128	124	4
Total other receivables and current assets	11,216	17,351	(6,135)

For the figures to be comparable the table for FY2023 was reclassified; in particular, the amount of Euro 520 thousand was reclassified from Other tax receivables to Receivables from subsidiaries.

The item "*Receivables from subsidiaries*" report a net decrease of Euro 6,355 thousand resulting mainly from the combined effect of the following factors: (i) decrease of Euro 11,000 thousand due to the receipt of dividends resolved in FY2023; (ii) increase of Euro 1,417 thousand in receivables from subsidiaries adhering to the Tax Consolidation for income taxes transferred; (iii) increase of Euro 126 thousand in receivables from subsidiaries for the VAT Debt transferred within the VAT Group; (iv) increase of Euro 3,100 thousand in receivables for dividends resolved in FY2024 by the subsidiaries Rugani Hospital S.r.l. and Hesperia Hospital Modena S.r.l. and not yet received.

It should be noted that in FY2024 the companies of the Aurelia Group (Aurelia Hospital S.r.l., Casa di Cura Sant'Antonio da Padova S.r.l., European Hospital S.r.l., Samadi S.p.a., Axa Residence S.r.l., Ram S.r.l., Finaur S.r.l., Gestiport 86 S.p.A., Video 1 in liquidation and Radio Ies S.r.l.) joined the Tax Consolidation.

At December 31, 2024, all subsidiaries took part in the Group VAT consolidation, with the exception of the companies within the scope of Aurelia Hospital S.r.l., which will join from January 2025. By setting up the VAT Group, the GHC Group reaps the administrative and organisational benefits of reducing all VAT formalities, which are concentrated within the Parent Company GHC S.p.A., and it may also characterise transactions between VAT Group members as outside the scope of VAT.

The item "*Other tax receivables*" reports an increase of Euro 203 thousand resulting mainly from the VAT Credit, amounting to Euro 170 thousand, which was not present as of December 31, 2023 as the VAT position was a payable.

Note 10 Other current financial assets

The account "*Other current financial assets*" came to Euro 46,653 thousand at December 31, 2024, against a balance in the previous year of Euro 24,153 thousand, an increase of Euro 22,500 thousand, as per the following table:

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Other current financial assets from subsidiaries	41,476	24,153	17,323
Other current financial assets from third parties	5,178	-	5,178
Total other current financial assets	46,653	24,153	22,500

"Other current financial assets from subsidiaries" comprises the short-term portion of loans and related interest to subsidiaries, amounting to Euro 19,118 thousand, and the financial receivables from the centralised cash pooling, amounting to Euro 22,358 thousand. The net change of Euro 17,323 thousand is mainly attributable to: (i) the increase in the short-term loan granted in February 2024 (due February 28, 2025) to Aurelia Hospital S.r.l. for Euro 2,500 thousand; (ii) the increase in the short-term portion of the loan granted in July 2024 to Sanatorio Triestino, amounting to Euro 1,083 thousand; (iii) the increase in financial receivables from cash pooling of Euro 16,216 thousand; (iv) the decrease due to the receipt of receivables for the capital share maturing in 2024, amounting to Euro 17,434 thousand; (v) the increase resulting from the reclassification of the capital share of receivables maturing by the year 2025, amounting to Euro 14,982 thousand.

The item "Other current financial assets from third parties" mainly consists of Time Deposit with a maturity of 6 months from the subscription date, amounting to Euro 5,000 thousand, and Financial Accrued Income and Prepaid Expenses, amounting to Euro 178 thousand.

Note 11 Cash and cash equivalents

"*Cash and cash equivalents*" amounted to Euro 11,557 thousand compared to a balance in the previous year of Euro 647 thousand, an increase of Euro 10,910 thousand resulting mainly from the net effect of the refinancing transaction completed by the Company in July 2024, described in Note 14 to which reference should be made for further details. The changes in the account over the last two years were as follows:

in Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Bank current accounts	11,552	636	10,916
Checks and cash	5	11	(6)
Total cash and cash equivalents	11,557	647	10,910

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

The company GHC S.p.A. believes that the credit risk associated with cash and cash equivalents is limited because they primarily consist of deposits held with various national Italian banking institutions.

The above account is subject to the general impairment rule and the loss rate approach has 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.

Note 12 Shareholders' equity

Share capital

At December 31, 2024 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 December 31, 2024, including significant equity interests.

Shareholder	Direct shareholder	% of ordinary share capital	% of voting share capital
Garofalo Maria Laura([1])	Anrama S.p.A.	65,09%([2])	63,9%([2])
	Larama 98 S.p.A.		
	Garofalo Maria Laura		
Enasarco Foundation	Enasarco Foundation	5.28%	5.18%

Number of ordinary shares	% share capital	Listed / Non listed	Rights and obligations
90,200,000	100%	Euronext STAR Milan	Each Share entitles the owner to one vote. 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 confers two votes. For further information, reference should be made to paragraph 2, letter d), of the Corporate Governance Report. The shareholders' rights and obligations are as established in Articles 2346 *et seq.* of the Italian Civil Code and Article 7 of the By-laws with regard to multi-voting rights.

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 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.

[(1)] Source: GHC Group
[(2)] Percentages concern number of total shares, including treasury shares

Legal reserve

The legal reserve amounted to Euro 1,088 thousand, increasing Euro 474 thousand due to the Shareholders' Meeting motion of April 29, 2024 which stipulated the allocation of 5% of the parent company's net profit.

Other reserves

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

in Euro thousands	At December 31	At December 31	Change
	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	2,728	2,154	574
Provision as per Article 40 By-Laws	99	4	95
IAS 19 actuarial effect reserve	8	(42)	50
Share Premium Reserve	101,413	101,413	-
Retained earnings	11,478	2,471	9,007
Reserve for treasury shares in portfolio	(8,108)	(7,601)	(507)
Cash Flow Hedge Reserve	(654)	-	(654)
AUCAP 2021 Reserve	(883)	(883)	-
Other reserves	**160,536**	**151,969**	**8,565**

At December 31, 2024, the account Other Reserves amounted to Euro 160,536 thousand, a net increase of Euro 8,565 thousand compared to December 31, 2023, mainly deriving from the combined effect of:

(i) net increase in the share-based payments reserve of Euro 574 thousand, due to the registration of the Performance Share plan, in the amount of Euro 1,006 thousand, in accordance with IFRS 2 (see Note 36 of this document for more details), partly offset by the delivery on May 31, 2024 of GHC S.p.A. shares to the beneficiaries of the “2021 - 2023 Performance Share Plan" (Euro 432 thousand);

(ii) increase in the Reserve pursuant to Article 40 of the By-Laws by Euro 95 thousand, as a result of the Shareholders' Meeting resolution of April 29, 2024 that has earmarked a portion of the 2023 fiscal year's profit for scientific purposes and/or benefits to parties other than the shareholders;

(iii) positive change in the IAS 19 actuarial effect reserve of Euro 50 thousand;

(iv) increase in Retained Earnings in the amount of Euro 9,007 thousand mainly due to the Shareholders' Meeting resolution of April 29, 2024, which provided for the allocation of part of the 2023 profit for the year;

(v) net increase of Euro 506 thousand to the Treasury shares in portfolio reserve following the purchase of 159,636 shares, amounting to Euro 898 thousand, partially offset by the delivery of 74,503 shares to the beneficiaries of the 2021-2023 Performance Share Plan, for a value of Euro 343 thousand.

increase in the Cash Flow Hedge reserve of Euro 654 thousand as of December 31, 2024, which represents the fair value of the Interest Rate Swap, entered into by the Company in July 2024, with a notional amount equal to two-thirds of the new medium/long-term bank loan, in order to hedge against the risk of rising interest rates and to stabilise future interest expense payment flows.

Note 13 Employee Benefits

The account "*Employee benefits*" amounted to Euro 146 thousand, compared to a balance from the previous year of Euro 192 thousand.

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 year 2024 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 December 31	*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%

Movements during the year were as follows:

in Euro thousands	
December 31, 2023	**192**
Financial charges/(income)	4
Utilisations	(32)
Net actuarial gains/(losses) recognised in the period	(63)
Cost for service	45
Balance at December 31st 2024	**146**

This item reports a net decrease of Euro 47 thousand, mainly due to utilizations, in the amount of Euro 33 thousand, and actuarial gains in the amount of Euro 63 thousand, partly offset by the provision for the period of Euro 45 thousand.

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 table shows, 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.

		December 31, 2024		
		Annual discount rate		
		-10%	*100%*	*10%*
Annual inflation rate	*-10%*	149	138	127
	100%	156	145	133
	10%	163	151	139

Note 14 Non-current financial payables

The account "*Non-current financial payables*" came to Euro 179,986 thousand compared to Euro 119,497 thousand at the end of the previous year.

The following table presents the figures for the non-current financial payables at December 31, 2024 and December 31, 2023:

in Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Medium/long-term loans and borrowings	126,734	117,482	9,250
Bond loan	50,475	-	50,475
Derivative financial instrument liabilities - non-current	860	-	861
Other non-current financial payables	1,917	2,015	(98)
Total non-current financial payables	**179,986**	**119,497**	**60,489**

This item increased by a total of Euro 60,489 thousand compared to December 31, 2023, mainly due to the refinancing finalized on July 8, 2024, which involved the issuance of a new bond for Euro 50,475 thousand and the net increase in Medium/long-term loans and borrowings of Euro 9,250 thousand, following the repayment of the loans outstanding as of December 31, 2023, amounting to Euro 117,482 thousand, and the simultaneous drawdown of new loans totalling Euro 126,734 thousand.

Specifically, the 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) comprises:

- 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), currently not utilised.

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.

The details of the loan at December 31, 2024 is illustrated below:

Description	Annual interest rate at signing	Expiry	Balance at December 31st 2024
Line A Financing	Euribor 6M+1.70%	Jul 8, 30	125,743
Capex Line Financing	Euribor 6M+1.80%	Jul 8, 31	992
Total			126,734

It should also be noted that during 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. The fair value at December 31, 2024 of the above-mentioned interest rate swap is Euro 860 thousand, which is recorded under "Liabilities for non-current derivative financial instruments."

The 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 31.12.2026.

Parameter	*Threshold value*		
	Until December 31, 2026	*at December 31, 2027*	*from December 31, 2028*
Leverage Ratio (NFP/ EBITDA)	≤4x	≤3,75x	≤3.5x
NFP / NE	≤1.5x	≤1.5x	≤1.5x

The covenants had been fulfilled at the date of these financial statements.

"Other non-current financial payables", amounting to Euro 1,916 thousand, includes payables to leasing companies related to the leasing contracts of the "New Wing" and the vehicle rentals, and report a decrease of 99 thousand from the previous year resulting from the reclassification to current financial payables of lease instalments due in 2025.

The following table shows the breakdown of financial debt at December 31, 2024 compared with December 31, 2023):

Euro thousands	2024 Euro '000	2023 Euro '000	Δ vs 2023 Euro '000
A Available liquidity	5	11	(6)
B Cash equivalents	11,552	636	10,916
C Other current financial assets	46,653	24,153	22,500
D Liquidity	**58,210**	**24,800**	**33,410**
E Current financial debt	73,952	75,951	(1,999)
F Current portion of non-current financial debt	0	33,166	(33,166)
G Current financial debt	**73,952**	**109,117**	**(35,165)**
H Net current financial debt (G - D)	**15,742**	**84,317**	**(68,575)**
I Non-current financial debt	179,986	119,497	60,489
L Non-current financial debt	**179,986**	**119,497**	**60,489**
M Total financial debt (H + L)	**195,728**	**203,814**	**(8,086)**

Total financial debt reports a net decrease of Euro 8,086 thousand, mainly due to the increase in non-current financial debt, amounting to Euro 60,489, offset by the decrease in net current financial debt, amounting to Euro 68,575 thousand, with the increase in liquidity, for Euro 33,410 thousand and the decrease in current financial debt, for Euro 35,165 thousand.

However, the financial debt outlined above, presented as per IAS 7 "Statement of cash flows", does not include "Other non-current financial assets" of Euro 104,917 thousand at December 31, 2024, mainly comprising the receivables arising from the loans issued by GHC to the subsidiaries to enable them to settle debts with the banks.

Note 15 Trade payables

Trade payables amount to Euro 1,182 thousand at December 31, 2024 and to Euro 1,443 thousand at December 31, 2023, an increase of Euro 261 thousand. The breakdown is shown in the table below:

in Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Trade payables	485	802	(316)
Payables for invoices to be received	699	644	55
Credit notes to be received	(2)	(2)	-
Total	1,182	1,443	(261)

Trade payables at December 31, 2024 comprise payables to suppliers for invoices received for Euro 485 thousand and invoices to be received of Euro 699 thousand, relating to legal, administrative and financial consultancy services connected with the typical activities of a holding company.

Note 16 Current financial payables

"Current bank payables" amount to Euro 73,952 thousand compared to the previous year's balance of Euro 109,117 thousand, a decrease of Euro 35,165 thousand as a result of the financing carried out in FY 2024, described in Note 14, to which we refer for further details.
The following table presents the figures for the current financial payables at December 31, 2024 and December 31, 2023:

in Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Cash pooling financial payables	73,626	75,376	(1,750)
Current bank payables (short-term portion of loans)	-	33,481	(33,481)
Current financial payables to leasing companies	94	82	12
Financial payables for IFRS 16 Current	198	178	20
Accrued financial liabilities and deferred financial income	34	-	34
Total current financial payables	73,952	109,117	(35,165)

This item mainly consists of intercompany loans granted and the centralized treasury management within the GHC Group, amounting to Euro 73,626 thousand, and the current portion of financial payables to leasing companies and the application of IFRS 16, amounting to Euro 94 thousand and Euro 198 thousand at December 31, 2024, respectively.

Note 17 Tax Payables

The account "*Tax payables*" stood at Euro 2,318 thousand, compared to Euro 2,694 thousand in the previous year, a decrease of Euro 376 thousand.
The table below provides the breakdown of the account for the year ended December 31, 2024 and a comparison to the same period of the previous year.

in Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
IRES tax payables	2,318	2,694	(376)
Total tax payables	**2,318**	**2,694**	**(376)**

The account includes the IRES payable transferred at December 31, 2024 by the companies within the scope of tax consolidation, which generates in the accounts of GHC an amount payable to the Italian Treasury and an amount receivable from the companies concerned, as described above in "*Note 9 Other receivables and current assets*".

It should be noted that in FY2024 the companies of the Aurelia Group (Aurelia Hospital S.r.l., Casa di Cura Sant'Antonio da Padova S.r.l., European Hospital S.p.A., Samadi S.p.a., Axa Residence S.p.A., R.A.M. S.r.l., Finaur S.r.l., Gestiport 86 S.p.A., Video 1 S.r.l. in liquidation and Radio Ies S.r.l.) joined the Tax Consolidation.

Note 18 Other current liabilities

At December 31, 2024 "*Other current liabilities*" amounted to Euro 19,518 thousand, compared with Euro 5,862 thousand, marking an increase of Euro 13,656 thousand. The table below summarizes the composition of the account:

in Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Payable to subsidiaries	18,006	4,224	13,782
Employee payables	676	536	139
Social security institutions	226	181	45
Tax payables	-	261	(261)
Withholding payables	112	82	30
Other payables	498	579	(81)
Total Other current liabilities	**19,518**	**5,862**	**13,656**

For the figures to be comparable the table for FY2023 was reclassified; in particular, the amount of Euro 4,224 thousand was reclassified from Other payables to Payables to subsidiaries.

The item "Payables to subsidiaries" at December 31, 2024, amounting to Euro 18,006 thousand, recorded an increase of Euro 13,782 thousand mainly due to the increase in the payable: (i) to Casa di Cura Villa Garda S.r.l. for Euro 9,932 thousand following the purchase of an additional 50% of the share capital of the company Fides Medica S.r.l.; (ii) to subsidiaries within the scope of the tax consolidation, for Euro 3,822 thousand.

"Tax payables" at December 31, 2024 is zero as at the end of the year the Company has a VAT Credit, mainly due to the payment on account made in December 2024, while in the previous year the Company had a VAT liability related to December 2023.

"Other payables" at December 31, 2024, amounting to Euro 498 thousand, mainly refers to the payable to Directors accrued and not yet paid.

Note 19 Revenues from services

"Revenues from services" amounted to Euro 5,230 thousand compared to Euro 4,600 thousand in the previous year and increased by Euro 630 thousand due to the expansion of the scope of subsidiaries (Aurelia Group) to which GHC provides services.
The breakdown of the account for the years 2024 and 2023 is shown below.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Revenues from services	5,230	4,600	630
Total revenues from services	5,230	4,600	630

The account includes the re-charge of costs by the parent company to the subsidiaries for administrative, financial, corporate and IT coordination services.

Other revenues

"Other revenues" amounted to Euro 682 thousand compared to Euro 267 thousand in the previous year and increased by Euro 415 thousand, mainly due to the recharge of higher IT costs incurred during the year paid on benefit of subsidiaries.
The breakdown of the account for the years 2024 and 2023 is shown below.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Other income	682	267	415
Total Other revenues	682	267	415

The account in question refers to the costs recharged by the parent company to the subsidiaries for the additional services rendered to them that could not be foreseen in the management service contract.

Note 20 Costs for raw materials, ancillary, consumables and goods

The account "*Costs for raw materials, ancillary, consumables and goods*" amounted to Euro 24thousand in 2024, compared to the figure for the previous year of Euro 18 thousand, an increase of Euro 6 thousand. The account is broken down below

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Raw materials, ancillaries and consumables	24	18	6
Total raw materials, ancillary & consumables	24	18	6

This account includes the costs of stationery materials and other consumables.

Note 21 Service costs

"Service costs" amounted to Euro 4,617 thousand compared with Euro 5,689 thousand in 2023, marking a decrease of Euro 1,072 thousand mainly due to the reduction in M&A costs.
The table below provides the breakdown of the account for the year ended December 31, 2024 and a comparison to the previous year:

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Corporate board fees	1,724	1,771	(48)
Technical consultancy fees	1,236	2,268	(1,032)
Legal, tax and notary fees	299	289	10
Rental charges	174	162	12
Insurance	93	95	(2)
Other costs	1,091	1,103	(12)
Total service costs	4,617	5,689	(1,072)

Please note that the amounts in 2023 have been reclassified according to the current table.

"Corporate body compensation" which amounted to Euro 1,724 thousand with a decrease of Euro 48 thousand compared to the previous year (Euro 1,771 thousand), is composed of fees for the Directors, amounting to Euro 1,609 thousand, the Board of Statutory Auditors, amounting to Euro 99 thousand, and the Supervisory Board, amounting to Euro 16 thousand.

"Technical consultants" amount to Euro 1,236 thousand and decreased by Euro 1,032 thousand compared to the previous year(Euro 2,268 thousand) , mainly as a result of lower costs incurred for M&A activities, considering that in 2023 the acquisitions of Sanatorio Triestino S.p.A. and Aurelia Hospital S.r.l. were finalized, while in 2024 no acquisitions were finalized.

"Legal, tax and notary fees", amounting to Euro 299 thousand compared to Euro 289 thousand in 2023, consists of: (i) Legal fees for Euro 184 thousand; (ii) Notary fees for Euro 23 thousand; (ii) Administrative and tax fees for Euro 92 thousand.

"Other costs" amount to Euro 1,091 thousand and decreased by Euro 12 thousand compared to the previous year (Euro 953 thousand), and consist mainly of: (i) Fees for annual software licenses for Euro 387 thousand; (ii) Temporary contract workers for Euro 159 thousand; (iii) Independent audit firm for Euro 186 thousand;(iv) Transfer and travel for Euro 114 thousand; (v) Bank services for Euro 40 thousand.

Note 22 Personnel costs

"Personnel costs" amounted to Euro 3,258 thousand in 2024, increasing by Euro 318 thousand on the previous year (Euro 2,940 thousand). The table below shows the breakdown of personnel costs for 2024, with a comparison for the previous year.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Salaries and wages	1,384	1,248	136
Social security contributions	693	647	45
Post-employment benefits	83	94	(11)
Other personnel costs	1,098	951	147
Total personnel costs	**3,258**	**2,940**	**318**

The increases in the item *"Salaries and wages"* of Euro 136 thousand and in the item *"Social security contributions"* of Euro 45 thousand are mainly due to an adjustment of the fixed component as well as to the variable remuneration paid to employees based on the achievement of annual targets.

"Other personnel costs", amounting to Euro 1,098 thousand in 2024 and increased Euro 147 thousand on the previous year, mainly includes the personnel costs related to the second and third cycles of the 2021-2023 Performance Share Plan and the first cycle of the 2024-2026 Performance Share plan (Euro 774 thousand) and those related to variable management remuneration (Euro 286 thousand).

Note 23 Other operating costs

"Other operating costs" amounted to Euro 825 thousand in 2024 compared to Euro 858 thousand in the previous year; the table below shows the breakdown of these costs for 2024 and 2023.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Non-deductible VAT on a pro rata basis	684	688	(4)
Taxes and duties	66	95	(28)
Other operating charges	75	76	(1)
Total Other operating costs	**825**	**858**	**(33)**

The decrease in the item, amounting to Euro 33 thousand, is mainly due to the change in the item *"Taxes and duties"*, as the previous year included the payment of the Tobin tax related to the purchase of the shares in Sanatorio Triestino S.p.A..

Note 24 Amortisation, depreciation and write-downs

"Amortisation, depreciation and write-downs" amounted to Euro 870 thousand in 2024, compared to Euro 597 thousand in the previous year; the table below shows the breakdown of depreciation and amortisation in 2024 and 2023:

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Amortisation of intangible assets	315	102	213
Depreciation of property, plant and equipment and investment property	555	495	61
Total amortisation, depreciation and write-downs	**870**	**597**	**274**

The increase in the item, amounting to Euro 274 thousand, is mainly attributable to the recording of amortisation related to higher investments for Software and Licenses under intangible assets and the investment in the "New Wing" of the Company's headquarters recorded under tangible fixed assets.

More specifically, amortisation of intangible assets, amounting to Euro 315 thousand Euro, is attributable for Euro 296 thousand to patents and intellectual property, while depreciation of tangible fixed assets, amounting to Euro 555 thousand, is attributable for Euro 190 thousand to right-of-use and for Euro 271 thousand to leased buildings as per IFRS 16 and IAS 17.

Note 25 Financial income

"Financial income" amounted to Euro 17,882 thousand in 2024, compared with Euro 22,358 thousand in the previous year, marking a decrease of Euro 4,476 thousand.
The table below shows the breakdown of the account in question and the change on the previous year:

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Dividends	13,493	18,766	(5,273)
Interest income from subsidiary companies	3,128	3,285	(157)
Interest income from cash pooling	512	234	278
Interest Income derivative instruments	500	-	500
Bank interest	249	72	177
Total financial income	17,882	22,358	(4,476)

"Bank interest" amounted to Euro 249 thousand, an increase of Euro 177 thousand from the previous year due to both the renegotiation of interest terms and conditions and the higher average balance.

"Interest income from subsidiary companies" amounted to Euro 3,128 thousand, with a decrease of Euro 157 thousand resulting mainly from lower interest income accrued on centralized treasury management (cash pooling) and on intercompany loans disbursed to subsidiaries, particularly on the loan to Gruppo Veneto Diagnostica e Riabilitazione S.r.l., by virtue of the partial waiver of the Loan in the amount of Euro 4,500 thousand with simultaneous conversion into a capital contribution.

"Interest income from derivative instruments", amounting to Euro 500 thousand, is due to the collection of interest income accrued on IRS derivative instruments hedging the bank loan commented in Note 14 as the positive differential between variable rate collected and fixed rate paid.

"Dividends" amounted to Euro 13,493 thousand, a decrease of Euro 5,273 thousand compared to the previous year (Euro 18,766 thousand), and refers to amounts resolved during the year 2024 by Casa di Cura Villa Berica S.r.l.. in the amount of Euro 2,000 thousand, by Poliambulatorio Dalla Rosa Prati S.r.l. for Euro 1,000 thousand, by C.M.S.R. Veneto Medica S.r.l. for Euro 1,573 thousand, by Sanimedica S.r.l. for Euro 75 thousand, by Casa di Cura Villa Garda S.r.l. for Euro 1,086 thousand, by Centro Medico San Biagio S.r.l. for Euro 2,366 thousand, by Bimar S.r.l. for Euro 190 thousand, by Casa di Cura Prof. Nobili for Euro 1,707 thousand, by Fides Medica S.r.l. for Euro 395 thousand, by Hesperia Hospital Modena S.r.l. for Euro 1,350 thousand and by Rugani Hospital S.r.l. for Euro 1,750 thousand.

Note 26 Financial charges

Financial charges amounted to Euro 14,256 thousand compared with Euro 10,503 thousand in the previous year, marking an increase of Euro 3,752 thousand.

The table below shows the breakdown of and changes in the account in question compared to the year ended December 31, 2023.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Interest on mortgage loans	9,169	7,627	1,542
Interest expense from cash pooling	3,224	2,550	674
Interest on bond loans	1,507	-	1,507
Financial charges on Leasing	55	54	1
IFRS 16 interest charges	13	13	-
Other financial charges	284	255	29
Interest expense on the discounting of defined benefit plans	4	4	-
Interest payable on arrears	-	1	(1)
Other financial charges	14,256	10,503	3,752

"Interest on mortgage loans" in 2024, amounting to Euro 9,169 thousand, includes interest expenses accrued until the first half of 2024 on the loan signed on November 16, 2021 with Banca UniCredit S.p.A., and interest expenses accrued for the second half of the year on the new loan signed on July 8, 2024 (commented on in Note 14 of this document, to which reference should be made for further details). The increase in the item from the previous year, amounting to Euro 1,542 thousand, stems from both the higher average debt present in 2024, as a result of the debt assumed to finance the M&A transactions in 2023, and the increase in interest rates.

"Interest expense from cash pooling" in 2024 amounted to Euro 3,224 thousand and increased Euro 674 thousand on the previous year, regarding the interest expense calculated on the financial payables generated by the cash pooling, whose average amount was higher compared to the previous year.

"Interest expense on bond loan", amounting to Euro 1,507 thousand, represents interest expense on the new bond loan of Euro 50,475 thousand issued in connection with the refinancing finalized on July 8, 2024.

"Other financial charges" in 2024, amounting to Euro 284 thousand (Euro 255 thousand in 2023) is mainly composed of undrawn fees on the Capex and Revolving Facility lines signed on July 8, 2024 (for more details see Note 14).

Note 27 Income taxes

"Income taxes" in 2024 presented a positive balance of Euro 3,061 thousand (Euro 2,869 thousand in 2023), due to the recognition of income from the tax consolidation as a result of the assessable base transferred by the subsidiaries involved in GHC S.p.A.'s tax consolidation.
The table below shows the breakdown and changes in 2024 and 2023.

Euro thousands	At December 31		*Change*
	2024	2023	2024 vs 2023
Current taxes - Income from tax consolidation	(2,938)	(2,984)	46
Deferred tax income	(28)	(18)	(10)
Deferred tax charges	(95)	133	(228)
Total income taxes	(3,061)	(2,869)	(192)

The company's nominal and effective rates for the years ended December 31, 2024 and December 31, 2023 are reconciled below.

IRES reconciliation	*At December 31*	
Euro thousands	*2024*	*2023*
Profit before taxes	**(56)**	**6,618**
IRES rate applicable	**24%**	**24%**
Theoretical tax charge (Profit before taxes * IRES tax rate)	14	(1,588)
Dividends	2,981	4,411
ACE	-	210
Other changes	66	(164)
Current and deferred IRES tax	**3,061**	**2,869**
Effective tax rate	**N/A**	**(43.35%)**

Note 28 Net profit for the year

2024 Net profit of Euro 3,005 thousand compared to Euro 9,488 thousand in the previous year.

Note 29 Fair value hierarchy

The following tables 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:

Financial Liabilities	At December 31, 2024		At December 31, 2023	
Euro thousands	*Book value*	*Fair Value*	*Book value*	*Fair Value*
Loans	126,734	126,770	150,649	151,136
Derivative instrument	861	861	-	-
Total	**127,595**	**127,631**	**150,649**	**151,136**

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

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 company 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 Company uses valuation processes to establish valuation procedures and principles and analyse changes in the measurement of fair value from one period to the next.

The method for calculating fair value used by the Company and checking the models used includes a series of checks and other procedures aimed at ensuring that there are adequate safeguards to guarantee their quality and adequacy. Once prepared, fair value estimates are also revised and assessed by the Chief Financial Officer (CFO).

The CFO validates fair value estimates according to the following approaches:

- Comparing the prices with observable market prices or other independent sources;
- Verifying the model’s calculations;
- Assessing and confirming the input parameters.

The CFO also assesses the calibration of the model at least on an annual basis or when there are significant events on the relevant markets. The CFO is responsible for verifying that the final fair value levels have been set in accordance with IFRSs and proposes adjustments when necessary.

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 (for example, 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 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 company 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 Company.

29.1 Finance leases and final purchase commitments

The company on May 25, 2022 agreed a finance lease contract with Alba Leasing S.p.A. for the use of the building adjacent to the holding company's offices for a monthly fee and a duration of 144 months. On the conclusion of this period, GHC is required to return the building to the Grantor, or it may exercise the option to extend the lease or acquire the property.

29.2 Commitments and Guarantees

At December 31, 2024, there are no Commitments and Guarantees issued in favour of third parties.

This section contains a description of the financial risks to which GHC S.p.A is exposed, together with the policies and strategies employed by the company to manage the risks concerned during the year to December 31, 2024.

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

GHC through its operating activities is exposed to financial risks, in particular:

• Credit risk arising from commercial transactions or financing activity;

• Liquidity risk, related to the availability of financial resources and access to the credit market

• Operational risk relating to the conduct of the business;

The management and monitoring system for the main risks involves the director and management of the company 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 Company regards the setting of guidelines on which to base the operational management.

The principal risks to which the company is exposed are as follows:

29.3.1 Credit risk

Credit risk is the risk that a counterparty does not fulfil its obligations relating to a financial instrument or a commercial contract, resulting therefore in a financial loss.
The credit risk of GHC S.p.A. is moderate as the credit positions recognised to GHC S.p.A.'s financial statements are with Group companies and derive both from revenues for the offsetting of costs incurred by the holding company for services provided to the subsidiaries and from loans provided to them. More particularly, the Group companies, mainly operating in "strong" Regions, whose health spend is balanced from a financial viewpoint and is not exposed to payment delay risks, with consequent benefits for the company. The implementation of cash pooling within the Group also makes it possible to optimise the management of cash flows and thus of liquidity.

Information on GHC's trade receivable positions at December 31, 2024 and December 31, 2023 is provided below:

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Receivables from subsidiaries	1,287	1,115	172
Invoices to be issued to subsidiaries	1,079	223	856
Current other receivables	-	4	(4)
Total trade receivables	**2,365**	**1,342**	**1,023**

29.3.2 Liquidity risk

Liquidity risk is associated with the ability to meet commitments arising from financial liabilities. Prudent management of the liquidity risk from normal operations implies the holding of an adequate level of liquidity and an adequate funding from credit lines.
The company has introduced effective financial planning which offsets liquidity risk, also in view of the fact, as stated GHC S.p.A.'s receivables are from Group companies whose liquidity is related to on-time payment by the Regional Health System to which the individual clinics belong. The company therefore considers that this risk deriving from any delayed payment by the Regional Health System, with any related impacts on liquidity, is moderate. The Group's facilities are primarily located in regions with a balanced healthcare spending budget. This reduces, but does not eliminate, the risk that the Regional Health Systems within whose territory the facilities concerned operate may delay the payment of services rendered to patients.
In addition, in December 2019 a centralised liquidity system was adopted by implementing cash pooling. This system optimises cash flow management within the Group by daily sweeping of the current account balances of Group companies (secondary accounts) held with a primary banking institute and automatically transferring the related debits/credits with the same value date to the treasury account held by GHC (the primary account) to create a consolidated daily financial position for the Group.
GHC S.p.A. in addition, to offset any unexpected liabilities, may utilise the shareholders' equity reserves of the subsidiaries, which may be distributed in view of the financial equilibrium of the subsidiaries.

Trade payables and financial payables at December 31, 2024 and 2023 are detailed below:

4

Euro thousands	*At December 31, 2024*		
	Financial Payables	Trade payables	Total
Maturity:			
Within 12 months	73,952	1,182	75,135
Beyond 12 months	179,986	-	179,986
Total	253,939	1,182	255,121

Euro thousands	*At December 31, 2023*		
	Financial Payables	Trade payables	Total
Maturity:			
Within one year	109,117	1,443	110,560
Beyond 12 months	119,497	-	119,497
Total	228,614	1,443	230,057

The management of financial risks is undertaken according to the guidelines drawn up by the directors. The aim is to ensure that the structure of liabilities is always balanced with the composition of assets, in order to ensure a high margin of solvency.

The Company also seeks to maintain an optimal capital structure so as to reduce its borrowing costs. The Company monitors its capital situation on the basis of the ratio of net financial position (NFP) to net capital employed (NCE). Net debt is calculated as total borrowings, including current- and non-current loans and the net exposure to banks. Net capital employed is calculated as the sum of investments and net working capital (excluding net equity and debt included in NFP).

Note 30 Related party transactions

Transactions and balances with related parties at December 31, 2024 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.

31/12/2024	Receivables		Payables		Costs		Revenues	
Euro thousands	Financial	Trade/tax Other	Financial	Trade/tax Other	Financial	Commercial	Financial	Trade
Maria Laura Garofalo	-	-	-	-	-	86	-	-
A.M. Rinaldi	-	-	-	-	-	86	-	-
LEDCON S.r.l.	-	-	-	(20)	-	82	-	-
Casa di Cura Città di Roma S.p.A.	-	1	-	-	-	-	-	-
XRay One S.r.l.	9,610	37	(903)	-	48	-	(162)	(94)
Centro Medico S.Biagio S.r.l.	8,586	61	(9,797)	(17)	462	-	(2,547)	(244)
Bimar S.r.l.	-	6	(635)	(3)	27	-	(190)	(24)
Centro Medico Università Castrense S.r.l.	1,023	27	(2,489)	(1)	99	-	(22)	(62)
Aesculapio S.r.l.	427	15	(511)	(5)	18	-	(8)	(46)
Ospedali Privati Riuniti S.r.l.	4,280	1,119	(2,188)	(694)	210	-	(103)	(437)
Poliambulatorio Dalla Rosa Prati S.r.l.	1,497	901	(1,848)	(837)	108	-	(1,032)	(252)
Il Fiocco S.c.a.r.l.	-	-	-	-	-	-	-	-
Casa di Cura Prof. Nobili S.r.l.	-	553	(7,536)	(492)	375	-	(1,707)	(137)
Fides Servizi scarl	126	4	(144)	(2)	6	-	(3)	(11)
Prora S.r.l.	-	4	(1,496)	-	63	-	-	(15)
Ro.e.Mar. S.r.l.	429	18	(373)	-	26	-	(9)	(58)
Centro di Riabilitazione S.r.l.	-	14	(2,107)	(2)	101	-	-	(49)
Fides Medica S.r.l.	7,079	15	-	(3)	29	-	(566)	(58)
Hesperia Hospital Modena S.r.l.	-	2,188	(4,959)	(437)	304	-	(1,350)	(739)
Rugani Hospital S.r.l.	-	2,227	(5,126)	(606)	186	-	(1,754)	(204)
Villa Von Siebenthal S.r.l.	-	209	(551)	(116)	35	-	(25)	(70)
L'Eremo di Miazzina S.r.l.	13,541	135	-	(17)	-	-	(385)	(191)
Centro Medico Palladio S.r.l.	-	-	-	-	-	-	-	-
Sanimedica S.r.l.	-	50	(556)	(28)	23	-	(75)	(38)
C.M.S.R. Veneto Medica S.r.l.	1,835	361	(2,719)	(476)	121	-	(1,611)	(156)
Casa di Cura Villa Garda S.r.l.	1,874	387	(8,389)	(10,194)	51	23	(1,130)	(129)
Casa di Cura Villa Berica S.r.l.	429	1,100	(5,727)	(1,179)	253	-	(2,009)	(339)
Clinica S. Francesco S.r.l.	47,553	1,081	(604)	(653)	106	-	(773)	(463)
Domus Nova S.r.l.	-	325	(3,930)	(46)	179	-	(5)	(494)
Garofalo Health Care Real Estate S.p.A.	9,812	717	(3,182)	(3)	59	-	(150)	(30)
Gruppo Veneto Diagnostica e Riabilitazione S.r.l.	19,129	102	-	-	38	-	(1,043)	(164)
Sanatorio Triestino S.p.A.	5,972	128	(4,547)	-	202	-	(172)	(200)
Terme del Friuli Venezia Giulia S.r.l.	410	143	(53)	-	-	-	(7)	(24)
GHC Project 11 S.r.l.	-	-	(308)	-	12	-	-	-
Aurelia Hospital S.r.l.	11,465	569	-	(1,373)	-	-	(286)	(568)
European Hospital S.r.l.	-	399	(2,121)	(244)	72	-	-	(392)
Casa di cura Samadi S.p.A.	-	211	(642)	(74)	12	-	-	(53)
Casa di cura S. Antonio da Padova S.r.l.	612	79	(188)	(33)	-	-	(11)	(65)
Axa Residence S.p.A.	-	-	-	(32)	-	-	-	-
Finaur S.r.l.	-	-	-	(5)	-	-	-	-

R.A.M. S.r.l.	-	-	-	(4)	-	-	-	-
Gestiport '86 S.p.A.	-	21	-	(17)	-	-	-	-
Radio IES S.r.l.	-	-	-	(409)	-	-	-	-
Video 1 S.r.l.	-	-	-	(5)	-	-	-	-
Total	**145,689**	**13,206**	**(73,626)**	**(18,027)**	**3,224**	**277**	**(17,133)**	**(5,805)**

Pursuant to Consob Motion No. 17221 of March 12, 2010 and subsequent amendments, it is reported that in 2024 the Company 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.
All transactions with related parties in 2024 were at arm's length.

Note 31 Subsequent events after December 31, 2024

There were no subsequent events after December 31, 2024.

Note 32 Remuneration of the Board of Directors and Board of Statutory Auditors

The remuneration paid to members of the Board of Directors of Garofalo Health Care S.p.A., in all capacities and forms, during the years ended December 31, 2024 and December 31, 2023 amounted to Euro 1,609 thousand and Euro 1,672 thousand, respectively.

The remuneration accrued to the Board of Statutory Auditors of Garofalo Health Care S.p.A for the years ended December 31, 2024 and December 31, 2023 amounted to Euro 99 thousand in both years.

Euro thousands	December 31, 2024
Statutory Auditors	99
Directors	1,609

Euro thousands	December 31, 2023
Statutory Auditors	99
Directors	1,672

Note 33 Independent auditors' fees

The table below breaks down independent auditors' fees by type of service rendered:

Type of service	Service provider	Company	Fees
Audit	EY S.p.A.	GHC SPA	176
Other professional services	EY S.p.A.	GHC SPA	10

Note 34 Number of employees

The following table provides a concise comparison of the number of employees in 2024 by category with the previous year.

Employees by category	Number of employees at December 31, 2024	Number of employees at December 31, 2023	Change 2024 vs 2023
Executives	7	6	1
White collars/Managers	15	15	-
Total	22	21	1

Note 35 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.

Note 36 Information on share-based remuneration plans

2021-2023 Performance Share Plan" and 2024-2026 Performance Share Plan

On April 30, 2021, and on the proposal of the Board of Directors, the Shareholders' Meeting approved a new long-term incentive plan, the "2021-2023 Performance Share Plan" (the "Performance Share Plan"), reserved for the Chief Executive Officer and the General Manager 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 2021-2023 Performance Share Plan is divided into three-year cycles: 2021-2023, 2022-2024 and 2023-2025. The shares relating to the first three-year cycle 2021-2023 were delivered in May 2024.

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

At December 31, 2024, therefore, the 2022-2024 and 2023-2025 cycles of the 2021-2023 Performance Share Plan and the 2024-2026 cycle of the 2024-2026 Performance Share Plan are in effect.

The purposes of the Performance Share Plan are:

- to promote the creation of sustainable value for the Company, shareholders and stakeholders, also in accordance with the indications of the Corporate Governance Code;
- guide management towards decisions that pursue the creation of value for the Group over the medium to long term;
- reinforce the policy of loyalty and engagement of staff members considered important to the Group;
- 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.

The following is a summary of the number of rights assigned, of the rights attributable and the relative fair value established by a specially-appointed independent expert.

	number of assigned rights	number of rights granted	Fair value rights granted at the assignment date
Assignment of rights 28/07/2022	277,352	254,470	1,010,248
Assignment of rights 12/09/2023	292,156	266,593	1,146,350
Assignment of rights 12/09/2024	183,040	170,685	861,830

Note 37 Allocation of result for the year

Dear Shareholders,

Dear shareholders, We propose the approval of the financial statements at December 31, 2024 and, in accordance with Article 2427, paragraph 1, No. 22 septies of the Civil Code, the allocation of the net profit of Euro 3,005 thousand as follows: Euro 150 thousand to the legal reserve, Euro 30 thousand to the provision as per Article 40 of the By-Laws and the remaining Euro 2,825 thousand to the extraordinary reserve.

Mr. Alessandro Maria Rinaldi
Legal Representative

AUDITORS' REPORT ON THE SEPARATE FINANCIAL STATEMENTS

AT DECEMBER 31, 2024

Shape the future
with confidence

Garofalo Health Care S.p.A.

Financial statements as at December 31, 2024

Independent auditor’s report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010, and article 10 of EU Regulation n. 537/2014

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Garofalo Health Care S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2024, and the income statement, the comprehensive income statement, statement of changes in shareholders' equity and cash flows statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matter	Audit Response
Recoverability of Equity investments	
The Equity investments balance as of December 31, 2024, amounted to Euro 285,700 thousand.	Our audit procedure included, among others, the following:

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Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
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Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

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Management assesses at least annually the presence of indicators of impairment of each equity investment, such as the presence of a book value of the equity investment exceeding the value of the relevant Shareholders' Equity, consistent with its strategy of managing legal entities within the group, and subjects these assets to impairment tests if they arise.
The recoverability of equity investments was confirmed by the relevant impairment tests.

The processes and methodologies for assessing and determining the recoverable amount of the aforementioned CGUs, are based on complex assumptions which by their nature imply the use of management's judgment, in particular concerning the forecasted future profitability over the period covered by the single entities Business Plan 2025-2028, approved by their respective Boards of Directors, the determination of normalized cash flows underlying the estimate of the terminal value and the determination of discount rates applied to the forecasted future cash flows.

Considering the judgment required and the complexity of the assumptions used in the estimate of the recoverable amount of goodwill and the indefinite useful life assets related to accreditation, we have deemed such area to be a key audit matter.

The financial statement information relating to the Equity investments carried out is disclosed in note 4 "Equity investments", which in particular discusses the process of determining the recoverable value of each entity, the valuation assumptions used and the sensitivity analysis of the recoverable amount to changes in the main valuation assumptions.

- assessment of the impairment test process and key controls related to Equity investments balances, taking into consideration the impairment test procedure as approved by the Board of Directors;
- assessment of the consistency of the forecasted future cash flows of each entity with the company business plan;
- assessment of the reasonableness of future cash flow forecasts, also compared to the historical accuracy of previous years';
- the verification of valuation assumptions used in the calculation of impairment tests prepared by management, including the determination of discount rates;

In performing our procedures, we leveraged the use of EY valuation specialists who performed an independent calculation and sensitivity analysis on key assumptions, to determine any changes that could materially impact the valuation of the recoverable amount.

Lastly, we reviewed the disclosures included in the notes to the financial statements in particular concerning possible changes in the main assumptions that could lead to impairment of Equity investments.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Garofalo Health Care S.p.A., in the general meeting held on August 8, 2018, engaged us to perform the audits of the financial statements for each of the years ending December 31, 2018 to December 31, 2026.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Garofalo Health Care S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the financial statements as of December 31, 2024, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements as at December 31, 2024 with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2024 have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-*bis*) and e-*ter*) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Garofalo Health Care S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Garofalo Health Care S.p.A. as at December 31, 2024, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the financial statements of Garofalo Health Care S.p.A. as at December 31, 2024.

Furthermore, in our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-*ter*), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Rome, March 27 2025

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

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

CONSOLIDATED FINANCIAL STATEMENTS

at December 31, 2024

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
LUCA MATRIGIANI Independent Director	
ALBERTO OLIVETI	Independent Director
FEDERICO FERRO-LUZZI	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

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2024

Consolidated Balance Sheet at December 31, 2024

		For the year ended December 31			
in Euro thousands		2024	of which related parties	2023	of which related parties
Goodwill	Note 2	91,542		156,007	
Other intangible assets	Note 3	281,446		219,258	
Property, plant and equipment	Note 4	293,790		252,989	
Investment property	Note 5	810		846	
Equity investments	Note 6	1,363		1,386	
Other non-current financial assets	Note 7	1,398		3,368	
Other non-current assets	Note 8	1,394		2,238	
Deferred tax assets	Note 9	14,000		14,850	
TOTAL NON-CURRENT ASSETS		685,741		650,942	
Inventories	Note 10	6,073		5,583	
Trade receivables	Note 11	112,842	1,928	100,994	1,895
Tax receivables	Note 12	7,361		7,939	
Other receivables and current assets	Note 13	6,054		7,652	
Other current financial assets	Note 14	5,483		409	2,797
Cash and cash equivalents	Note 15	26,663		22,684	
TOTAL CURRENT ASSETS		164,477		145,260	
TOTAL ASSETS		850,218		796,202	

		For the year ended December 31			
in Euro thousands		December 31, 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	268,037		245,903	
Group result for the year	Note 37	21,701		20,799	
TOTAL GROUP SHAREHOLDERS' EQUITY		322,397		298,886	
Min. interest capital and reserves	Note 16	10,601		1,929	
Minority interest result	Note 37	146		74	
TOTAL SHAREHOLDERS' EQUITY		333,144		300,889	
Employee benefits	Note 17	15,927		19,505	
Provisions for risks and charges	Note 18	25,628		28,251	
Non-current financial payables	Note 19	224,419		164,200	
Other non-current liabilities	Note 20	2,471		4,182	
Deferred tax liabilities	Note 9	103,783		74,770	
TOTAL NON-CURRENT LIABILITIES		372,228		290,908	
Trade payables	Note 21	86,408	3,148	87,853	4,604
Current financial payables	Note 22	6,752		64,637	
Tax payables	Note 23	3,682		4,475	
Other current liabilities	Note 24	48,004		47,442	
TOTAL CURRENT LIABILITIES		144,845		204,406	
TOTAL LIABILITIES		517,074		495,313	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		850,218		796,202	

2024 Consolidated Income Statement

		For the year ended December 31			
in Euro thousands		2024	of which related parties	2023	of which related parties
Revenues from services	Note 25	462,175		360,977	
Other revenues	Note 26	8,531	193	7,726	434
TOTAL REVENUES		470,706		368,703	
Raw materials and consumables	Note 27	69,985		49,797	
Services	Note 28	186,622	1,019	153,674	1,300
Personnel costs	Note 29	112,341		83,572	
Other operating costs	Note 30	25,135		16,757	
TOTAL OPERATING COSTS		394,083		303,800	
TOTAL EBITDA		76,623		64,903	
Amortisation, depreciation and write-downs	Note 31	26,158		23,115	
Impairments and other provisions	Note 32	6,339		2,557	
TOTAL AMORTISATION, DEPRECIATION, WRITE-DOWNS, PROVISIONS AND OTHER ADJUSTMENTS		32,497		25,672	
EBIT		44,126		39,231	
Financial income	Note 33	1,202		313	
Financial charges	Note 34	(14,765)		(10,786)	
Results of investments at equity	Note 35	123		173	
FINANCIAL INCOME AND CHARGES		(13,441)		(10,300)	
PROFIT BEFORE TAXES		30,686		28,931	
Income taxes	Note 36	8,838		8,058	
NET PROFIT FOR THE YEAR	Note 37	21,848		20,873	
Attributable to:					
Group		21,701		20,799	
Minority interests		146		74	
Basic and diluted earnings per share (in Euro)	Note 38	0.24		0.18	

Consolidated Comprehensive Income Statement at December 31, 2024

Euro thousands	December 31, 2024	December 31, 2023
PROFIT FOR THE YEAR	21,848	20,873
Other components of the comprehensive income that will not subsequently be reclassified in profit/(loss) for the year		
Actuarial gains/(losses) on defined employee benefit plans	2,917	(392)
Tax effect	(700)	94
Total other components of comprehensive income that will not subsequently be reclassified in profit/(loss) for the year net of income taxes	2,217	(298)
Other components of the comprehensive income that may be subsequently reclassified to profit/(loss) for the year		
Fair value of derivative instruments	(861)	-
Tax effect	207	-
Total other comprehensive items that may be subsequently reclassified to profit/(loss) for the period net of income taxes	(654)	-
Profit/(loss) recognised to equity	1,563	(298)
Total comprehensive income for the year	23,411	20,575
Attributable to:		
Group	23,243	20,501
Minority interests	168	74

Statement of changes in consolidated shareholders' equity at December 31, 2024

Euro thousands	Share capital	Legal reserve	Other reserves	Group net profit	Group Shareholders' equity	Minority interest capital & reserves	Minority interest net profit	Total shareholders' equity
December 31, 2022	31,570	532	225,542	21,426	279,070	76	7	279,153
Allocation of result	-	82	21,344	(21,426)	-	7	(7)	-
Acquisition of treasury shares	-		(1,491)		(1,491)			(1,491)
Change in consolidation scope			(16)		(16)	1,846		1,830
Share-based payments reserve	-		769		769			769
Comprehensive profit/(loss)	-		(298)	20,799	20,501		74	20,575
Other movements	-		53		53			53
December 31, 2023	31,570	614	245,903	20,799	298,886	1,929	74	300,889
Allocation of result		474	20,325	(20,799)	-	74	(74)	-
Acquisition of treasury shares			(506)		(506)			(506)
Change in consolidation scope			247		247	(247)		0
Share-based payments reserve			574		574			574
Comprehensive profit/(loss)			1,563	21,701	23,265		146	23,411
Other movements			(69)		(69)	8,845		8,776
December 31, 2024	31,570	1,088	268,037	21,701	322,397	10,601	146	333,144

Consolidated Cash Flow Statement at December 31, 2024

In Euro thousands	December	
	2024	2023
OPERATING ACTIVITIES		
Profit for the year	21,848	20,873
Adjustments for:		
- Amortisation and depreciation	25,332	21,443
- Provisions for employee benefit liabilities	990	847
- Provisions net of releases for risks and charges	6,339	2,557
- Provisions net of releases for doubtful debt provision	826	1,673
- Interest from discounting	1,765	1,770
- Other non-cash adjustments	2,514	1,164
- Change in investments in associates valued under the equity method	(123)	(173)
- Change in other non-current assets and liabilities	(866)	(1,728)
- Net change in deferred tax assets and liabilities	1,748	3,275
- Payments for employee benefits	(2,056)	(1,906)
- Payments for provisions for risks and charges	(9,156)	(5,205)
Changes in operating assets and liabilities:		
(Increase) decrease in trade and other receivables	(12,674)	4,963
(Increase) decrease in inventories	(490)	170
Increase (decrease) in trade and other payables	(1,444)	(2,545)
Other current assets and liabilities	442	2,832
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	34,994	50,008
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in intangible assets	(3,303)	(1,712)
Investments in tangible assets	(18,291)	(15,438)
(Investments)/disposals in financial assets	2,446	(1,145)
Sale of tangible assets	791	271
Dividends from associates	-	80
Acquisition Sanatorio Triestino	-	(10,754)
Acquisition Aurelia Group	-	(39,207)
Other investment activity changes	-	-
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(18,357)	(67,905)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of medium/long term loans	177,800	40,675
Repayment of medium/long-term loans	(160,588)	(23,704)
Issue/(repayment) of short-term loans	(16,571)	431
Changes in other receivables/financial payables	(12,451)	(6,687)
Share capital increase and shareholder payments	-	-
Use of Reserve as per Article 40	-	(25)
(Acquisition) treasury shares	(849)	(1,491)
NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)	(12,659)	9,200
TOTAL CASH FLOWS (D=A+B+C)	3,979	(8,698)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR (E)	22,684	31,382
CASH & CASH EQUIVALENTS AT END OF YEAR (F=D+E)	26,663	22,684
Additional information:		
Interest paid	9,835	7,889
Income taxes paid	8,687	7,244

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT DECEMBER 31, 2024

Note 1. Accounting standards and preparation basis for the Consolidated Financial Statements at December 31, 2024

1.1 Company information

The publication of the Group's consolidated financial statements for the year ended December 31, 2024 was approved by the Board of Directors on March 14, 2025.

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 consolidated financial statements of the GHC Group for the year ended December 31, 2024 (the "Consolidated Financial Statements") have been prepared in compliance with IFRS international accounting standards issued by the International Accounting Standards Boards (IASB), supplemented by the related interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC), previously called the Standing Interpretations Committee (SIC), as well as the provisions issued in implementation of Article 9 of Legislative Decree no. 38/2005. The IFRSs applied are those in effect at the reporting date of the Consolidated Financial Statements.

The adoption of the IFRS took place starting from 2015, the first consolidated financial statements prepared by the Company.

The Consolidated Financial Statements are presented in thousands of Euro and all the amounts are rounded to the nearest thousand, unless otherwise specified.

The Consolidated Financial Statements have been prepared on an historical cost basis, except for financial receivables (financial assets) and financial liabilities, which are recognised at fair value.

The Consolidated 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.

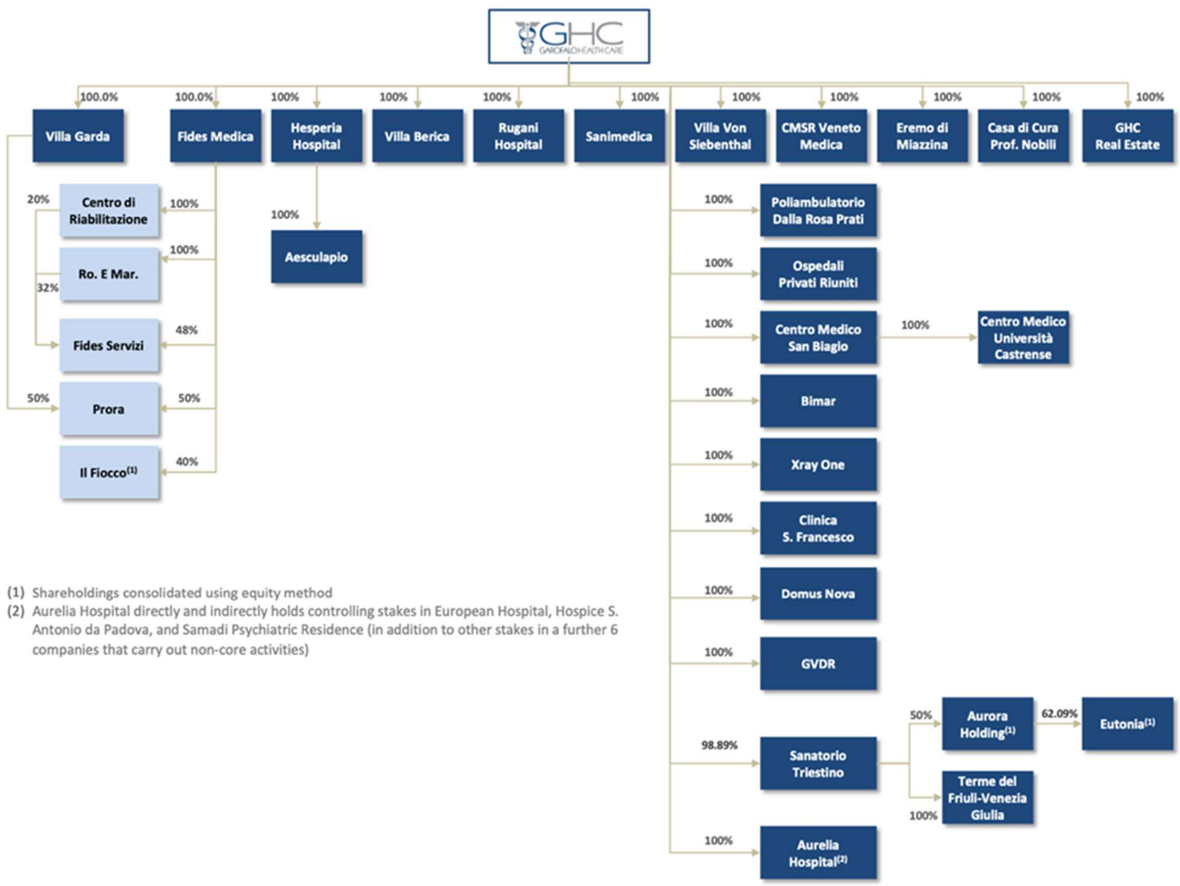
1.3 Financial Statements

The Consolidated Financial Statements of the GHC Group consist of the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement and the 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 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 December 31, 2024 is provided below.



1.5 Consolidation principles and consolidation scope

The Consolidated Financial Statements include the financial statements of GHC S.p.A. and of its subsidiaries at December 31, 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) as of December 31	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	100%	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%
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	98.89%	96.39%
Terme del Friuli Venezia Giulia S.r.l.	Trieste	Subsidiary	Line-by-line	98.89%	96.39%

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

Aurora Holding S.r.l.	Trieste	Associate	Equity Method	49.45%	48.20%
Eutonia S.r.l. Sanità e salute	Trieste	Associate	Equity Method	30.70%	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%

On April 9, 2024, the transaction to merge Genia Immobiliare S.r.l. into F.I.D.E.S. Medica S.r.l. was finalised.

On October 4, 2024, GHC S.p.A. increased its holding in Sanatorio Triestino S.p.A. by 2.50% to 98.89%.

On May 26, 2024, GHC S.p.A. increased its holding in Casa di Cura Prof. Nobili S.r.l. by 0.26% to 100.00%.

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

Business combinations and goodwill

Business combinations are recognized using the acquisition method. The purchase cost is calculated as the total of the fair value consideration transferred at the acquisition date, and the value of any minority equity holding. For each business combination, the Group decides whether to measure the minority interest at fair value or in proportion to the amount held in the identifiable net assets of the investee. The acquisition costs are expensed in the year and classified under administration expenses.

When the group acquires a business, the financial assets acquired or liabilities assumed under the agreement are classified or designated in accordance with the contractual terms, the economic conditions and the other conditions at the acquisition date. This includes the verification to establish whether an embedded derivative must be separated from the host contract.

Any contingent payment to be recognised is recorded by the acquirer at fair value at the acquisition date. The contingent amount classified as equity is not remeasured and its subsequent payment is accounted under shareholders' equity. The change in the fair value of the contingent amount classified as an asset or liability, as a financial instrument covered by IFRS 9 Financial instruments: recognition and measurement, must be recognized in the income statement in accordance with IFRS 9. The contingent amount that does not fall within the scope of IFRS 9 is measured at fair value at the reporting date and changes in fair value are recognized in the income statement.

Goodwill is initially recognised at cost represented by the excess of the total amount paid and the amount recognised for minority interests in respect of the net identifiable assets acquired and the liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration paid, the Group again verifies if it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedure utilised to determine the amount to be recorded at the acquisition date. If from the new valuation the fair value of the net assets acquired is still above the consideration, the difference (gain) is recorded in the income statement.

After its initial recognition, goodwill is measured at cost, net of accumulated impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each of the Group's cash-generating units expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquiree are assigned to those units.

If the goodwill is allocated to a cash generating unit and the entity sells part of the activities of this unit, the goodwill associated with the activity sold is included in the book value of the activity when determining the gain or loss deriving from the sale. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash generating unit.

Other intangible assets

Intangible assets acquired separately are initially recognized at cost, while those acquired through business combinations are recognized at fair value on the acquisition date. Intangible assets internally generated, with the exception of development costs, are not capitalized and are recorded in the income statement of the financial year in which they were incurred.

Intangible assets with a finite useful life are subsequently amortized over their useful life and tested for impairment whenever there is evidence of a loss of value. The amortization period and the amortization method of an intangible asset with finite useful life are reconsidered at least at the end of each year. Changes in the expected useful life or in the manner in which the future economic benefits related to the asset will be realized are recognized through the change in the period or amortization method, as the case may be, and are considered changes in accounting estimates. The amortisation of intangible assets with finite useful life is recorded in the income statement under the category of costs relating to intangible assets.

Intangible assets with indefinite useful life are not amortised but are subject to an annual impairment test at an individual level or at cash-generating unit level. The valuation of the indefinite useful life is reviewed annually to determine whether this allocation continues to be sustainable, otherwise, the change from indefinite useful life to finite useful life is applied on a prospective basis.

The profits or losses deriving from the derecognition of an intangible asset are calculated as the difference between the net revenue from the disposal and the carrying value of the intangible asset and are recognized in the Profit/(Loss) Statement of the year at the time of derecognition.

Description	Years
Goodwill	indefinite useful life
Accreditation	indefinite useful life
Concessions, licenses, trademarks and similar rights	5 years
Software	5 years
Other intangible assets	5 years

Property, plant and equipment

Property, plant and equipment purchased separately are recorded at historical cost, including ancillary costs directly attributable and necessary for entry into operation of the asset for the use for which it was purchased; said cost includes expenses for the replacement of part of machinery and plants at the time they are incurred, if they comply with the recognition criteria.

Property, plant and equipment acquired through business combinations are recognized at fair value determined at the acquisition date.

Maintenance and repair expenses, which do not increase the value and/or extend the residual useful life of the asset are expensed in the year in which they are incurred; where they increase the value and/or extend the residual life of the assets, they are capitalised.

Property, plant and equipment are stated net of the relevant accumulated depreciation and impairment, if any, determined according to the methods described below. Depreciation is calculated on a straight- line basis over the estimated useful life of the asset. This period is reviewed annually and any changes are made on a prospective basis.

The estimated useful life, expressed in years, of the main classes of tangible assets is as follows:

Description	Years
Buildings	33/50/ based on contract duration
Plant & machinery	10 years
Industrial & commercial equipment	8 years
Furniture & fittings	10 years
EDP	5 years
Motor and transport vehicles	4 years

If components of property, plant and equipment have different useful lives, these components are accounted for separately. Land, whether free of construction or related to buildings, is recognized separately and is not depreciated as elements of unlimited useful life.

The book value of plant, property and equipment is subject to verification of any loss in value when events or changes occur indicating that the carrying value can no longer be recovered.

At the time of sale, or when there are no expected future economic benefits from the use of an asset, it is eliminated from the financial statements and any loss or profit (calculated as the difference between sale's price and book value) is charged to the income statement in the year of its elimination.

Leases

IFRS 16 establishes the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise the majority of leasing contracts on the basis of a single accounting model.

Right-of-use assets

The Group recognises the right-of-use assets at the initial leasing date (i.e. the date on which the underlying asset is available for use). The right-of-use assets are measured at cost, net of accumulated depreciation and impairments, adjusted for any remeasurement of the lease liabilities. The cost of the right-of-use assets includes the amount of the lease liabilities recognised, the initial direct costs incurred and the payment of leases at the commencement date or before, net of any incentives received. Unless the Group does not have the reasonable certainty of obtaining ownership of the leased asset on conclusion of the leasing contract, the right-of-use assets are amortised on a straight-line basis for a period covering the lesser between the estimated useful life and the lease duration.

Lease liabilities

At the lease commencement date, the Group recognises the lease liabilities measuring them at the present value of the payments due for leasing not yet settled at that date. The payments due include the fixed payments (including the fixed payments in substance), net of any lease incentives to be received, the variable lease payments which depend on an index or a rate and the amounts expected to be paid as guarantee on the residual value. The lease payments include also the exercise price of a purchase option where it is reasonably certain that this option shall be exercised by the Group and the lease termination penalty payments, where the lease duration takes account of the exercise by the Group of the termination option on the lease.

The variable lease payments not depending on an index or a rate are recognised as costs in the period in which the event or the condition generating the payment occurs.

Short-term leases and low value asset leases

The Group applies the exception for the recognition of short-term leases for machinery and equipment (i.e. leasing with a duration of 12 months or less from the commencement date and not containing a purchase option). The Group has also applied the exception for leases concerning assets of a modest value with regards to the leasing contracts on office equipment whose value is considered low (i.e. below Euro 5 thousand). The short-term lease charges and those for low value assets are recognised as costs on a straight-line basis over the lease duration.

Investment property

Tangible assets held for income and not for instrumental use are classified in a specific class called Investments properties, in accordance with IAS 40, and are accounted for at cost. The assets included in these cases consist of land and/or buildings (or parts of buildings) held by the owner or tenant under a finance or operating lease in order to lease them or for the appreciation of the capital invested.

These types of properties are classified separately from other owned assets. Investments properties are shown net of the related accumulated depreciation and any impairment. The useful life of the Group's Investments properties is 33 years.

Impairments

The Group assesses whether there is evidence of impairment of Intangible assets and Property, plant and equipment on each reporting date and of goodwill and accreditation on an annual basis. Where such indicators arise, or every year for intangible assets with an indefinite useful life, an impairment test is carried out.

In the event that the carrying value (book value) of the assets exceeds the recoverable value, they are written down to reflect the latter. The recoverable amount is determined as the higher of the fair value of an asset or cash-generating unit net of costs of sale and its use value and is determined for each asset individually, unless an asset generates cash flows that are not largely independent from those generated by other assets or groups of assets; in this case, the Group estimates the recoverable value of the cash-generating unit to which the asset belongs.

In measuring the value in use, the Group discounts the future estimated cash flows to their present value, using a pre-tax discount rate that reflects the market assessments of the time value of money and the specific risks associated with the asset.

For the purpose of estimating the value in use, future cash flows are derived from the business plans approved by the Board of Directors, which constitute the best estimate that can be made by the Group on the economic conditions expected in the period of the plan. The projections of the plan normally cover a time span of three years; the long-term growth rate used to estimate the terminal value of the asset or unit is normally lower than the average long-term growth rate of the sector, country or market of reference.

When the carrying amount of an asset or cash-generating unit is higher than its recoverable amount, this asset has incurred an impairment loss and is consequently written down to the recoverable amount.

Impairment losses incurred by operating assets are recorded in the income statement in the category of costs relating to those assets. At each reporting date, the Group also assesses the existence of indicators of a decrease in previously recognized impairment losses and, if such indicators exist, makes a new estimate of the recoverable amount. A previously recognised impairment loss can be reversed only if there have been changes in the estimates used to determine the recoverable amount since the last impairment loss was recognized. In this case, the carrying amount of the asset is recorded at the recoverable value, while the restated value must not exceed the carrying amount which would have been determined, after amortisation or depreciation, if no loss in value had been recognised in previous years. Each reversal is recognized as income in the income statement; after a reversal is recognized, the depreciation or amortization charge for the asset is adjusted in future periods to allocate the asset's revised book value, less its residual value, if any, on a systematic basis over its remaining useful life. Impairment of goodwill cannot in any case be subject to reversals.

Investments in associates and other companies

An associate is a Company in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an investee, however not exercising control or joint control. An investee holding 20% or more indicates significant influence unless the contrary is proven.

Investments of the Group in associated companies are measured using the equity method.

With the equity method, the investment in an associate is initially recorded at cost. The accounting value of the investment is increased or decreased to recognize the investor's share of the profits and losses of the investee realized after the acquisition date. The goodwill relating to the associate is included in the book value of the investment and is not subject to a separate impairment test.

The profit/(loss) statement for the year reflects the Group's portion of the operating result of the associated company. Any change in the other components of the comprehensive income statement relating to these investee companies is presented as part of the Group's comprehensive income statement. Furthermore, in the event that an associated company recognizes a change directly attributable to shareholders' equity, the Group recognizes its portion, where applicable, in the statement of changes in equity. Unrealized gains and losses deriving from transactions between the Group and associated companies are derecognized in proportion to the shareholding in associates.

The aggregate share attributable to the Group of the result for the year of associated companies is shown in the profit/(loss) statement for the year after the operating result and represents the result net of taxes and of the share of the other shareholders of the associate.

The financial statements of associates are prepared on the same closing date as the Group financial statements. Where necessary, the financial statements are adjusted to conform them with the Group's accounting standards.

After applying the equity method, the Group assesses whether it is necessary to recognize an impairment loss of its investment in the associated companies. The Group at each reporting date assesses whether the investments in associates have incurred a loss in value. In this case, the Group calculates the amount of the loss as the difference between the recoverable value of the associate or the joint venture and the carrying amount of the same in its financial statements, recognizing said difference in the profit/loss statement in the item "share of the result of associates and joint ventures".

Upon loss of significant influence over an associated company or joint control over a joint venture, the Group assesses and recognizes the residual shareholding at fair value. The difference between the carrying amount of the investment at the date of the loss of significant influence or of the joint control and the fair value of the residual investment and the amount received is recognised in the income statement.

Current/non-current classification

Assets and liabilities in the financial statements of the Group are classified according to the current/non-current criterion.

An asset is current when:

- it is expected to be realised, or is held for sale or consumption, in the normal course of the operating cycle;
- it is held mainly for the purpose of negotiating it;
- it is expected to be realized within twelve months of the closing date of the year; or
- it consists of cash or cash equivalents unless it is forbidden to exchange it or use it to settle a liability for at least twelve months from the closing date of the financial year.

A liability is considered current when:

- it is expected to be settled within the normal operating cycle;

- it is held mainly for the purpose of negotiating it;
- it must be settled within twelve months of the closing date of the year; or
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months of the closing date of the year.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Inventories

Inventories are stated at the lower between acquisition or manufacturing cost, determined according to the FIFO method and the estimated realizable value.

The purchase cost also includes directly attributable ancillary costs and returns, trade discounts, rebates, premiums and any contributions recognized by suppliers are always deducted from the same.

Inventories are recorded net of the obsolescence provision.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand and short-term deposits. Short-term deposits must have an original maturity of three months or less and not subject to significant risks related to the change in value.

Treasury shares

Treasury shares acquired are recorded at cost and as a reduction of shareholders' equity. The purchase, sale or cancellation of treasury shares does not give rise to any profit or loss in the income statement.

The difference between the purchase price and the payment received, in the case of reissue, is recorded in the share premium reserve.

Stock Grants and Performance Shares

The Stock Grant and Performance Shares Plan confers to certain categories of employees the right to receive free shares of their company or of a Group company as remuneration for the achievement of a specific objective or on the occurrence of certain conditions set out in the plan.

IFRS 2 requires the company to recognise the cost of goods and services purchased or received in a share-based payment transaction at the time in which the goods are received or the service is rendered. For equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. Where the entity cannot estimate reliably the fair value of the goods or services received, it shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

To apply the requirements to transactions with employees and others providing similar services,† the entity shall measure the fair value of the services received by reference to the fair value of the equity instruments granted, because typically it is not possible to estimate reliably the fair value of the services received. The fair value of those equity instruments shall be measured at the grant date.

Typically, shares, share options or other equity instruments are granted to employees as part of their remuneration package, in addition to a cash salary and other employment benefits. Usually, it is not possible to measure directly the services received for particular components of the employee's remuneration package. It might also not be possible to measure independently the fair value of the total package, without measuring directly the fair value of the equity instruments granted. Furthermore, shares or share options are sometimes granted as part of a bonus arrangement, rather than as a part of basic remuneration, e.g. as an incentive to the employees to remain in the entity's employ or to reward them for their efforts in improving the entity's performance. By granting shares or share options, in addition to other remuneration, the entity is paying additional remuneration to obtain additional benefits. Estimating the fair value of those additional benefits is likely to be difficult. Because of the difficulty of measuring directly the fair value of the services received, the entity shall measure the fair value of the employee services received by reference to the fair value of the equity instruments granted.

Provisions for risks and charges

Allocations to Provisions for risks and charges are made when the Group must fulfil a current obligation (legal or implicit) arising from a past event, when an outflow of resources in order to fulfil this obligation is probable and it is possible to make a reliable estimate of its amount.

If the discounting effect of the value of money is significant, allocations are discounted using a pre-tax discount rate that reflects, where appropriate, the specific risks associated with the liabilities. When provisions are discounted, increases resulting from the passage of time are recognized as borrowing costs.

Employee Benefit Provisions

Post-employment benefits are defined on the basis of programs, even if not formalized, which according to their characteristics are divided into "defined benefit" programs and "defined contribution" programs.

Italian legislation (Article 2120 of the Civil Code) provides that, on the date on which each employee terminates the employment contract with the company, indemnity referred to as TFR is received. The calculation of this indemnity is based on some items that make up the employee's annual salary for each year of work (appropriately re-evaluated) and on the length of the employment relationship. According to Italian civil law, this indemnity is reflected in the financial statements according to a calculation method based on the indemnity accrued by each employee at the reporting date, in the event that all employees terminate the employment contract on that date.

The International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standards Board (IASB) addressed the subject of the Italian TFR and concluded that, in application of IAS 19, it must be calculated according to a method called Projection Unitary Credit Method (PUCM), according to which the amount of liabilities for the benefits acquired must reflect the date of expected resignation and must be discounted.

The actuarial assumptions and the related effects take into consideration the regulatory changes introduced by the Italian legislator, which provided for the option for the employee to allocate the TFR accrued from July 1st, 2007 to INPS or supplementary pension funds.

The Group's net obligation deriving from defined benefit plans is calculated by estimating the amount of the future benefit that employees have accrued in exchange for the activity performed in the current year and in previous years; this benefit is discounted to calculate the current value. The actuarial gains and losses referring to the defined benefit plans accumulated up to the previous year and which reflect the effects deriving from changes in the actuarial assumptions used, are recognized in full in the comprehensive income statement.

The actuarial valuation of the liability was entrusted to an independent actuary.

The Group does not have other defined benefit pension plans.

The obligation of the Group deriving from defined contribution plans is limited to the payment of contributions to the State or to a legally separate asset or entity (fund), and is determined on the basis of the contributions due.

Financial instruments

Classification and measurement

Financial assets are recorded under Non-Current Financial Receivables, other receivables and non-current assets, Trade Receivables, Other Current Assets and Cash and Cash Equivalents. They are classified and measured on the basis of the characteristics of their cash flows and the business model applied to their management. Initially, all the financial assets are measured at fair value increased (or decreased in the case of financial assets measured at fair value through profit and loss) by the transaction costs directly linked to the asset's acquisition. The subsequent measurement depends on the nature of cash flows generated by the financial instrument and in accordance with the business model adopted by the Company.

The following are the categories envisaged by IFRS 9, which replace the previous categories of IAS 39:

• Assets measured at amortized cost: the asset is not designated to FVTPL (fair value to profit and loss), the purpose of ownership is the collection of contractual cash flows; the contractual terms envisage cash flows for payments of principal and the relative interest at given dates;

• Assets measured at fair value through other comprehensive income (FVOCI): the asset is not designated to FVTPL, the business model envisages the possibility of both collecting contractual cash flows and of selling the asset; the contractual terms envisage cash flows for payments of principal and the relative interest at given dates;

• Assets measured at fair value through profit and loss (FVTPL): all assets not classified in the previous categories fall under this category.

• Assets measured at amortized cost: for the Group, these comprise receivables originating over the course of the normal operating activity. At the time of the initial recognition, they are recorded on the basis of their fair value including ancillary costs. For trade and other receivables, this generally corresponds to their par value. Subsequently, if these have a pre-fixed maturity, they are measured at amortized cost using the effective interest method. When financial assets do not have a fixed maturity they are valued at the acquisition cost. Receivables due beyond one year, non-interest bearing or which mature interest below market rates are discounted using market rates. In turn, these assets are derecognised once the rights to receive cash flows from the asset are terminated or the Group has transferred the right to receive cash flows from the asset or has assumed the contractual obligation to pay them entirely and without delay to a third party by substantially transferring all of the risks and rewards of ownership of the financial asset, or by not substantially transferring or retaining all of the risks and rewards of the asset, but transferring its control. Where the Group has transferred all the contractual rights to receive the cash flows from an asset and has not transferred or withheld substantially all of the risks and rewards or has not lost control, the asset is recorded in the financial statements of the Group up to the amount of its residual holding. In this case, the company also recognises an associated liability. The asset and liability are measured in order to reflect the rights and obligations maintained by the Group. Residual involvement that takes the form of a guarantee on the transferred asset is valued at the asset’s initial book value or the maximum consideration that the Group could be required to pay, whichever is less. The gains and losses are recognized in the income statement when the investment is eliminated or if there is an impairment, in addition to the amortization process and conversion.

- Assets measured at fair value through profit and loss: this category includes equity securities represented by investments other than those in subsidiaries, associates and joint ventures and not held for trading purposes, as the Group has decided not to apply the option for FVOCI measurement.

Financial liabilities are recorded in the balance sheet accounts: Non-current payables to lenders, Other payables and liabilities, Current payables to lenders; Trade payables; Other current liabilities.

Initially, financial liabilities are recorded at fair value increased (or decreased in the case of financial liabilities measured at fair value through profit and loss) by the transaction costs directly linked to the issue of the liability. Subsequently, they are measured at amortized cost excluding the derivative financial instruments or the liabilities held for trading which are measured at fair value through profit and loss. They are classified and measured on the basis of the characteristics of their cash flows and the business model applied to their management. Financial liabilities held by the Group fall under the category of Financial Liabilities at amortized cost. They are measured at amortized cost, using the effective interest method. The amortized cost is calculated taking into consideration all discounts or purchase premiums and includes commissions and transaction costs which are an integral part of the effective interest rate. A financial liability is derecognised from the financial statements when the underlying liability is settled, cancelled or fulfilled. For investments measured at amortized cost, the gains and losses are recognized in the income statement when the investment is eliminated, in addition to the amortization process and conversion. If an existing financial liability is replaced by another by the same lender but under substantially different conditions, or if the conditions of an existing financial liability are substantially changed, such a swap or change is treated as an elimination of the original liability and the opening of a new liability, with any differences in accounting values recorded in the income statement.

The value of financial assets is adjusted to reflect the impairment losses measured according to the Expected Credit Loss Model, which requires estimating the expected loss over a greater or lesser period depending on the credit risk: i) for financial assets not having had a significant increase in credit risk since the initial recognition or having a low credit risk at the reporting date, the expected loss in the next 12 months is estimated; ii) for financial assets having had a significant increase in credit risk since the initial recognition, for which there is no evidence as yet of an objective impairment loss, the expected loss is calculated on the useful life of the asset; iii) for financial assets for which an objective impairment loss has occurred, the expected loss is calculated on the useful life of the asset and, with respect to the preceding point, the interest flows are calculated on the reduced value of the expected write-down. For trade receivables that do not contain a significant financial component, the expected losses are calculated utilising a simplified method with respect to the general approach outlined above. The simplified approach requires the estimation of the expected loss on the useful life of the credit and without the need to measure the Expected Credit Loss at 12 months and the existence of significant increases in credit risk.

Derivative instruments

Derivative instruments are recorded in the balance sheet and measured at fair value and the gains or losses are recorded respectively to the income statement if the derivatives are not definable as hedges in accordance with IFRS 9 or if they hedge a price risk (fair value hedge) or in the comprehensive income statement if they hedge a future cash flow or a future contractual commitment already assumed at the balance sheet date (cash flow hedge).

The Group only carries out transactions with derivative financial instruments for hedging purposes, with the aim of neutralising potential losses that may be incurred on a particular item or group of items attributable to a given risk, in the event that it should actually occur.

In particular, the financial risks hedged are those potentially deriving from the variation in the interest rates of loans in place and from exchange rate fluctuations on foreign currency commercial transactions. All the financial instruments not traded in an active market are measured at fair value calculated by means of valuation techniques.

When derivative instruments have the characteristics for hedge accounting, the Group applies the following accounting treatment:

• Cash flow hedges: if a derivative financial instrument is designated as a hedge to the exposure of the cash flow fluctuations of an asset or liability recorded in the financial statements or of an operation considered highly probable and which may have effects on the income statement, the effective portion of the profits or of the losses of the financial instrument is recognised under other comprehensive income in a separate reserve; the cumulative profits or losses are reclassified from shareholders' equity and recognised to the income statement in the same period in which the operation subject to hedging is recorded; the profit or loss related to a hedge or the part of the hedge becoming ineffective is recognised to the income statement when such inefficacy is recognised.

• Fair value hedges: if a derivative financial instrument is designated as a hedge to the exposure of the changes in the fair value of an asset or liability in the financial statements attributable to a specific risk which can have effects on the income statement, the profit or loss on the hedged item, attributable to the risk hedged, is recognised as part of the carrying value of this item and recognised to the income statement.

If hedge accounting cannot be applied, gains or losses deriving from the fair value of the financial derivative instrument are recognised directly in the income statement. In the same manner, if the hedged transaction is no longer probable, the unrealised profits or losses recognised in shareholders' equity are immediately recognized in the income statement. If, on the other hand, the hedging instrument is closed without the underlying operation being realised, the financial instruments recognised in shareholders' equity are only recorded in the income statement when the relative operation is realised.

Fair value measurement

The Group assesses financial instruments, such as derivatives and capital instruments, at fair value at each reporting date.

The fair value is the price that would be received for the sale of an asset, or that would be paid to transfer a liability in an arm's length transaction at the measurement date. A fair value measurement assumes that the sale transaction of the asset or transfer of the liability takes place:

• in the main market of the asset or liability;

or

• in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible for the Group.

The fair value of an asset or liability is measured adopting the assumptions which market operators would utilise in the determination of the price of the asset or liability, assuming they act to best satisfy their economic interests.

The fair value measurement of a non-financial asset considers the capacity of a market operator to generate economic benefits utilising the asset to its maximum and best use or selling to another market operator that would utilise the asset to its maximum or best use.

The Group utilises measurement techniques which are appropriate to the circumstances and for which there is sufficient available data to measure the fair value, maximising the utilisation of relevant observable inputs and minimising the use of non-observable inputs.

All the assets and liabilities for which the fair value is measured or stated in the financial statements are categorised based on the fair value hierarchy, as described below:

- Level 1 - listed prices (not adjusted) on active markets for identical assets or liabilities which the entity can access at the measurement date;

- Level 2 - inputs other than listed prices included in Level 1, directly or indirectly observable for the asset or the liability;

- Level 3 - measurement techniques for which the input data are not observable for the asset or for the liability.

The fair value measurement is classified entirely in the same fair value hierarchical level in which the lowest hierarchical input level utilised for the measurement is classified.

For the assets and liabilities recognised in the financial statements at fair value on a recurring basis, the Group assesses whether there have been transfers between the hierarchy levels, reviewing the classification (based on the lowest input level, which is significant for the fair value measurement in its entirety) at each reporting date.

The Group Financial Committee determines the criteria and procedures for both recurring fair value measurements, such as capital instruments, and for non-recurring measurements. The Group Financial Committee includes the financial managers of each structure and the financial manager of the Group.

External appraisers are involved in the valuation of significant assets, such as real estate property, and significant liabilities. This involvement is decided annually after discussion and with the approval of the Board of Statutory Auditors. Selection criteria include knowledge of the market, reputation, independence and compliance with professional standards. Following the discussion with external appraisers, the Group Financial Committee decides which evaluation techniques and which inputs to use for each case.

At each reporting date, the Group Financial Committee analyses the changes in the values of assets and liabilities for which the revaluation or recalculation is required, based on the Group's accounting standards.

For this analysis, the main inputs applied in the most recent assessments are verified by comparing information used in the assessment to contracts and other relevant documents.

The Group Financial Committee carries out, with the support of external appraiser, a comparison between each change in the fair value of each asset and liability and the relevant external sources, in order to determine whether the change is reasonable. The results of the evaluations are presented periodically to the Board of Statutory Auditors and to the Group's auditors. This presentation includes a discussion of the main assumptions adopted in measurement.

For fair value disclosure purposes, the Group classifies assets and liabilities according to type, characteristics and the risks associated with the assets and the liabilities and the fair value hierarchy level, as previously illustrated.

Summarized below are the notes relating to the fair value of financial instruments and non-financial assets measured at fair value, and those in which fair value disclosures are presented:

- Evaluation techniques, discretionary evaluations and significant accounting estimates Note 2;

- Quantitative information on the fair value measurement hierarchy Note 39;

- Financial instruments (including those valued at amortized cost) Note 19.

Recognition of revenues from sales and services

With Regulation No. 2016/1905 issued by the European Commission on September 22, 2016, IFRS 15 "Revenue from contracts with customers" (hereinafter IFRS 15) was approved, which defines the criteria for recognition and measurement of revenues deriving from contracts with customers. The standard will replace all current requirements in the IFRS regarding revenue recognition and envisages a new five-phase model that will apply to revenues from contracts with customers. In general, IFRS 15 requires the recognition of revenues for an amount that reflects the amount to which the entity believes to be entitled in exchange for the transfer of goods or services to the customer. In particular, IFRS 15 requires the recognition of revenues to be based on the following 5 steps: (i) identification of the contract with the customer; (ii) identification of the performance obligations (i.e. the contractual promises to transfer goods and/or services to a customer); (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations identified based on the stand-alone sale price of each good or service; and (v) recognition of the revenue when the related performance obligation has been fulfilled. Furthermore, IFRS 15 complements the disclosures to be provided with reference to the nature, amount, timing and uncertainty of resulting revenues and related cash flows. The provisions of IFRS 15 are effective for years beginning on or after January 1, 2018; earlier application is permitted.

The Group operates in the accredited private healthcare sector and its activity takes the form of services in acute areas, outpatient services, long hospitalization and rehabilitation, and accounts for its revenues for these services as follows:

- Services in acute areas: The Group accounts for revenues for these services when the control of the asset has been transferred to the customer, coinciding with the moment in which the health intervention is performed;

- Outpatient services: The Group accounts for revenues for these services when the control of the asset has been transferred to the customer, coinciding with the moment in which the health intervention is performed;

- Long-term care and rehabilitation: The Group accounts for revenues for these services when the control of the asset has been transferred to the customer, coinciding with the moment in which the health intervention is performed. In the case of long hospitalization, a daily allowance is provided, making the payment directly commensurate with the number of hospital days.

It is clarified that with reference to the above services provided under the agreement, revenues are recognized in the maximum limit of the regional annual cost cap assigned to the Company if present, while with reference to revenues from private and/or insured customers, they are recorded in relation to the service actually provided.

Recognition of costs

Costs are recognised on the acquisition of the goods or service.

Financial income and charges

Financial income and charges are recorded on an accrual basis considering the interest accruing on the net amount of the related financial assets and liabilities, using the effective interest rate method

Income taxes

Current income taxes

Current taxes reflect an estimate of the tax burden, determined by applying the legislation in effect in the countries in which the Garofalo Health Care Group operates. Current tax liabilities are calculated using the rates in effect or substantially approved on the closing date of the financial year.

The payable for current taxes is classified in the balance sheet, net of any tax advances paid.

Deferred taxes

Deferred taxes are calculated on deductible (deferred tax assets) and taxable (deferred tax liabilities) temporary differences resulting at the reporting date between the tax values taken as reference for assets and liabilities and the values in the financial statements.

Deferred tax assets are recognized 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.

The value to be recognized in the financial statements of deferred tax assets is reviewed on each reporting date and reduced to the extent that it is no longer likely that sufficient tax profits will be available in the future in order to allow all or part of this receivable to be used.

Unrecognized deferred tax assets are reviewed annually at the reporting date and are recognized to the extent that it has become likely that future taxable income will be sufficient for their recovery.

Deferred tax assets and liabilities are measured using the tax rates that are expected to be applied in the years in which the assets are realized or the liabilities are settled, considering the rates currently in effect and those already issued, or substantially issued, at the reporting date.

Deferred tax assets and liabilities are recognized directly in the Income Statement, with the exception of those relating to items recognized directly in equity; in this case, the related deferred taxes are recorded consistently without recognition in the income statement.

Deferred tax assets and liabilities are offset if there is a legal right to compensate current tax assets with current tax liabilities and the deferred taxes refer to the same legal entity and the same tax authority.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Indirect taxes

Costs, revenues, assets and liabilities are recognized net of indirect taxes, such as value added tax, with the following exceptions:

- the tax applied to the purchase of goods or services is non-deductible; in this case, it is recognized as part of the purchase cost of the asset or part of the cost recognized in the income statement;
- trade receivables and payables include the indirect tax applicable.

The net amount of indirect taxes to be recovered or paid to the tax authorities is included in the financial statements as receivables or payables.

Earnings per share – basic and diluted

The accounting standard IAS 33 - Earnings per Share regulates the calculation and disclosure to be provided to users of the financial statements in terms of basic and diluted earnings per share. The classes of financial instruments identified by the standard that must be considered for the calculation of the aforementioned indicators are options, warrants, instruments convertible into shares (ex. convertible bonds) and similar.

Basic earnings per share are calculated on the basis of the profit for the period divided by the weighted average number of ordinary shares during the year.

Diluted earnings per share are calculated on the basis of the diluted earnings for the period attributable to the shareholders of the Parent Company, divided by the weighted average number of ordinary shares outstanding, modified by the number of potentially dilutive ordinary shares.

Segment disclosure

The identification of the operating sector in which the Company operates is carried out on the basis of the accounting standard IFRS 8 - Operating Segments. On December 12, 2012, the IASB issued a set of amendments that have made changes to the aforementioned standard requiring that information be provided on the assessments made by the company management in the aggregation of the operating segments describing the segments that have been aggregated and the economic indicators that have been evaluated to determine that the aggregated segments have similar economic characteristics.

The GHC Group is one of the main operators in the private healthcare sector accredited in Italy in terms of turnover, operates through twenty-eight healthcare facilities located in six Italian regions, and offers a wide range of services covering all sectors of health, which includes and is divided into the hospital and social-care sectors, thanks to the diversification of the specialities provided, the use of cutting-edge technology and highly qualified personnel.

In particular, the Group operates in eight regions of North and Central Italy, where it is present through a single business unit in the:

- hospital sector, through acute admissions, long-term care, post-acute rehabilitations and outpatient services (the “Hospital Sector”);

- social-care sector, through residential admissions (the “Social-Care Sector”).

The GHC Group facilities are located in the following Italian regions: Piemonte (2), Veneto (6), Friuli Venezia Giulia (1), Emilia Romagna (8), Lombardy (1) Liguria (12), of which 4 owned by Il Fiocco, an associated company of Fides Medica S.r.l. consolidated according to the equity method), Tuscany (1) and Lazio (5).

The Hospital Sector is in turn sub-divided into three sectors: (i) hospitalisation of acute patients, (ii) post-acute care and (iii) outpatient services.

The Social-Care Sector, represented by all the activities and services also specialized in the treatment of complex physical, neurological and sensory pathologies, offers, in a residential scheme, assistance to the elderly and treatment of specific pathologies including (i) severe disabilities, (ii) treatment for patients with LIS (Locked-in-Syndrome) or with amyotrophic lateral sclerosis in the terminal phase (Departments N.A.C. - High Chronic Neurological Complexity Nucleus), (iii) complex disabilities, mainly motor or clinical assistance and functional (Healthcare Assistance Continuity), (iv) patients with disability from severe cerebral acquired lesion (Departments “SVP” - Persistent Vegetative Coma States) and (v) psychiatric disorders and disorders related to the use of psychoactive substances.

From the point of view of the Group’s management organization, the activity carried out was grouped into a single Strategic Business Unit (hereinafter “SBU”), which includes the entire business. This approach stems from the fact that the only activity carried out consists of operating in the accredited private health sector, through various services offered but that are managed jointly by management.

The Group’s management observes together the results achieved by the single legal entities belonging to the Group, as well as the results of the two sectors identified within the single SBU, in order to make uniform decisions regarding the allocation of resources and the verification of the performance for the entire SBU.

1.7 Discretional 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

Depreciation and amortisation 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. At each reporting date, this valuation is revised 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 recognised to the financial statements 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 December 31, 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 predictable with certainty. Moreover, they often derive from complex legal problems subject to different degrees of uncertainty.

A provision is made in relation to a dispute or threat 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, as depends on 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 and, when appropriate, of independent specialists and are reviewed periodically.

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

The accounting standards, amendments and interpretations not adopted in advance for the year ended December 31, 2024 govern facts and cases that do not have significant effects on the balance sheet, income statement, cash flow statement and the information contained in the consolidated financial statements.

The Group is assessing the impact of the modifications, amendments and interpretations to the approved accounting standards not adopted early or in the process of being approved.

Set out below are the standards and interpretations which, at the date of preparation of the financial statements, had already been issued and not adopted in advance:

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, these amendments did not have any impact on the Group consolidated 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 did not have any impact on the Group consolidated 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 did not have any impact on the Group consolidated financial statements.

Standards issued but not yet in effect

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. Despite a number of sections of IAS 1 were maintained, IFRS 18 introduced new requirements for the presentation of the income statement, including specific totals and subtotals. The entities will need to classify all expenses and revenues within the income statement within four categories: operating, investing, financing, income tax, and discontinued operations.

The standard also requires disclosures based on the new definition of management-defined performance indicators (MPMs), and includes new provisions for aggregating and disaggregating financial information based on the identified “roles” identified in the Primary Financial Statements (PFS) and the notes.

In addition, specific changes have been made to IAS 7 Statement of Cash Flows, including changing the starting point for determining cash flows from operations based on the indirect method, and to some provisions previously included in IAS 1 that have been moved to IAS 8, which has been renamed Basis of Preparation of Financial Statements.

IFRS 18 and all related amendments will be effective for fiscal years beginning on or after January 1, 2027, but early application is permitted, subject to disclosure. IFRS 18 will apply retrospectively.

The Group is currently working to identify the impacts that the changes will have on its financial statements and notes.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to opt for a reduction in their disclosure requirements while continuing to apply the recognition, measurement and presentation requirements in the other IFRS accounting standards. To be eligible, at the end of the fiscal year, an entity must be a subsidiary as defined within IFRS 19, may not have "public accountability" and must have a parent (ultimate or interim) that prepares consolidated financial statements, available to the public, prepared in accordance with IFRS accounting standards.

IFRS 19 will be effective for fiscal years beginning on or after January 1, 2027, but early application is permitted.

As the Group's shares are publicly traded, the Group is not eligible for the application of IFRS 19.

Note 2 Goodwill

Goodwill breaks down as follows:

Euro thousands	*At December 31* 2024	*At December 31* 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	628
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	-
Total Goodwill	**91,542**	**156,007**

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 overall by Euro 64,466 thousand as a result of the definitive quantification of the goodwill of the Aurelia Group following the completion of the “Purchase Price Allocation”, through which the Cash Generation Units were identified within the Aurelia Group. In this regard, it is recalled that under international accounting standards, in identifying the Cash Generating Units, it is necessary to refer to the manner in which management oversees the company's activities and decides on the continuation or disposal of individual business entities. Within the Aurelia Group, three distinct Cash Generating Units have therefore been identified, namely the "Aurelia Hospital/ European Hospital CGU", which represents an integrated healthcare complex in the same city with similar activities, the “Samadi CGU" and the "S. Antonio da Padova” CGU, which each carry out differing 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 (with the exception of Rugani's) acquired through business combinations have been allocated for impairment testing purposes to the cash-generating units identified for the Group at the individual corporate entity level, with the exception of the Fides Medica Group (consisting of the following entities Centro di Riabilitazione S.r.l., Ro.E Mar. S.rl., Fides Medica S.r.l., Fides Servizi S.r.l., Prora S.r.l.) identified as a single Fides Group CGU, BIMAR S.r.l. and Centro Medico San Biagio S.r.l. identified as a single Centro Medico San Biagio CGU, and Aurelia Hospital S.r.l. and European Hospital S.p.A. also identified as a single CGU.

The Group engaged an independent third-party professional to conduct the impairment test, the analysis for which consists of the following phases:

i. Calculation of unlevered cash flows based on the figures from the plan for the CGUs approved by each company's board of directors;
ii. analysis of the fairness of the panel of comparables;
iii. estimation of WACC and the "g" factor;
iv. determination of the enterprise value of the impaired CGU;
v. analysis of the method of defining the CGU and the calculations of the carrying amount of the CGU being tested for impairment;
vi. comparison of the recoverable amount, as determined independently by the expert in question, with the carrying amount;
vii. preparation of a sensitivity analysis that makes it possible to analyse the change in the recoverable amount due to a change in the WACC or the unlevered cash flows considered.

The Group conducted the impairment test considering both the provisions of IAS 36 and Consob clarification No. 1/21 of February 16, 2021.

Although the effects of the pandemic that characterised 2020-2022 have passed, the independent expert, in agreement with the CFO and the GHC Group, nonetheless decided to autonomously perform a stress test to verify whether the impairment tests would hold up to an additional decline in the CGUs' revenues in 2025, assuming that in 2026 the CGUs would then resume achievement of the results expected by the Plan.

Evaluation system

The estimate of the value in use is made by discounting the operating cash flows, i.e. the cash flows available before the repayment of financial payables and the remuneration of the shareholders (Unlevered Discounted Cash Flow or UDCF). Operating cash flows are discounted at a rate equal to the weighted average cost of debt and equity (Weighted Average Cost of Capital or WACC), in order to obtain the value of the company's operating capital (Enterprise Value).

The prospective cash flows used in the impairment test at December 31, 2024 are those deriving from the Business Plans of the individual CGUs relating to the years 2025-2028, approved by each company between the end of February and the beginning of March 2025. The time horizon of the Plans is 4 years. It should be clarified that the impairment test was approved by the Board of Directors of the Parent Company on March 7, 2025.

The prospective cash flows used in the impairment test have been calculated by taking as reference the EBITDA expected net of notional taxes and less the notional contribution of fixed assets and working capital. The assumptions and method used are consistent with the company's historical results and the reference market. In light of the above, for the development of the impairment test it was considered appropriate to refer to a growth rate *g* of 1.3%, which is in line with the real growth of the Euro estimated by the ECB for the year 2027, the last year forecast by the ECB approximating the last year of the Business Plan of the CGUs (2028).

The discounting rate of cash flows (WACC) used for the impairment tests at December 31, 2024 was 6.330% and was calculated by using the same method as at December 31, 2023 and in prior years.

The principal parameters at December 31, 2024 for the calculation of the discount rate (WACC) are the following:

- *Risk free rate*: the rate used is 3.70%; this value corresponds to the yield on Italian ten-year government securities recorded as a monthly average over the last twelve months 2024 (Source: Bloomberg);
- *Beta*: for the estimation of the non-differentiable systemic risk coefficient, reference was made to the inputs elaborated by international practice (Source: Bloomberg), taking into consideration a group of listed companies operating in the same sector of the company to be valued, thus calculating an appropriate Unlevered industry average beta, equal to 0.52% at December 31, 2024; in particular, beta was calculated through weekly observations of the relative performance of the securities of the companies in the sample compared to the monthly benchmark index over the two previous years;
- *Market premium*: for the purposes of the analysis, a rate of 4.33% was used at December 31, 2024 (Source: A. Damodaran - Stern University NY international research website) http://pages.stern.nyu.edu/~adamodar/;
- *Additional risk premium:* a risk capital cost premium of 1.0% was applied, compared to 2.0% in previous years. With the acquisition of the Aurelia Hospital Group in late 2023, the Group in FY 2024 reduced its size gap with other comparable companies, and therefore it was deemed reasonable to reconsider the additional risk premium;
- The *cost of debt (Kd)* was determined with reference to the effective interest rate charged by the banking system on the same loans outstanding 10-year Eurirs, 12-month average (Source: Bloomberg) of 2.58%, with an average spread of 208 points provided by GHC Group management; this results in a total of 4.66%, which, considering the tax impact of 24%, brings the *Kd* to a level of 3.54%.
- *Financial structure:* consistently with that done for the purposes of the calculation of the beta, we applied to the cost of risk capital and the cost of debt capital, weights determined using a market D/E representative of the average financial structure of the sample of comparable listed companies, equal to 0.60 for December 31, 2024. The We (of Equity) and Wd (of Debt) weights were 62.3% and 37.7%. Specifically, with respect to the sample of comparable listed companies for the purpose of determining beta and market D/E as of December 31, 2023, it was considered reasonable to exclude Klariane, a listed French Group that showed a D/E of 10.55, an outlier compared to the other comparable companies.

Rugani Hospital CGU

The recoverable value of the cash-generating unit Rugani Hospital S.r.l., healthcare facility operating in Siena, was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 17, 2025. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

CMSR Veneto Medica CGU

The recoverable value of the cash-generating unit CMSR Veneto Medica S.r.l. clinic operating in Vicenza, was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 19, 2025. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

Villa Von Siebenthal CGU

The recoverable value of the cash-generating unit Villa Von Siebenthal S.r.l., social-care healthcare facility operating in Genzano Romano, was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 21, 2025. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

Fides Group CGU

The recoverable value of the cash-generating unit of the Fides Group was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 17, 2025 of Fides Medica S.r.l.. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

Casa di Cura Prof. Nobili CGU

The recoverable value of the cash-generating unit Casa di Cura Prof. Nobili was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 27, 2025. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

Poliambulatorio Dalla Rosa Prati CGU

The recoverable value of the cash-generating unit Poliambulatorio dalla Rosa Prati, healthcare facility operating in Parma, was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 27, 2025. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

Ospedali Privati Riuniti CGU

The recoverable value of the cash-generating unit Ospedali Privati Riuniti, healthcare facility operating in Bologna, was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 17, 2025. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

Centro Medico San Biagio e Bimar CGU

The recoverable value of the cash-generating unit Centro Medico San Biagio and Bimar, healthcare facility operating in Portogruaro (Venice), was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 19, 2025 of Centro Medico San Biagio S.r.l.. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

Centro Medico Università Castrense CGU

The recoverable value of the cash-generating unit Centro Medico Università Castrense, healthcare facility operating in San Giorgio di Nogaro (Udine), was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 19, 2025. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

Aesculapio CGU

The recoverable value of the cash-generating unit Aesculapio S.r.l. clinic operating in San Felice sul Panaro (Modena), was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 18, 2025. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

Clinica San Francesco CGU

The recoverable value of the cash-generating unit Clinica San Francesco S.r.l., healthcare facility operating in Verona, was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 28, 2025. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

Domus Nova CGU

The recoverable value of the cash-generating unit of Domus Nova S.r.l., owner of the acute multi-specialist private hospitals Domus Nova and San Francesco, both located in Ravenna, was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 27, 2025. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

GVDR CGU

The recoverable value of the cash-generating unit Gruppo Veneto Diagnostica e Riabilitazione S.r.l., with four healthcare facilities operating in Veneto, was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 17, 2025. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

XRay One CGU

The recoverable value of the cash-generating unit XRay One S.r.l., healthcare facility operating in Poggio Rusco (Mantua), was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 18, 2025. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

Sanatorio Triestino CGU

The recoverable value of the cash-generating unit Sanatorio Triestino S.p.A., healthcare facility operating in Trieste, was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 19, 2025. As a result of the updated analyses, the management did not identify an impairment of this cash-generating unit.

Aurelia Hospital and European Hospital CGU

The recoverable value of the cash-flow generating unit Aurelia Hospital multi-specialty facility and European Hospital multi-specialty clinic both operating in Rome, Italy, was determined on the basis of the value in use calculation, in which the cash-flow projections from the relative financial budgets for a period of four years, approved by the Board of Directors on February 28, 2025 for European Hospital S.p.A. and by the Board of Directors on March 4, 2025 for Aurelia Hospital S.r.l., respectively, were used. As a result of the updated analyses, management did not identify an impairment of this cash-generating unit.

Samadi CGU

The recoverable value of the cash-generating unit Samadi psychiatric residential facility operating in Rome was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 28, 2025. As a result of the updated analyses, management did not identify an impairment of this cash-generating unit.

Sant'Antonio CGU

The recoverable value of the cash-generating unit Hospice San Antonio da Padova facility that provides palliative care services aimed at patients with advanced disease operating in Rome was determined on the basis of the calculation of the value in use, in which the cash flow projections deriving from the related financial budgets were used for a period of four years, approved by the Board of Directors on February 28, 2025. As a result of the updated analyses, management did not identify an impairment of this cash-generating unit.

Sensitivity to changes in assumptions

The Group prepared sensitivity analyses on the results of the test with respect to changes in the basic assumptions that affect the value in use of the CGUs, thus assuming a change in the WACC of +/-1, resulting in a reduction in the CGUs' prospective EBITDA of +/-5%. This would not entail impairment losses for any of the CGUs.

The equilibrium WACC for each CGU with reference to December 31, 2024, compared with December 31, 2023, is presented below.

	At December 31 2024	At December 31 2023
Casa di Cura Rugani CGU	20.50%	9.98%
CMSR Veneto Medica CGU	10.80%	11.29%
Villa Von Siebenthal CGU	9.42%	8.66%
Fides Group CGU	9.38%	7.36%
Casa di Cura Prof. Nobili CGU	22.32%	18.36%
Poliambulatorio Dalla Rosa Prati CGU	12.17%	10.96%
Ospedali Privati Riuniti CGU	10.68%	8.57%
Centro Medico San Biagio e Bimar CGU	12.69%	11.35%
Centro Medico Università Castrense CGU	13.35%	12.20%
Aesculapio CGU	15.07%	8.25%
XRay One CGU	7.50%	6.82%
Clinica San Francesco CGU	9.59%	8.66%
Domus Nova CGU	11.52%	8.65%
GVDR CGU	9.68%	8.55%
Sanatorio Triestino CGU	15.68%	11.74%
Aurelia Hospital/European Hospital CGU	9.68%	-
Samadi CGU	8.24%	-
Sant'Antonio CGU	14.43%	-

Management deemed it appropriate to engage an independent professional to simulate a "stress test" on intangible assets with indefinite useful lives by verifying the resilience of the impairment tests with respect to a further contraction of CGU revenues in 2025, thus assuming that in 2026 the CGUs would return to the results projected in the Plan. In conducting the stress test, as in previous years, the consultant considered the lack of revenue-related flows by conservatively assuming that the entire cost structure would remain as such. Only the recovery of the negative flows related to the 2025 tax payment was considered, as the lack of revenue would lead the CGUs to a tax loss.

This test confirms the impairment tests' robust margins.

Note 3 Other intangible assets

The breakdown of Other intangible assets at December 31, 2024 and December 31, 2023 is shown below.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Concessions, licenses, trademarks and similar rights	416	349	68
Development	377	569	(192)
Accreditation	277,905	215,837	62,068
Software	2,046	1,869	177
Industrial patents	38	15	22
Other intangible assets	384	296	88
Assets in progress and advances	279	322	(43)
Total other intangible assets	**281,446**	**219,258**	**62,188**

The table below shows the movements in individual items of Other intangible assets during the year ended December 31, 2024.

in Euro thousands	*Concessions, licences, trademarks and similar rights*	*Development*	*Software*	*Accreditation*	*Industrial patents and intellectual property rights*	*Other intangible assets*	*Assets in progress and advances*	*Total*
Net value at December 31, 2023	349	569	1,869	215,837	15	297	322	219,258
Acquisition	87	-	1,260	-	-	155	874	2,375
Amortisation	(131)	(192)	(1,034)	-	-	(76)	-	(1,434)
Sales	-	-	(13)	-	(5)	-	(78)	(96)
Transfers/Reclassifications	112	-	(35)	-	28	9	(839)	(726)
Change in consolidation scope	-	-	-	62,068	-	-	-	62,068
Net value at December 31, 2024	416	377	2,046	277,905	38	384	279	281,446

Concessions, licenses, trademarks and similar rights

Concessions, licences, trademarks and similar rights, amounting to Euro 416 thousand at December 31, 2024, reported a change on December 31, 2023 of Euro 68 thousand, relating to investments in 2024 for Euro 87 thousand (mainly by Clinica San Francesco S.r.l. for Euro 58 thousand and GVDR - Gruppo Veneto Diagnostica e Riabilitazione S.r.l. for Euro 24 thousand), net of the relative amortisation.

Development costs

The item Development costs, amounting to Euro 377 thousand at December 31, 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.

The item, amounting to Euro 2,046 thousand as of December 31, 2024, increased by Euro 178 thousand compared to the previous year due to the investments made during 2024, partially offset by amortisation for the year. More specifically, the Group made investments in software for Euro 1,260 thousand, mainly attributable to the companies Garofalo Health Care S.p.A. (Euro 400 thousand), Poliambulatorio Dalla Rosa Prati S.r.l. (Euro 232 thousand), Casa di cura Prof. Nobili S.r.l. (Euro 191 thousand), Ospedali Privati Riuniti S.r.l. (Euro 64 thousand), Domus Nova S.r.l. (Euro 87 thousand), C.M.S.R. Veneto Medica S.r.l. (Euro 43 thousand) and Casa di Cura Villa Garda S.r.l. (Euro 42 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.. The breakdown of the account at December 31, 2024 is illustrated below:

in Euro thousands	*At December 31*	*At December 31*	*Change*
	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	2,625	2,625	-
XRay 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
Samadi CGU	3,946	-	3,946
Sant'Antonio CGU	3,717	-	3,717
Total Accreditation	277,905	215,837	62,068

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).

Regarding the latest acquisition of the Aurelia Group, the determination of fair value is based on the following assumptions:

- As the acquisition was made on November 16, 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 was 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%.

Sensitivity analyses were also performed, simulating a WACC variation of +/-1% and a reduction in the CGU’s prospective EBITDA level of +/-5%, which did not result in impairments in any CGU.

Other intangible assets

The account includes residual categories of assets, which, given their scarce significance, are not in a specific item. The balance at December 31, 2024 was Euro 384 thousand.

Assets in progress and advances

The item, amounting to Euro 279 thousand, consists mainly of projects under development for applications and software carried out mainly by Centro Medico S.Biagio S.r.l. (Euro 139 thousand) and Clinica San Francesco S.r.l. (Euro 101 thousand).

Note 4 Property, plant and equipment

The table below shows the breakdown of Property, plant and equipment at December 31, 2024 compared with December 31, 2023.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Land & buildings	218,527	181,689	36,838
Leasehold improvements	5,958	4,070	1,888
Plant & machinery	17,486	15,459	2,027
Industrial & commercial equipment	26,544	26,080	464
Other assets	5,348	5,298	50
Right-of-use	17,130	17,320	(191)
Assets in progress and advances	2,797	3,072	(276)
Total	293,790	252,989	40,801

The following tables show the changes in the item in question for the year ended December 31, 2024.

in Euro thousands	*Land & buildings*	*Leasehold improvements*	*Plant & Equipment*	*Industrial and commercial equipment*	*Other assets*	*Rights-of-use*	*Assets in progress and advances*	*Total*
Net value at December 31, 2023	**181,689**	**4,070**	**15,459**	**26,080**	**5,298**	**17,320**	**3,072**	**252,989**
Acquisition	2,113	1,400	4,302	6,853	1,624	2.708	3,600	22.601
Depreciation	(7,970)	(926)	(3,562)	(6,947)	(1,578)	(2,899)	-	(23,882)
Sales	-	-	(64)	-	(200)	-	(4)	(268)
Transfers/Reclassifications	673	1,414	1,350	559	203	-	(3,872)	328
Change in consolidation scope	42,022	-	-	-	-	-	-	42,022
Net value at December 31, 2024	**218,527**	**5,958**	**17,486**	**26,544**	**5,348**	**17,130**	**2,797**	**293,790**

Land & buildings

The item mainly includes the properties owned by the nursing homes and amounted to Euro 218,527 thousand at December 31, 2024 compared to Euro 181,689 thousand in 2023.

The account in question increased by a net amount of Euro 36,838 thousand during 2024, primarily due to the combined effect of the following:

i. investments made by the Group amounting to Euro 2,113 thousand, the most significant by Garofalo Health Care Real Estate S.p.A. (Euro 1,296 thousand) and Aurelia Hospital S.r.l. (Euro 318 thousand);
ii. depreciation in the year of Euro 7,970 thousand;
iii. sale of the Miralago property carried out by the company L'Eremo DI Miazzina S.r.l. (Euro 721 thousand);
iv. already mentioned completion of the Aurelia Group's Purchase Price Allocation, which provided for part of the provisional goodwill to be allocated to Industrial Buildings following the timely determination of the fair value of the properties amounting to Euro 42,022 thousand.

Leasehold improvements

The item increased by Euro 1,888 thousand compared to December 31, 2023 mainly due to:

i. investments for the period amounting to Euro 1,400 thousand, mainly attributable to C.M.S.R. Veneto Medica S.r.l. (Euro 356 thousand), Group Veneto Diagnostica e Riabilitazione S.r.l. (Euro 286 thousand), Domus Nova S.r.l. (Euro 222 thousand), Hesperia Hospital Modena S.r.l. (Euro 161 thousand) and Villa Von Siebenthal S.r.l. (Euro 138 thousand)
ii. depreciation in the year of Euro 926 thousand;

iii. reclassifications from assets in progress and advances amounting to Euro 1,414 thousand, mainly attributable to Domus Nova S.r.l. (Euro 861 thousand) and Gruppo Veneto Diagnostica e Riabilitazione S.r.l. (Euro 554 thousand).

Plant and machinery

The account increased by Euro 2,027 thousand in the year compared to December 31, 2023. The net increase mainly concerns:

i. investments amounting to Euro 4,302 thousand, mainly attributable to Poliambulatorio Dalla Rosa Prati S.r.l. (Euro 2,103 thousand), Ospedali Privati Riuniti S.r.l. (Euro 1,314 thousand), Domus Nova S.r.l. (Euro 152 thousand) and Casa di Cura Villa Berica S.r.l. (Euro 268 thousand);
ii. depreciation in the year of Euro 3,562 thousand;
iii. reclassifications from fixed assets in progress for Euro 1,350 thousand, mainly relating to Ospedali Privati Riuniti S.r.l. (Euro 1,100 thousand);

Industrial and commercial equipment

The item Industrial and commercial equipment amounted to Euro 26,544 thousand at December 31, 2024, compared to Euro 26,080 thousand at December 31, 2023. The net change of Euro 464 thousand is attributable to the combined result of the following effects:

i. investments amounting to Euro 6,853 thousand, mainly attributable to Hesperia Hospital Modena S.r.l. (Euro 1,456 thousand), Aurelia Hospital S.r.l. (Euro 1,170 thousand), Domus Nova S.r.l. (Euro 1,095 thousand), European Hospital S.p.A. (Euro 445 thousand), Casa di Cura Villa Berica S.r.l. (Euro 619 thousand), Rugani Hospital S.r.l. (Euro 247 thousand) and Sanatorio Triestino S.p.A. (Euro 508 thousand);
ii. depreciation in the year of Euro 6,947 thousand;

Other assets

The item, which mainly includes cars, transport vehicles, EDP, furniture and fittings, amounts to Euro 5,348 thousand at December 31, 2024, with a net increase of Euro 50 thousand compared to December 31, 2023. This item is mainly attributable to:

i. investments amounting to Euro 1,624 thousand, mainly attributable to Casa di Cura Villa Berica S.r.l (Euro 117 thousand), Aurelia Hospital S.r.l (Euro 251 thousand), Casa di Cura Prof. Nobili S.r.l. (Euro 139 thousand), Ospedali Privati Riuniti S.r.l. (Euro 228 thousand), Clinica San Francesco S.r.l. (Euro 174 thousand) and Domus Nova S.p.A (Euro 112 thousand);
ii. depreciation in the year of Euro 1,578 thousand;

Rights-of-use

The account, amounting to Euro 17,130 thousand at December 31, 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 months and for an amount exceeding Euro 5 thousand against payment of a set fee. The item remains essentially unchanged due to the combined effect of new investments of Euro 2,708 thousand, mainly attributable to Gruppo Veneto Diagnostica e Riabilitazione S.r.l. (Euro 2,472 thousand), and depreciation of Euro 2,899 thousand.

Assets in progress and advances

The account at December 31, 2024 amounted to Euro 2,797 thousand, compared to Euro 3,072 thousand in the previous year. The net decrease of Euro 276 thousand is attributable to the combined result of the following effects:

i. investments for Euro 3,600 thousand, mainly relating to Aurelia Hospital S.r.l (Euro 1,809 thousand), Clinica San Francesco S.r.l. (Euro 990 thousand) and Ospedali Privati Riuniti S.r.l. (Euro 446 thousand);
ii. reclassifications for Euro 3,872 thousand, mainly attributable to Ospedali Privati Riuniti S.r.l. (Euro 1,100 thousand), Domus Nova S.r.l. (Euro 656 thousand) and Gruppo Veneto Diagnostica e Riabilitazione S.r.l. (Euro 554 thousand) for the completion of works.

Note 5 Investment properties

The table below shows the breakdown of investment properties at December 31, 2024.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Investment property	810	846	(36)
Total investment properties	**810**	**846**	**(36)**

The Group's investment properties primarily refer to the apartments owned by L'Eremo di Miazzina S.r.l. of Euro 661 thousand, by Hesperia Hospital Modena S.r.l. of Euro 14 thousand and by FI.DE.S. Medica S.r.l. for Euro 135 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 year is attributable solely to depreciation amounting to Euro 36 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 (2024) 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.

Note 6 Equity investments

The value of equity investments at December 31, 2024 was Euro 1,363 thousand and concerns investments in associates for Euro 1,278 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 December 31, 2024 and December 31, 2023.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Il Fiocco S.c.a.r.l.	670	746	(76)
Aurora Holding S.r.i.	608	547	61
Total investments in associates	1,278	1,293	(15)

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 newly-acquired 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 data at December 31, 2024 of Aurora Holding S.r.l. are shown below, while for Il Fiocco Sc.a.r.l., since an updated accounting closing at December 31, 2024 is not available at the time of preparation of the consolidated financial statements, reference is made to the latest available accounting closing (June 30, 2024).

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

Il Fiocco Sc.a.r.l.	At June 30
in Euro thousands	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)
Net profit from continuing operations	281
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	-
Other comprehensive income from continuing operations	281
of which Group	112
of which minority interests	169
Consolidation adjustments	(28)
Group Net Profit	84

Aurora Holding S.r.l.	At December 31
in Euro thousands	2024
Current assets	894
Non-current assets	3,647
Current liabilities	(1,032)
Non-current liabilities	(2,342)
Shareholders’ Equity	1,168
Group Shareholders' Equity	584
Goodwill	24
Carrying value of the Group’s investment	608

Aurora Holding S.r.l.	At December 31
in Euro thousands	2024
Revenues	2,931
Cost of sales	(2,551)
Amortisation, depreciation and write-downs	(87)
Financial Charges	(99)
Profit before taxes	194
Income taxes	(64)

Net profit from continuing operations	130
Other comprehensive items which may be subsequently reclassified to profit/(loss) for the year net of income taxes	-
Other comprehensive items which may not be subsequently reclassified to profit/(loss) for the year net of income taxes	-
Other comprehensive income from continuing operations	130
of which Group	76
of which minority interest	54
Group Net Profit	38

At December 31, 2024 the associated company did not have any contingent liabilities or commitments.

Capital instruments

A breakdown of equity investments is presented below.

in Euro thousands	At December 31	At 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.	2	10	(8)
Other securities	2	2	-
Total share capital instruments	**84**	**92**	**(8)**

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.

The item decreased by Euro 8 thousand as a result of the write-down of the shareholding in Idroterapic S.r.l., whose shares were sold on January 10, 2025.

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.

Note 7 Other non-current financial assets

“Other non-current financial assets” amounted to Euro 1,398 thousand at December 31, 2024, decreasing Euro 1,971 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 December 31, 2024 and December 31, 2023.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Guarantee deposits	612	668	(56)
Securities	-	2,391	(2,391)
Financial receivables from others	786	309	477
Total other non-current financial assets	**1,398**	**3,368**	**(1,970)**

Note 8 Other non-current assets

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

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Realignment substitute tax credits	871	1,132	(260)
Current other receivables	523	1,107	(584)
Total other non-current assets	**1,394**	**2,238**	**(845)**

"Other non-current assets" amounted to Euro 1,394 thousand at December 31, 2024 and include Euro 871 thousand of receivables due beyond one year relating to the tax on the realignment of the accounting and tax values of the goodwill recognized to C.M.S.R Veneto Medica S.r.l. (Euro 610 thousand), to Fides Medica S.r.l. (Euro 170 thousand) and to Rugani Hospital S.r.l. (Euro 91 thousand).

"Other receivables" of Euro 523 thousand mainly comprised the tax credit maturing beyond one year under the "Industry 4.0" decree.

Note 9 Deferred tax assets and liabilities

Deferred tax assets and liabilities

Deferred tax assets and liabilities at December 31, 2024, compared with the situation at December 31, 2023, is presented below.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Deferred tax assets	14,000	14,850	(850)
Deferred tax liabilities	(103,783)	(74,770)	(29,013)
Net balance	**(89,783)**	**(59,921)**	**(29,862)**

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 29,013 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 year ended December 31, 2024 and December 31, 2023.

Euro thousands	At December 31	At December 31
	2024	2023
Net opening balance	**(59,921)**	**(56,740)**
Credit / (Debit) to the income statement	1,048	(417)
Other changes	(30,417)	(2,858)
Credit / (Debit) to equity	(494)	94
Net closing balance	**(89,783)**	**(59,921)**

Net deferred tax assets and liabilities amounted to a net liability of Euro 89,783 thousand at December 31, 2024.

The movements of the deferred tax assets and liabilities are detailed below.

Euro thousands	At December 31	Change to the balance sheet/income statement	Changes to the comprehensive income statement	At December 31
	2023			2024
Doubtful debt provision	2,219	24	-	2,242
Risks provision accrual	7,259	(1,064)	-	6,195
Tax losses	1,820	96	-	1,916
Goodwill realignment	1,267	451	-	1,719
Other	711	2	-	713
Accelerated depreciation	89	(3)	-	86
Adjustment for IAS 19 Employee Benefits	715	34	(700)	49
Adjustment for IAS 16 - Revaluations	43	0	-	43
IFRS 16	374	12	-	386
OTHER	353	90	207	650
Deferred tax assets	**14,850**	**(357)**	**(494)**	**14,000**

Euro thousands	At December 31	Change to the balance sheet/income statement	Changes to the comprehensive income statement	At December 31
	2023			2024
Goodwill / Accreditation gross-up	(62,621)	(29,187)	-	(91,807)
Interest on arrears	(52)	-	-	(52)
Adjustment for IAS 16 - Revaluations	(5,016)	(195)	-	(5,210)
IFRS 16	(5,905)	(211)	-	(6,116)
Amortisation & depreciation IAS 40	(67)	-	-	(67)
Other	(1,110)	580	-	(530)
Deferred tax liabilities	(74,770)	(29,013)	-	(103,783)

Net deferred taxes	(59,921)	(29,370)	(494)	(89,783)

Note 10 Inventories

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

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Raw materials, ancillaries and consumables	6,073	5,583	490
Inventories	6,073	5,583	490

AT December 31, 2024, inventories amounted to Euro 6,073 thousand, an increase of Euro 490 thousand compared to December 31, 2023 (Euro 5,583 thousand). This item, consisting exclusively of raw materials, supplies and consumables, refers to materials intended for clinical-hospital activities of Group companies.

Note 11 Trade receivables

Trade receivables amounted to Euro 112,842 thousand at December 31, 2024, compared with Euro 100,994 thousand at December 31, 2023. The breakdown is reported below.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Receivables – private customers	17,442	34,849	(17,406)
Receivables – local health authorities	102,831	70,240	32,591
Other receivables	4,548	7,360	(2,812)
Bad debt provision	(11,979)	(11,455)	(524)
Total trade receivables	**112,842**	**100,994**	**11,848**

Trade receivables refer solely to provisions rendered within Italy and there are no receivables due beyond twelve months. The increase in trade receivables compared to December 31, 2023 derives from both an increase in activities and management's decision not to anticipate the collection of receivables associated with the Outside-Region revenues of the Emilia-Romagna facilities, motivated by the desire to prioritise - through the non-factoring without recourse of these receivables - the containment of financial charges with respect to the cash benefit that would have resulted.

The movements in the doubtful debt provision, which increased by Euro 524 thousand compared to December 31, 2023, are reported below:

Euro thousands	*Dec 31, 23*	*Provisions*	*Utilisations*	*Decrease*	*Other movements*	*Dec 31, 24*
Doubtful debt provision	11,455	792	(27)	(72)	(168)	11,979

The main changes were as follows:

i. provisions for Euro 792 thousand, mainly by Ospedali Privati Riuniti S.r.l. (Euro 291 thousand), Casa di cura Prof. Nobili S.p.A. (Euro 90 thousand), European Hospital S.p.A. (Euro 89 thousand), Aurelia Hospital S.r.l. (Euro 67 thousand) and Hesperia Hospital Modena S.r.l. (Euro 154 thousand);
ii. utilisations of Euro 27 thousand, made mainly by C.M.S.R. Veneto Medica S.r.l. (Euro 15 thousand);
iii. releases amounting to Euro 72 thousand by Domus Nova 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.

Note 12 Tax receivables

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

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Receivables for IRES and IRAP applications	87	139	(52)
IRES payments on account	4,469	3,858	611
IRAP payments on account	808	784	24
Tax consolidation receivables	425	618	(193)
Other tax assets	1,572	2,540	(968)
TOTAL TAX RECEIVABLES	**7,361**	**7,939**	**(578)**

Tax receivables at December 31, 2024 amounted to Euro 7,361 thousand, compared to Euro 7,939 thousand in the preceding year, a decrease of Euro 578 thousand.

At December 31, 2024 the account mainly comprised tax receivables arising from IRES and IRAP payments on account (Euro 5,277 thousand) and other tax receivables (Euro 1,572 thousand).

The IRES advances of Euro 4,469 thousand mainly include the receivable of the parent company GHC S.p.A. for Euro 3,367 thousand, concerning advances paid in the previous year by the companies within the tax consolidation scope, net of income taxes due for the period.

Other tax receivables of Euro 1,572 thousand refer primarily to L'Eremo di Miazzina (Euro 103 thousand), Hesperia Hospital Modena S.r.l. (Euro 294 thousand), Poliambulatorio Dalla Rosa Prati S.r.l. (Euro 200 thousand), Ospedali Privati Riuniti S.r.l. (Euro 63 thousand), Centro Medico S.Biagio S.r.l. (Euro 143 thousand), Gestiport 86 S.p.A (Euro 88 thousand), Casa di Cura Villa Berica S.r.l. (Euro 91 thousand) and European Hospital S.p.A (Euro 407 thousand) and mainly comprise tax receivables on investments.

Note 13 Other receivables and current assets

Other receivables and current assets amounted to Euro 6,054 thousand at December 31, 2024, compared to Euro 7,652 thousand at December 31, 2023, a decrease of Euro 1,597 thousand.

The changes in the account were as follows:

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Advances to suppliers	421	458	(38)
Current other receivables	2,919	4,459	(1,540)
Employee receivables	-	28	(28)
Receivables from social security institutions	251	226	25
Other tax receivables	698	394	303
Accrued income and prepaid expenses (non-financial)	1,765	2,085	(320)
Total other receivables and current assets	**6,054**	**7,652**	**(1,597)**

The account mainly breaks down as follows:

i. suppliers on account amounting to Euro 421 thousand, mainly relating to Hesperia Hospital Modena S.r.l. (Euro 165 thousand), Domus Nova S.r.l. (Euro 106 thousand) and Centro Medico Università Castrense S.r.l. (Euro 100 thousand);

ii. other receivables totalling Euro 2,919 thousand, mainly concerning Aurelia Hospital S.r.l. (Euro 1,637 thousand), European Hospital S.p.A (Euro 306 thousand), Clinica San Francesco S.r.l. (Euro 122 thousand), Domus Nova S.r.l. (Euro 192 thousand), Villa Von Siebenthal S.r.l. (Euro 189 thousand), Casa di cura S.Antonio da Padova S.r.l. (Euro 177 thousand) and Sanatorio Triestino S.p.A. (Euro 95 thousand);

iii. accrued income and prepaid expenses relating to non-financial assets for Euro 1,765thousand, mainly attributable to Hesperia Hospital Modena S.r.l. (Euro 163 thousand), European Hospital S.p.A (Euro 490 thousand), Casa di Cura Prof. Nobili S.r.l. (Euro 157 thousand), GHC S.p.A. (Euro 128 thousand), Centro Medico San Biagio S.r.l. (Euro 134 thousand), Ospedali Privati Riuniti S.r.l. (Euro 80 thousand) and Clinica San Francesco S.r.l. (Euro 93 thousand).

Note 14 Other current financial assets

As of December 31, 2024, the value of other current financial assets amounted to Euro 5,483 thousand, an increase of Euro 5,074 thousand compared to December 31, 2023, mainly attributable to Garofalo Health Care S.p.A. (Euro 5,000 thousand) for the subscription of Time Deposits maturing 6 months from the date of subscription.

Note 15 Cash and cash equivalents

The changes in the account were as follows.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Bank current accounts	26,423	22,309	4,114
Cheques and cash	240	375	(135)
Total cash and cash equivalents	**26,663**	**22,684**	**3,979**

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

The Garofalo Health Care Group believes that the credit risk associated with cash and cash equivalents is limited because they primarily consist of deposits held with various national Italian banking institutions.

The above account is also subject to the general impairment rule and the loss rate approach has 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 composition of net financial position at December 31, 2024 and December 31, 2023.

Note 16 Shareholders' equity

Share capital

At December 31, 2024 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 December 31, 2024, including significant equity interests.

Number of ordinary shares	% share capital	Listed / Non listed	Rights and obligations
90,200,000	100%	Euronext STAR Milan	Each Share entitles the owner to one vote. 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 confers two votes. For further information, reference should be made to paragraph 2, letter d), of the Corporate Governance Report. The shareholders' rights and obligations are as established in Articles 2346 *et seq.* of the Italian Civil Code and Article 7 of the By-laws with regard to multi-voting rights.

<table>
<tr><th>Shareholder</th><th>Direct shareholder</th><th>% of ordinary share capital</th><th>% of voting share capital</th></tr>
<tr><td rowspan="3">Garofalo Maria Laura[1]</td><td>Anrama S.p.A.</td><td rowspan="3">65,09%[2]</td><td rowspan="3">63,90%[2]</td></tr>
<tr><td>Larama 98 S.p.A.</td></tr>
<tr><td>Garofalo Maria Laura</td></tr>
<tr><td>Enasarco Foundation</td><td>Enasarco Foundation</td><td>5.28%</td><td>5.18%</td></tr>
</table>

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 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 December 31, 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

[1] Source: GHC Group
[2] Percentages concern number of total shares, including treasury shares

on April 29, 2024, in accordance with Article 2430 of the Italian Civil Code.

Other reserves

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

Euro thousands	*At December 31*	*At December 31*	*Change*
	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	2,728	2,154	574
Provision as per Article 40 By-Laws	99	4	95
Reserve - IAS 19 Post-employment benefits	322	(1,895)	2,217
First Time Adoption Reserve	2,320	2,320	-
Retained earnings	116,346	95,939	20,407
Share Premium Reserve	101,413	101,413	-
Reserve for treasury shares in portfolio	(8,107)	(7,601)	(506)
Cash Flow Hedge Reserve	(654)	-	(654)
AUCAP 2021 Reserve	(883)	(883)	-
Other reserves	268,037	245,903	22,134

At December 31, 2024, the account Other Reserves amounted to Euro 268,037 thousand, a net increase of Euro 22,134 thousand compared to December 31, 2023, mainly deriving from the combined effect of:

i. increase of Euro 574 thousand in the Share-based Payment Reserve as a result of the provision for the 2024 - 2026 Performance Share Plan (Euro 1,006 thousand), partly offset by the delivery on May 31, 2024 of GHC S.p.A. shares to the beneficiaries of the "2021 - 2023 Performance Share Plan" (Euro 432 thousand);
ii. change of Euro 2,217 thousand in the IAS 19 Post-employment reserve, as a result of changed actuarial benchmark assumptions, including mainly a lower revaluation rate and a higher discount rate than in 2023;
iii. increase of consolidated retained earnings of Euro 20,407 thousand following the allocation of the profit for the previous year of the consolidated companies;
iv. change of Euro 506 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 159,636 shares for Euro 850 thousand;

v. increase in the Cash Flow Hedge reserve of Euro 654 thousand as of December 31, 2024, which represents the fair value of the Interest Rate Swap, entered into by the Company in July 2024, with a notional amount equal to two-thirds of the new medium/long-term bank loan, in order to hedge against the risk of rising interest rates and to stabilise future interest expense payment flows.

Minority interest shareholders' equity

The minority interest capital and reserves amounted to Euro 10,601 thousand at December 31, 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.

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 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 December 31	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%

Movements during the year were as follows (in Euro thousands):

Euro thousands	
Balance at December 31, 2023	**19,505**
Financial charges	437
Net actuarial gains/(losses) recognised in the period	(2,949)
Transfer in/(out)	(2,056)
Change in consolidation scope	
Cost for service	990
Balance at December 31, 2024	**15,927**

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 Euro thousands for the years ended December 31, 2024 and December 31, 2023 are summarized in the following tables.

		December 31, 2024		
		Annual discount rate		
		-10%	*100%*	*10%*
Annual inflation rate	*-10%*	16,081	15,649	15,238
	100%	16,343	**15,927**	15,475
	10%	16,614	16,155	15,718

Note 18 Provision for risks and charges

"Provisions for risks and charges" at December 31, 2024 and at December 31, 2023 respectively amounted to Euro 25,628 thousand and Euro 28,251 thousand.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Provisions for risks and charges – End-of-service indemnity provisions	24	75	(51)
Provisions for risks and charges – Provisions for healthcare lawsuit risks	22,920	25,391	(2,471)
Provision for risks and charges – Other provisions for risks and charges	2,684	2,784	(100)
Total provisions for risks and charges	**25,628**	**28,251**	**(2,623)**

The changes in the "Provisions for risks and charges" in the year ended December 31, 2024, compared with the changes in the year ended December 31, 2023, are presented below.

in Euro thousands	*End-of-service indemnity provisions*	*Provisions for healthcare lawsuit risks*	*Other provisions for risks and charges*	*Total*
Net value at December 31, 2023	75	25,391	2,784	28,251
Provisions	24	10,527	905	11,456
Utilisations	(75)	(8,141)	(941)	(9,156)
Reversals	0	(4,634)	(426)	(5,060)
Transfers/Reclassifications	0	(224)	361	136
Net value at December 31, 2024	**24**	**22,920**	**2,684**	**25,628**

Provisions for risks and charges include the total end-of-service indemnities for directors of Euro 24 thousand at December 31, 2024, compared with a balance of Euro 75 thousand at December 31, 2023. The change in the item includes provisions of Euro 24 thousand and utilisations of Euro 75 thousand made by Casa di Cura Prof. Nobili S.r.l.

Provisions for healthcare lawsuit risks and local health authority risks totalled Euro 22,920 thousand at December 31, 2024 and are attributable to healthcare risks for Euro 16,029 thousand and to local health authority risks for Euro 6,891 thousand. Health risks include 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 takes account of events that have occurred at the reporting date, even though not reported, which the company, with the support of its legal counsel, has decided to recognise a risk provision 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 decrease in the account of Euro 2,471 thousand is due to:

i. Provisions amounting to Euro 10,527 thousand, of which Euro 7,183 thousand refers to healthcare lawsuits and Euro 3,345 thousand refers to Local Health Authority (ASL) risks.
In the case of the healthcare lawsuits, the accruals refer mainly to Ospedali Privati Riuniti S.r.l. for Euro 1,375 thousand, Rugani Hospital S.r.l. for Euro 631 thousand, Hesperia Hospital Modena S.r.l. for Euro 1,244 thousand, Casa di Cura Villa Berica S.r.l. for Euro 502 thousand, Clinica San Francesco S.r.l. for Euro 315 thousand, Domus Nova S.r.l. for Euro 1,443 thousand, Aurelia Hospital S.r.l. for Euro 863 thousand and European Hospital S.p.A. for Euro 675 thousand.
For local healthcare authority risks, the provisions refer mainly to Hesperia Hospital Modena S.r.l. for Euro 1,764 thousand, Ospedali Privati Riuniti S.r.l. for Euro 1,033 thousand and Domus Nova S.p.A. for Euro 413 thousand.
ii. Utilisations amounting to Euro 8,141 thousand, of which Euro 6,419 thousand referring to healthcare lawsuits and Euro 1,721 to Local Health Authority (ASL) risks.
Utilisations for healthcare lawsuits were mainly attributable to Hesperia Hospital Modena S.r.l. (Euro 1,227 thousand), Casa di Cura Villa Berica S.r.l. (Euro 110 thousand), Rugani Hospital S.r.l. (Euro 150 thousand), Domus Nova S.p.A. (Euro 976 thousand), Clinica San Francesco S.r.l. (Euro 205 thousand), Ospedali Privati Riuniti S.r.l. (Euro 476 thousand), Aurelia Hospital S.r.l. (Euro 1,913 thousand) and European Hospital S.p.A. (Euro 1,341 thousand).
For local healthcare authority risks, the utilisations refer mainly to Hesperia Hospital Modena S.r.l. (Euro 65 thousand), Domus Nova S.r.l. (Euro 394 thousand), Casa di Cura Prof. Nobili S.r.l (Euro 53 thousand), Ospedali Privati Riuniti S.r.l. (Euro 846 thousand) and Aurelia Hospital S.r.l. (Euro 363 thousand).
iii. Releases amounting to Euro 4,634 thousand, of which Euro 3,759 thousand referring to healthcare lawsuits and Euro 875 thousand to Local Health Authority (ASL) risks.
With regards to the healthcare cases, the releases mainly concern Hesperia Hospital Modena S.r.l. (Euro 358 thousand), Rugani Hospital S.r.l. (Euro 285 thousand), Domus Nova S.r.l. (Euro 783 thousand), Aurelia Hospital S.r.l. (Euro 1,282 thousand), European Hospital S.r.l. (Euro 191 thousand) and Ospedali Privati Riuniti S.r.l. (Euro 702 thousand). In the case of the local health authority risks, the releases mainly refer to Ospedali Privati Riuniti S.r.l. (Euro 628 thousand), Casa di Cura Prof. Nobili S.r.l (Euro 102 thousand) and Domus Nova S.r.l. (Euro 116 thousand).

Other provisions for risks and charges amounted to Euro 2,684 thousand at December 31, 2024, compared with Euro 2,784 thousand at December 31, 2023, a net decrease of Euro 100 thousand. This item includes provisions for risks other than health risks mainly related to labour disputes. The change in the account was due to:

i. To provisions amounting to Euro 905 thousand, mainly referring to Hesperia Hospital Modena S.r.l. (Euro 537 thousand), Domus Nova S.r.l. (Euro 102 thousand) and Aurelia Hospital S.r.l. (Euro 195 thousand).
ii. To utilisations amounting to Euro 941 thousand, almost entirely concerning Aurelia Hospital S.r.l. (Euro 722 thousand)
iii. To releases amounting to Euro 444 thousand, mainly referring to Hesperia Hospital Modena S.r.l. (Euro 176 thousand) and Domus Nova S.r.l. (Euro 155 thousand).

Note 19 Non-current financial payables

The account “Non-current financial payables” includes medium/long term, floating-rate bank loans, the portion of payables arising from the application of IFRS 16 due beyond one year and liabilities for derivative financial instruments.

The table below provides the breakdown of the account for the year ended December 31, 2024 and a comparison to the previous year.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Other non-current financial payables	95,399	38,066	57,334
Medium/long-term loans and borrowings	128,159	126,134	2,025
Derivative financial instrument liabilities - non-current	860	-	860
Total non-current financial payables	224,419	164,200	60,219

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

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Bonds	72,738	15,803	56,936
Financial payables for IFRS 16 Non-Current	14,830	14,948	(119)
Payables to leasing companies	7,613	6,997	616
Non-current financial payables - accrued financial liabilities and deferred financial income	218	318	(100)
Total other non-current financial payables	95,399	38,066	57,334

The increase in Other non-current financial payables, amounting to Euro 57,334 thousand, is due to the following factors:

i. Increase of Euro 50,475 thousand attributable to the issue of a new bond by Garofalo Health Care S.p.A. (for details refer to the item "Non-current bank payables") and Euro 6,464 thousand in the item Bonds, referring to bonds issued to the previous shareholders of the Aurelia Group, resulting from the reclassification of the amount recorded 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. Decrease of Euro 119 thousand of “financial payables for IFRS 16”, relating to the signing of new contracts, amounting to Euro 2,063 thousand, net of the reclassification to current financial payables of the instalments maturing by December 31, 2024, amounting to Euro 2,181 thousand;
iii. Increase in "payables to leasing companies" of Euro 616 thousand resulting from the signing of new contracts, amounting to Euro 2,167 thousand, partly offset by the reclassification to short-term of instalments due by December 31, 2024, amounting to Euro 1,551 thousand.

"Non-current bank payables", amounting to Euro 128,159 thousand at December 31, 2024, increased by Euro 2,025 thousand compared to December 31, 2023; it should be noted that on July 8, 2024 the company 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 acting 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 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. The fair value at December 31, 2024 of the above-mentioned interest rate swap is Euro 860 thousand, which is recorded under "Liabilities for non-current derivative financial instruments."

The loans in place at December 31, 2024 and December 31, 2023 were as follows:

Description	Annual interest rate at signing	Expiry	Balance at December 31, 2024	Balance at December 31, 2023
	%		Euro thousands	
Line A Financing	Euribor 6M+1.70%	Jul 8, 30	125,743	-
Capex Line Financing	Euribor 6M+1.80%	Jul 8, 31	992	-
Unicredit Line A Loan	Euribor 6M+1.57%	Dec 31, 26	-	93,350
Unicredit Line B Loan	Euribor 6M+1.9%	Dec 31, 27	-	16,599
Unicredit Line B Loan	Euribor 6M+1.9%	Dec 31, 27	-	7,537
Unicredit Line B Loan	Euribor 6M+1.9%	Dec 31, 27	-	33,163
BPER Loan	Euribor 6M+2.4%	Apr 15, 27	-	47
Cassa di Risparmio del Veneto Loan	Euribor 1M+1.1%	Sep 28, 24	-	306
Mediocredito Italiano Loan	Euribor 1M+1.1%	Aug 31, 23	-	-
BCC Roma Loan	Euribor 1M+1.7%	Mar 31, 25	-	210
Intesa 313 loan	2.90%	Jul 30, 27	-	566
Intesa 251 loan	2.25%	Jun 30, 28	-	1,069
Mediocredito Italiano FVG Loan	2.00%	Jan 1, 30	-	407
Credito cooperativo del Carso Loan	2.60%	Sep 27, 32	-	3,812
Intesa 099 loan	1.10%	Sep 19, 26	-	1,271
Intesa 287 loan	Euribor 1M+1.2%	Jul 24, 26	-	293
Intesa loan	0.95%	Mar 31, 27	2,553	3,669
Other minor				35
Total			**129,287**	**162,334**
Of which:				
Bank payables - non-current portion of loans			128,159	126,134
Bank payables - current portion of loans			1,129	36,201

The 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 31.12.2026.

Parameter	***Threshold value***		
	Up to 31.12.2026	***at December 31, 2027***	***from 31.12.2028***
Leverage Ratio (NFP/ EBITDA)	≤4x	≤3,75x	≤3.5x
NFP / SE	≤1.5x	≤1.5x	≤1.5x

The above covenant had been observed at the date of these financial statements.

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

Euro thousands	*At December 31, 2024*	*Cash flows*	*Other changes*	*Reclassifications*	*At December 31, 2023*
Other non-current financial payables	(95,399)	(50,745)	(4,375)	(2,214)	(38,065)
Derivative financial instrument liabilities - non-current	(861)		(861)		0
Medium/long-term loans and borrowings	(128,159)	(3,189)	36	1,128	(126,134)
Short-term loans and borrowings	(1,274)	50,221	2,549	(1,128)	(52,916)
Other current financial payables	(5,478)	4,036	(8)	2,214	(11,721)
Current loans	5,483	5,074			409
Cash and cash equivalents	26,663	3,979			22,684
Liabilities for derivatives (current)	0				0
Net Financial Debt	**(199,025)**	**9,376**	**(2,659)**	**0**	**(205,743)**

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 2,471 thousand, mainly relate to the deferred income relating to the tax receivables matured on investments in “Industry 4.0” assets made by the Group companies.

Note 21 Trade payables

Trade payables amount to Euro 86,408 thousand at December 31, 2024 and to Euro 87,853 thousand at December 31, 2023.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Trade payables	52,001	53,660	(1,659)
Payables to doctors	2,507	2,482	26
Other payables	4,044	4,765	(721)
Payables for invoices to be received	30,488	29,629	859
Credit notes to be received	(2,632)	(2,683)	50
Total trade payables	**86,408**	**87,853**	**(1,444)**

As of December 31, 2024, there was a decrease from the previous year of Euro 1,444 thousand, mainly attributable to the decrease in Trade Payables due to the normal payment pattern for the period.

Note 22 Current financial payables

The following table presents the figures for the Group's outstanding current financial payables at December 31, 2024.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Short-term loans and borrowings	1,274	52,916	(51,642)
Total other current financial payables	5,478	11,721	(6,243)
Total current financial payables	**6,752**	**64,637**	**(57,885)**

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

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

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Bank payables (short-term portion of loans)	1,129	36,201	(35,072)
Bank payables (current accounts)	98	3,757	(3,659)
Bank payables (advances)	46	12,958	(12,912)
Total Current bank payables	**1,274**	**52,916**	**(51,642)**

As of December 31, 2024, the "short-term portion of loans" of Euro 1,129 thousand refers mainly to the reclassification from non-current financial payables to current financial payables of the amount due within the next year of the Intesa loan. The significant decrease from the previous year stems from the loan finalised by GHC S.p.A. on July 8, 2024, as described in Note 19 and to which reference should be made.

The "Current bank payables (current accounts)", amounting to Euro 98 thousand, consist of bank credit lines used as at December 31, 2024.

The account "bank payables for advances" of Euro 46 thousand at December 31, 2024 mainly comprises advances on commercial invoices.

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

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Current financial payables - leasing companies	2,471	2,774	(302)
Accrued financial liabilities and deferred financial income	584	506	78
Financial payables for IFRS 16 Current	2,423	2,493	(70)
Bonds	-	5,948	(5,948)
Total Other financial payables	**5,478**	**11,721**	**(6,243)**

The item "Payables to leasing companies", totalling Euro 2,471 thousand at December 31, 2024, 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. This decrease is attributable to the reclassification of the payable due within the year net of the portions paid, in part offset by the subscription of new contracts.

"Accrued financial liabilities and deferred financial income" mainly concerns interest charges matured on mortgages at December 31, 2024.

"Payables for IFRS 16" , amounting to Euro 2,423 thousand at December 31, 2024, refers to the short-term portion of leases previously defined as operating leases. This decrease is attributable to the reclassification of the payable due within the year net of the portions paid, in part offset by the subscription of new contracts.

"Bonds" reduced to zero at December 31, 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.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
IRES tax payables	2,746	3,473	(728)
IRAP tax payables	685	751	(66)
Tax payables from tax consolidation	251	250	1
Total Tax payables	**3,682**	**4,475**	**(793)**

Tax payables increased from Euro 4,475 thousand at December 31, 2023 to Euro 3,682 thousand at December 31, 2024, decreasing Euro 793 thousand.

The IRES payable is attributable to the tax charge of the companies not included in the Group tax consolidation; the decrease is due to the lower assessable amount of the companies at December 31, 2024.

Note 24 Other current liabilities

At December 31, 2024 "Other current liabilities" amounted to Euro 48,004 thousand. The comparison with December 31, 2023 is presented below.

Euro thousands	*At December 31*	*At December 31*	*Change*
	2024	2023	2024 vs 2023
Social security institutions	6,135	6,644	(509)
Tax payables	203	304	(100)
Withholding tax payables	4,533	4,342	191
Employee payables	10,603	9,890	714
Other payables	26,529	26,263	266
Total Other current liabilities	**48,004**	**47,442**	**562**

The increase in the item of Euro 562 thousand derives mainly from the following movements:

i. decreases of "Social security payables" of Euro 509 thousand, mainly concerning European Hospital S.p.A

(Euro 273 thousand), Aurelia Hospital S.r.l. (Euro 195 thousand) and Hesperia Hospital Modena S.r.l. (Euro 114 thousand);

ii. increase in "Employee payables" of Euro 714 thousand, mainly attributable to European Hospital S.p.A. (Euro 202 thousand), Aurelia Hospital S.r.l. (Euro 192 thousand) and Gruppo Veneto Diagnostica e Riabilitazione S.r.l. (Euro 293 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 470,706 thousand in 2024, an increase of Euro 102,003 thousand compared to the previous year. It should be noted that the figures at December 31, 2024 include the full contribution of Sanatorio Triestino S.p.A., and therefore consolidated for eight months in the figures at December 31, 2023, and of the Aurelia Hospital Group, acquired on November 16, 2023, and therefore consolidated for only one and a half months in the figures at December 31, 2023.

The increase in revenues on the same period of the previous year is therefore due to the change in the consolidation scope, as outlined above, in addition to the increased volume of healthcare services provided. 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, net of 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.

The table below shows the breakdown of revenues from services in 2024 and in 2023.

Euro thousands	At December 31				Change
	2024	*% of total*	2023	*% of total*	2024 vs 2023
Community and dependency care services	121,880	25.9%	109,098	29.6%	12,782
Total hospital services	340,295	72.3%	251,878	68.3%	88,416
Total revenues from services	**462,175**	**98.2%**	**360,977**	**97.9%**	**101,198**
Other revenues	8,531	1.8%	7,726	2.1%	804
Total revenues	**470,706**	**100.0%**	**368,703**	**100.0%**	**102,003**

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

Euro thousands	At December 31				Change
	2024	*% of total*	2023	*% of total*	2024 vs 2023
Dependency care services	39,895	8.5%	26,885	7.3%	13,010
Community outpatient care services	81,985	17.4%	82,213	22.3%	(229)
Community and dependency care services	**121,880**	**25.9%**	**109,098**	**29.6%**	**12,782**

Revenues from community and dependency care services, amounting to Euro 121,880 thousand in 2024, accounting for 25.9% of Group revenues, increased Euro 12,782 thousand on 2023, thanks to the change in scope (Euro 9,009 thousand) and the increased production of the companies at like-for-like scope (Euro 3,783 thousand).

Dependency care services of Euro 39,895 thousand accounted for 8.5% of the Group's total revenues in 2024 (Euro 26,885 thousand or 7.3% of the total in 2023).

Outpatient care services of Euro 81,985 thousand accounted for 17.4% of the Group's total revenues in 2024 (Euro 82,213 thousand or 22.3% in 2023).

The table below shows the breakdown of revenues from hospital services for the year ended December 31, 2024, compared with the year ended December 31, 2023.

Euro thousands	At December 31				Change
	2024	*% of total*	2023	*% of total*	2024 vs 2023
Acute and post-acute care services	**257,524**	**54.7%**	**182,721**	**49.6%**	**74,803**
Outpatient services	82,771	17.6%	69,157	18.8%	13,613
Total hospital services	**340,295**	**72.3%**	**251,878**	**68.3%**	**88,416**

Revenues from hospital services, totalling Euro 340,295 thousand in 2024, account for 72.3% of Group revenues and increased Euro 88,416 thousand on 2023, due to the change in scope (Euro 75,477 thousand), and the increased production of the companies at like-for-like scope (Euro 12,939 thousand).

Revenues from acute and post-acute care services of Euro 257,524 thousand accounted for 54.7% of the Group's total revenues during the year ended December 31, 2024 (Euro 182,721 thousand or 49.6% of the total for the year ended December 31, 2023).

Revenues from out-patient services of Euro 82,771 thousand accounted for 17.6% of total Group 2024 revenues (Euro 69,157 thousand and 18.8% in 2023).

The increase compared to the previous year is mainly due to the change in scope and the higher production volumes.

Note 26 Other revenues

Other operating revenues totalled Euro 8,531 thousand in 2024, increasing by Euro 804 thousand on 2023 (Euro 7,726 thousand).

The following table shows a breakdown of other operating revenues in 2024 compared to 2023.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Other income	5,594	5,157	437
Gain on asset disposals	610	84	525
Income from insurance reimbursements	35	34	-
Income from tax credits	2,292	2,450	(158)
Total Other revenues	**8,531**	**7,726**	**804**

The item includes non-recurring revenues and the increase in "Gains on asset disposals" is mainly attributable to the sale of the business unit by L'Eremo di Miazzina S.r.l. to HCS Group S.r.l. (Euro 382 thousand).

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

Costs for raw materials, ancillary, consumables and goods amounted to Euro 69,985 thousand in 2024, and Euro 49,797 thousand in 2023, an increase of Euro 20,188 thousand due to both the change in consolidation scope (Euro 16,851 thousand) and the increase in production of companies at like-for-like scope (Euro 3,337 thousand).

The table below shows the breakdown of the account in question for the years ended December 31, 2024 and December 31, 2023.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Healthcare supplies and prostheses	49,564	38,155	11,408
Medical and pharmacological material	11,029	6,964	4,065
Testing and hygienic materials	858	803	54
Change in inventories of raw materials, ancillary, consumables and goods	(490)	170	(661)
Other	9,025	3,704	5,321
Total raw materials and consumables	**69,985**	**49,797**	**20,188**

During the year ended December 31, 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 49,564 thousand, up by Euro 11,408 thousand on the previous year.

The second-most significant cost component was that relating to the purchase of medical and pharmacological materials, amounting to Euro 11,029 thousand, compared with Euro 6,964 thousand for the year ended December 31, 2023.

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

Note 28 Service costs

Service costs amounted to Euro 186,622 thousand in 2024, increasing Euro 32,947 thousand from Euro 153,674 thousand in 2023, as illustrated in the table below.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Medical and nursing care services	111,599	93,626	17,974
Owned asset maintenance services	7,316	6,014	1,302
Catering services	4,892	3,400	1,492
Technical healthcare services	9,181	6,458	2,723
Cleaning costs	3,567	3,027	540
Electricity	6,426	5,064	1,361
Coordinated long-term contractors	1,171	766	405
Director fees	4,849	5,128	(279)
Third-party processing (tests, etc.)	4,191	3,081	1,110
Legal fees	1,433	1,102	331
Linen hire	1,007	890	117
Technical consultancy fees	3,641	4,044	(403)
Other	27,349	21,075	6,273
Total service costs	186,622	153,674	32,947

The increase in Service costs is related to both the change in consolidation scope (Euro 26,201 thousand) and the increase in production in the year 2024 compared to the previous year (Euro 6,746 thousand).

The "other" item of Euro 27,348 thousand in 2024 mainly comprises:

(i) water, telephone, methane and gas for Euro 3,801 thousand;
(ii) administrative, fiscal, notarial and payroll consultancy services for Euro 2,833 thousand;
(iii) third party liability, all risk and property insurance for a total of Euro 2,148 thousand;
(iv) waste disposal service for Euro 1,911 thousand;
(v) linen washing services for Euro 706 thousand.

Note 29 Personnel costs

Personnel costs totalled Euro 112,341 thousand in 2024, increasing Euro 28,769 thousand over Euro 83,572 thousand in 2023.

The table below shows the breakdown of these costs in 2024 and 2023.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Wages and salaries	81,316	59,861	21,456
Social security charges	23,689	17,734	5,955
Post-employment benefits	5,484	4,099	1,385
Other	1,852	1,879	(26)
Total personnel costs	112,341	83,572	28,769

The increase in personnel costs is mainly attributable to the change in consolidation scope (Euro 27,936 thousand) and the increase in production in 2024 compared to the previous year (Euro 833 thousand).

Note 30 Other operating costs

Other operating costs amounted to Euro 25,135 thousand in 2024, up from Euro 16,757 thousand in 2023, an increase of Euro 8,378 thousand.

The following table breaks down these costs for 2024 and 2023.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Non-deductible VAT on a pro rata basis	16,666	12,936	3,730
Income taxes	2,480	1,677	803
Other operating charges	1,184	651	533
Non-deductible expenses	40	38	3
Associations	323	288	35
Other costs	4,441	1,167	3,274
Total Other operating costs	25,135	16,757	8,378

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 7,509 thousand).

Note 31 Amortisation, depreciation and write-downs

Amortisation, depreciation and write-downs amounted to Euro 26,158 thousand in 2024, increasing Euro 3,043 thousand over Euro 23,115 thousand in 2023.

The table below shows the breakdown and changes in the account in 2024 and 2023.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Amortisation of intangible assets	1,434	1,091	343
Depreciation of property, plant and equipment and investment property	23,898	20,351	3,547
Write-downs	826	1,673	(847)
Total amortisation, depreciation and write-downs	**26,158**	**23,115**	**3,043**

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 1,965 thousand).

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

Note 32 Impairments and other provisions

Impairments and other provisions amounted to Euro 6,339 thousand in 2024, increasing by Euro 3,782 thousand compared to Euro 2,557 thousand in 2023.

The table below shows the breakdown of and changes in the account for the years ended December 31, 2024 and December 31, 2023.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Provision for risks on legal cases in progress	10,527	5,715	4,813
Release of risk provisions	(5,132)	(3,323)	(1,809)
Other provisions	929	166	763
Impairment of equity instruments	15	-	15
Total impairments and other provisions	**6,339**	**2,557**	**3,782**

Accruals at December 31, 2024 total Euro 10,527 thousand and are attributable to healthcare lawsuits for Euro 7,183 thousand and to local health authority risks for Euro 3,345 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. The accruals refer mainly to Ospedali Privati Riuniti S.r.l. for Euro 1,375 thousand, Rugani Hospital S.r.l. for Euro 631 thousand, Hesperia Hospital Modena S.r.l. for Euro 1,244 thousand, Casa di Cura Villa Berica S.r.l. for Euro 502 thousand, Clinica San Francesco S.r.l. for Euro 315 thousand, Domus Nova S.r.l. for Euro 1,443 thousand, Aurelia Hospital S.r.l. for Euro 863 thousand and European Hospital S.p.A. for Euro 675 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 mainly to Hesperia Hospital Modena S.r.l. for Euro 1,764 thousand, Ospedali Privati Riuniti S.r.l. for Euro 1,033 thousand and Domus Nova S.p.A. for Euro 413 thousand.

The release of provisions for risks, amounting to Euro 5,132 thousand, mainly includes the provision for risks due to healthcare cases for Euro 3,759 thousand, mainly concerning Hesperia Hospital Modena S.r.l. for Euro 358 thousand, Rugani Hospital S.r.l. for Euro 285 thousand, Domus Nova S.r.l. for Euro 783 thousand, Aurelia Hospital S.r.l. for Euro 1,282 thousand, European Hospital S.p.A. for Euro 191 thousand and Ospedali Privati Riuniti S.r.l. for Euro 702 thousand, and the release of local health authority risks for Euro 875 thousand, mainly concerning Ospedali Privati Riuniti S.r.l. for Euro 628 thousand, Casa di Cura Prof. Nobili S.r.l for Euro 102 thousand and Domus Nova S.r.l. for Euro 116 thousand.

These releases relate to the settlement of certain 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.

“Other provisions" mainly relating to labour disputes is equal to Euro 929 thousand and mainly refers to Hesperia Hospital Modena S.r.l. (Euro 537 thousand), Domus Nova S.r.l. (Euro 102 thousand) and Aurelia Hospital S.r.l. (Euro 195 thousand).

Note 33 Financial income

Financial income amounted to Euro 1,202 thousand in 2024, an increase of Euro 889 thousand compared to Euro 313 thousand in 2023.

The table below shows the breakdown of and changes in the account for the years ended December 31, 2024 and December 31, 2023.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Interest income	570	282	288
Interest Income derivative instruments	500	-	500
Other income	132	31	101
Total financial income	**1,202**	**313**	**889**

The increase is attributable to the effect of the change in the consolidation scope (Euro 304 thousand) due to the higher interest income on bank deposits, as well as to the collection of accrued interest income on IRS derivative instruments hedging the bank loan commented on in Note 19 due to the positive differential between the variable rate collected and the fixed rate paid.

Note 34 Financial charges

Financial charges amount to Euro 14,765 thousand in 2024, up by Euro 3,979 thousand compared to Euro 10,786 thousand in the previous year.

The table below shows the breakdown and changes in 2024 and 2023.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Interest on mortgage loans	9,238	7,689	1,549
Bank interest charges	144	155	(11)
Interest charges on advances	339	545	(206)
Interest on bond loans	2,216	119	2,098
Other interest charges	1,988	1,786	202
Financial charges	840	492	348
Total financial charges	**14,765**	**10,786**	**3,979**

The increase in financial charges is attributable to higher interest charge on loans resulting from both the higher debt present in 2024 compared to 2023, as a result of the acquisitions of Sanatorio Triestino and the Aurelia Group (Euro 1,659 thousand) and the increase in interest rates, as well as transaction costs for the not yet amortised portion related to the previous bank loan repaid in June 2024.

Note 35 Results of investments at equity

The table below shows the breakdown and changes in 2024 and 2023.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Share of result	122	173	(51)
Total	**122**	**173**	**(51)**

The account at December 31, 2024 amounted to Euro 122 thousand and includes the Group's share of the result of the associated companies Il Fiocco S.c.a.r.l. (Euro 84 thousand) and Aurora Holding S.r.l. (Euro 38 thousand).

Note 36 Income taxes

The table below shows the breakdown and changes in 2024 and 2023.

Euro thousands	*At December 31*		*Change*
	2024	2023	2024 vs 2023
Current taxes	7,368	7,438	(70)
Deferred tax income	47	129	(83)
Deferred tax charges	1,002	288	714
Other	422	204	218
Total income taxes	**8,838**	**8,058**	**779**

For the period ended December 31, 2024, income taxes amounted to Euro 8,838 thousand, increasing Euro 779 thousand from December 31, 2023, essentially due to the improved performance of the Group companies.

The Group’s nominal and effective rates for the years ended 2024 and 2023 are reconciled below.

Reconciliation	At December 31		CHANGE
	2024	2023	2024 vs 2023
Profit before taxes	30,686	28,931	1,755
IRES rate applicable	24.00%	24.00%	
Theoretical tax charge	7,365	6,943	422
(Profit before taxes * IRES tax rate)			
Income taxes with a different IRES rate	-	-	-
Tax realignment	240	(408)	648
ACE		(662)	662
Other changes	(1,622)	(153)	(1,469)
Current and deferred IRES tax	5,983	5,721	262
Effective tax rate	19.50%	19.77%	(0.28%)
Current and deferred IRAP tax	2,433	2,134	299
Prior year taxes	162	(57)	219
Substitute tax	261	261	0
Total income taxes	8,838	8,058	779

Note No. 37 Net Profit for the year

Net profit amounts to Euro 21,848 thousand in 2024, compared to Euro 20,873 thousand in 2023.

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 year. 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 including the Performance Shares Plan.

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

Euro thousands	*At December 31*	*At December 31*
	2024	2023
Net profit attributed to the shareholders of the Parent company	21,701	20,799
Number of ordinary shares at end of year/period*	88,465,800	88,550,933
Earnings per share – basic (Euro)	0.25	0.18
Earnings per share – diluted (Euro)**	0.24	0.18

There were no other operations on the ordinary shares or potential ordinary shares between the balance sheet date and the date of the preparation of the financial statements.

* Amount net of treasury shares
** Amount net of treasury shares but including the 884,171 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.

Financial Liabilities	*At December 31, 2024*		*At December 31, 2023*	
Euro thousands	*Book value*	*Fair Value*	*Book value*	*Fair Value*
Investment property	810	1,845	846	1,845
Loans	129,287	129,230	162,334	162,242
Capital instruments	1,278	1,278	1,293	1,293

The financial liabilities set out above have been assigned to level 2 of the fair value hierarchy (for both 2024 and 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 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, risks and contingent liabilities

Note 40.1 Commitments and Guarantees

Commitments and guarantees at December 31, 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.
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.
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.
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	1,496,159	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.
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.
Banca Popolare di Sondrio	A.S.S.T. MANTOVA	Letter of indemnity	31/12/2026	2,275	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.
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 REVOCATION	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	UNIVERSITY UNICAMILLUS	FDI SURETY 290343/24	31/12/2029	144,000	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

No expected losses on guarantees have come to light.

Note 40.2 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 December 31, 2024.
It should be noted that 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 7 of the 2024 Directors' Report.

40.2.1 Credit risk

Credit risk is the risk that a counterparty does not fulfil its obligations relating to a financial instrument or a commercial contract, resulting therefore in a financial loss.

The maximum exposure to the credit risk for the Group at December 31, 2024 and December 31, 2023 is represented by the book value of the assets recorded in the accounts under trade receivables.

The receivables claimed by the company refer almost entirely to public healthcare facilities (hospital authorities and/or health authorities) for which it is not considered necessary to recognize a particular risk of insolvency, except in connection with spending review and limit requests.

Commercial credit risk is managed by each legal entity in accordance with the Group's policy.

Information on trade receivable positions, net of the doubtful debts provision, at December 31, 2024 and December 31, 2023 is provided below by time past due:

Euro thousands	*At December 31*	*At December 31*
	2024	*2023*
Not yet due	80,216	73,720
Overdue 0 - 90 days	8,824	12,875
Overdue 90 - 180 days	1,256	255
Overdue 180 - 360 days	5,353	1,103
Overdue beyond 360 days	17,194	13,041
Total	112,842	100,994

Information on trade receivable positions, gross of the doubtful debts provision, at December 31, 2024 and December 31, 2023 is provided below by past due:

Euro thousands	*At December 31*	*At December 31*
	2024	*2023*
Not yet due	80,216	73,720
Overdue 0 - 90 days	8,824	12,875
Overdue 90 - 180 days	1,256	255
Overdue 180 - 360 days	10,714	2,824
Overdue beyond 360 days	34,413	33,376
Total	**135,422**	**123,050**
Doubtful debt provision	(22,580)	(22,056)
Total trade receivables	**112,842**	**100,994**

The risk of default is observed locally by the head offices of the subsidiaries, which monitor the collection of trade receivables. The Group's Administration Department monitors the overall risk level and constantly verifies the overall credit exposure. The risk level associated with this item is low, since the Group's receivables are mainly claimed from the Reginal Health System.

At the operational level, this risk is managed as follows:

- assessment of clients' credit standing, taking account of their creditworthiness;
- monitoring of the relevant expected collection flows;
- appropriate payment reminders;
- legal recovery actions, where appropriate.

40.2.2 Liquidity risk

Liquidity risk is associated with the ability to meet commitments arising from financial liabilities. Prudent management of the liquidity risk from normal operations implies the holding of an adequate level of liquidity and an adequate funding from credit lines.

The Group believes that the risk of non-payment for the services rendered by the individual health facilities by the Regional Health System, together with the related impact on liquidity, is moderate. The Group's facilities are primarily located in regions with a balanced healthcare spending budget. This reduces, but does not eliminate, the risk that the Regional Health Systems within whose territory the facilities concerned operate may delay the payment of services rendered to patients. At December 31, 2024 the GHC Group's average collection times from the Regional Health System were approximately 90 days.

Liquidity risk is managed by the individual legal entities and is monitored centrally by the Group: the CFO Area Administration periodically monitors the Group financial position by preparing appropriate reports on projected and actual cash inflows and outflows. In this manner, the Group aims to ensure adequate coverage of its financial needs, closely monitoring loans, open credit lines and relative utilisations in order to ensure optimum management of the resources and any temporary excess liquidity.

The Group objective is to ensure a financial structure which, in line with business objectives, guarantees an adequate level of liquidity, minimising the relative opportunity cost by maintaining equilibrium in terms of duration and type of debt.

The Group can rely on constant support from the banking system, due to the composition of its client portfolio (public healthcare authorities).

Within the framework of this type of risk, in planning its financial structure the Group tends to finance its investments using medium/long term debt, while meeting its current obligations using the cash flow provided by its operations, financed using short-term lines of credit.

The following is a breakdown of outstanding financial and trade payables in 2024 and 2023 by residual time to maturity:

Euro thousands	December 31, 2024			
	Financial liabilities	Trade payables	Liabilities for derivative instruments	Total
Maturity:				
Within 12 months	10,379	86,408	-	**96,787**
Beyond 12 months	25,280		-	**25,280**
Over 5 years	194,652		860	**195,512**
Total	**230,311**	**86,408**	**860**	**317,579**

Euro thousands	December 31, 2023			
	Financial liabilities	Trade payables	Liabilities for derivative instruments	Total
Maturity:				
Within 12 months	64,637	87,853	-	**152,490**
Beyond 12 months	144,373	-	-	**144,373**
Over 5 years	19,827	-	-	**19,827**
Total	**228,837**	**87,853**	**-**	**316,690**

As can be seen from the maturities of financial payables, the financing finalised in July 2024 has enabled the GHC Group to extend the average life of financial debt beyond 5 years (from the previous 2 years). For further information, reference should be made to Note 19.

The management of financial risks is undertaken according to the guidelines drawn up by the directors of the subsidiaries. The aim is to ensure that the structure of liabilities is always balanced with the composition of assets, in order to ensure a high margin of solvency.

The Group is simultaneously exposed to market risk (interest rate risk), liquidity risk and credit risk.

The Group also seeks to maintain an optimal capital structure so as to reduce its borrowing costs. The Group monitors its capital situation on the basis of the ratio of net financial position (NFP) to net capital employed (NCE). Net debt is calculated as total borrowings, including current- and non-current loans and the net exposure to banks. Net capital employed is calculated as the sum of investments and net working capital (excluding net equity and debt included in NFP).

40.2.3 Market risk

The Group's main goal is to manage risk within pre-determined limits, in order to safeguard the achievement of the company's objectives. The Group mainly does business with public health authorities in the areas where its care facilities are located. By virtue of this structure, its financial performance depends closely on the healthcare policies in its region of operation.

Italy's central government has delegated authority over healthcare legislation to the regions, each of which drafts a Regional Health Plan on the basis of the National Healthcare Plan enacted by the government by proposal of the Ministry of Health, representing the strategic plan for initiatives in pursuit of health objectives and the functioning of services to satisfy the regional population.

The result of the peculiar nature of the Group's clients and the rapidly changing legislative framework is a particularly complex situation of strong dependency on public health authorities and the relevant regional government.

40.2.4 Currency risk

The Group's current activity is not exposed to exchange rate fluctuations at present, inasmuch as the Group conducts its business almost exclusively in euro.

40.2.5 Interest rate risk

The Group's interest rate risk derives mainly from medium and long-term debt at variable rates. The Group in fact currently 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.

Sensitivity Analysis *In Euro thousands*	2024
Average Debt	97,249
Interest expense	5,373
Sensitivity +1% annually	**-**
Interest expense +1%	6,346
Change Interest expense on loans	**972**
	-
Sensitivity -0.25%	**-**
Interest expense with -0.25%	**5,130**
Change Interest expense on loans	**(243)**

40.2.6 Price risk

The Company's current exposure to commodity price risk is immaterial.

In addition, the costs of healthcare materials are generally subject to fluctuations and other factors beyond the Group's control. The Company has not adopted instruments to hedge against the risk of fluctuations in the costs of such components, but it exerts strong bargaining power over its suppliers, since it acts as a single purchasing centre. In addition, the Group, where possible, generally manages such fluctuations by increasing the prices of its services to private clients, while increasing the rates paid for services under accreditation is beyond the Group's control. However, on the basis of an analysis of historical data, fluctuations of costs of healthcare materials have always been followed by an adjustment of the rate paid for services under accreditation.

Note 41 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 December 31, 2024, the value of the "provision for risks for health cases" totalled Euro 16,029 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 Center 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 December 31, 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. The trial judge acknowledged the CTU Expert Report and set final hearing for June 2025.

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 42 Related party transactions

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

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

The following table provides the total amount of significant transactions by nature or amount with related parties as of December 31, 2024, occurring at normal market conditions:

Dec 31, 24	Receivables		Payables		Costs		Revenues	
Euro thousands	Fin/Tax	Trade/Other	Fin/Tax	Trade/Other	Fin.	Com.	Fin.	Com.
Casa di Cura Città di Roma spa	-	1927	-	(3,012)	-	77	-	(193)
Aurelia '80 Srl	-	-	-	7	-	-	-	-
Casaletto '79 S.r.l	-	-	-	-	-	14	-	-
Larama 98 Srl	-	1	-	(113)	-	453	-	-
GRAM srl	-	-	-	-	-	-	-	-
Am.rama.srl	-	-	-	-	-	-	-	-
Lorena Paolucci	-	-	-	(9)	-	132	-	-
LEDCON srl	-	-	-	(20)	-	81	-	-
A.M. Rinaldi	-	-	-	-	-	86	-	-
Maria Laura Garofalo	-	-	-	-	-	86	-	-
Mariano Garofalo	-	-	-	(2)	-	90	-	-
TOTAL	**-**	**1,928**	**-**	**(3,148)**	**-**	**1,019**	**-**	**(193)**

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 43 Significant events after December 31, 2024

There were no significant events subsequent to year-end.

Note 44 Remuneration of the Board of Directors and Board of Statutory Auditors

The remuneration paid 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 years ended December 31, 2024 and December 31, 2023 amounted to Euro 4,849 thousand and Euro 5,128 thousand, respectively.

The remuneration accrued to the Board of Statutory Auditors of Garofalo Health Care S.p.A and the companies under its direct or indirect control for the years ended December 31, 2024 and December 31, 2023 amounted to Euro 539 thousand and Euro 449 thousand, respectively.

Note 45 Independent auditors' fees

The table below breaks down independent auditors' fees by type of service rendered:

Type of service	Service provider	Company	Fees without pro rata VAT
Audit	Auditor of the Parent	Parent Company	176
Tax return certification services	Auditor of the Parent	Parent Company	3
Other services	Auditor of the Parent	Parent Company	57
Sub-total			186
Audit	Auditor of the Parent	Subsidiaries	434
Other services	Auditor of the Parent	Subsidiaries	3
Sub-total			437
TOTAL			623

Note 46 Number of employees

The following table provides a concise comparison of the number of employees by category in 2024 and 2023.

Employees by category	Number of employees at December 31, 2024	Number of employees at December 31, 2023
Executives	16	15
White-collar	678	764
Doctors	104	105
Technical	295	262
Nurses/auxiliaries	1.484	1,543
Blue-collar	131	78
Total	**2,708**	**2,767**

It should be clarified that the figure indicated in the table above refers to the exact number of employees.

Note 47 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.

Note 48 Information on share-based remuneration plans

2024-2026 Performance Share Plan

On March 7, 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 and the General Manager 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:

- to promote the creation of sustainable value for the Company, shareholders and stakeholders, also in accordance with the indications of the Corporate Governance Code;
- guide management towards decisions that pursue the creation of value for the Group over the medium to long term;
- reinforce the policy of loyalty and engagement of staff members considered important to the Group;
- 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.

The following is a summary of the number of rights assigned, of the rights attributable and the relative fair value established by a specially-appointed independent expert.

	number of assigned rights	number of rights granted	Fair value rights granted at the assignment date
Assignment of rights 28/07/2022	277,352	254,470	1,010,248
Assignment of rights 12/09/2023	292,156	266,593	1,146,350
Assignment of rights 12/09/2024	183,040	170,685	861,830

Mr. Alessandro Maria Rinaldi

Legal representative

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2024

Garofalo Health Care S.p.A.

Consolidated financial statements as at December 31, 2024

Independent auditor’s report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010, and article 10 of EU Regulation n. 537/2014

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Garofalo Health Care Group (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated income statement, the consolidated comprehensive income statement, consolidated statement of changes in shareholders' equity and consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Garofalo Health Care S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matter	Audit Response
Recoverability of goodwill and of "accreditation" balance	
The goodwill balance as of December 31, 2024,	Our audit procedure included, among others,

amounted to Euro 91,542 thousand and was allocated to the following Cash Generating Units (CGUs) of the Garofalo Health Care Group: i) Rugani Hospital S.r.l., ii) C.M.S.R. Veneto Medica S.r.l., iii) Villa Von Siebenthal S.r.l., iv) Gruppo Fides Medica, v) Casa di Cura Prof. Nobili S.r.l. vi) Poliambulatorio Dalla Rosa Prati S.r.l. vii) Ospedali Privati Riuniti S.r.l. viii) Centro Medico San Biagio S.r.l. e Bimar S.r.l., ix) Aesculapio S.r.l., x) X Ray One S.r.l., xi) Clinica San Francesco S.r.l., xii) Domus Nova S.r.l., xiii) Gruppo Veneto Diagnostica e Riabilitazione S.r.l., xiv) Aurelia Hospital S.r.l. and European Hospital S.p.A., xv) Samadi S.p.A. and xvi) Casa di Cura Sant'Antonio da Padova S.r.l..

The process required for authorized structures to acquire the qualification for being suitable in providing health and social-health services is called "accreditation". Such asset category has been deemed to have an indefinite useful life, and its balance as of December 31, 2024 amounts to Euro 277,905 thousand, allocated to the following CGUs: i) Rugani Hospital S.r.l., ii) Gruppo Fides Medica, iii) Casa di Cura Prof. Nobili S.r.l. iv) Poliambulatorio Dalla Rosa Prati S.r.l., v) Ospedali Privati Riuniti S.r.l., vi) Centro Medico San Biagio S.r.l. and Bimar S.r.l., vii) Centro Medico Università Castrense S.r.l., viii) Aesculapio S.r.l., ix) X Ray One S.r.l., x) Clinica San Francesco S.r.l., xi) Domus Nova S.r.l., xii) Gruppo Veneto Diagnostica e Riabilitazione S.r.l.. xiii) Sanatorio Triestino S.p.A., xiv) Aurelia Hospital S.r.l. and European Hospital S.p.A., xv) Samadi S.p.A. and xvi) Casa di Cura Sant'Antonio da Padova S.r.l..

The recoverability of the balance of goodwill and accreditation was assessed through the respective impairment tests.

The processes and methodologies for assessing and determining the recoverable amount of the aforementioned CGUs, are based on complex assumptions which by their nature imply the use of management's judgment, in particular concerning the forecasted future profitability over the period covered by the single entities Business Plan 2025-2028, approved by their respective Boards of Directors, the determination of normalized cash flows

the following:

- assessment of the impairment test process and key controls related to goodwill and accreditation balances, taking into consideration the impairment test procedure as approved by the Board of Directors;
- assessment of the appropriateness of the determination of the CGUs and the allocation of assets and liabilities to the carrying value of each CGU;
- assessment of the consistency of the forecasted future cash flows of each CGU with their respective business plan;
- assessment of the reasonableness of future cash flow forecasts, also compared to the historical accuracy of previous years';
- assessment of the key assumptions used by management in the impairment model with the support of our valuation's experts, including the determination of discount rates;
- assessment of the assumption underlying the determination of the amortization period of the item accreditation, with an indefinite useful life;
- the analysis of the "stress test" conducted by the independent expert, as well as the assessment of his competence, ability, and objectivity.

In performing our procedures, we leveraged the use of EY valuation specialists who performed an independent calculation and sensitivity analysis on key assumptions, to determine any changes that could materially impact the valuation of the recoverable amount.

Lastly, we reviewed the disclosures included in the notes to the consolidated financial statements in particular concerning possible changes in the main assumptions that could lead to impairment of goodwill and accreditation.

underlying the estimate of the terminal value and the determination of discount rates applied to the forecasted future cash flows.

Considering the judgment required and the complexity of the assumptions used in the estimate of the recoverable amount of goodwill and the indefinite useful life assets related to accreditation, we have deemed such area to be a key audit matter.

The financial statement information relating to the impairment test carried out is disclosed in note 2 “Goodwill”, which in particular discusses the process of determining the recoverable value of each CGU, the valuation assumptions used, and the sensitivity analysis of the recoverable value from changes in key assumptions and the results of the "stress test" performed by the independent expert.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group’s ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Garofalo Health Care S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee (“Collegio Sindacale”) is responsible, within the terms provided by the law, for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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with confidence

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Garofalo Health Care S.p.A., in the general meeting held on August 8, 2018, engaged us to perform the audits of the consolidated financial statements for each of the years ending December 31, 2018 to December 31, 2026.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Garofalo Health Care S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements as of December 31, 2024, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at December 31, 2024 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2024 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-*bis*) and e-*ter*) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Garofalo Health Care S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Garofalo Health Care Group as at December 31, 2024, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and

the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;

- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the consolidated financial statements of Garofalo Health Care Group as at December 31, 2024.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-*ter*), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Rome, March 27 2025

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

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Garofalo Health Care S.p.A.

Independent auditor's report on the limited assurance of the Consolidated Sustainability Statement in accordance with Article 14-bis of Legislative Decree n. 39, dated 27 January 2010

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Independent auditor’s report on the limited assurance of the Consolidated Sustainability Statement in accordance with Article 14-bis of Legislative Decree n. 39, dated 27 January 2010
(*Translation from the original Italian text*)

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

Conclusions

We have been appointed to perform a limited assurance engagement pursuant to Articles 8 and 18, paragraph 1, of Legislative Decree n. 125 dated 6 September 2024 (hereinafter "Decree") on the consolidated sustainability statement of Garofalo Health Care S.p.A. and its subsidiaries (hereinafter "Group" or "Garofalo Health Care Group") for the year ended on 31 December 2024, prepared in accordance with Article 4 of the Decree, included in the specific section of the Report on operations of Garofalo Health Care Group.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the Garofalo Health Care Group consolidated sustainability statement for the year ended on 31 December 2024, has not been prepared, in all material aspects, in accordance with the reporting principles adopted by the European Commission pursuant to European Directive 2013/34/EU (European Sustainability Reporting Standards, hereinafter also referred to as "ESRS");
- the information included in the paragraph “Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)” of the consolidated sustainability statement has not been prepared, in all material aspects, in accordance with Article 8 of European Regulation n. 852 dated 18 June 2020 (hereinafter "Taxonomy Regulation").

Elements underlying the conclusions

We have performed a limited assurance engagement in accordance with the Sustainability Reporting Assurance Standard (“Principio di Attestazione della Rendicontazione di sostenibilità”) – SSAE (Italy). The procedures performed in this type of engagement vary in nature and timing compared to those necessary for conducting an engagement aimed at obtaining a reasonable level of assurance and are also less extensive. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if the engagement aimed to acquire a reasonable level of assurance. Our responsibilities under this Standard are further described in the section "*Auditor’s responsibility for the Assurance on the Consolidated Sustainability Statement*" of this report.

We are independent in accordance with the standards and principles regarding ethics and independence applicable to the assurance engagement of the consolidated sustainability statement according to Italian law.

Our audit firm applies the International Standard on Quality Control (ISQM Italy) 1, under which it is required to establish, implement, and operate a quality management system that includes instructions and procedures on compliance with ethical principles, professional principles, and applicable legal and regulatory provisions.

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We believe we have obtained sufficient and appropriate evidence on which to base our conclusions.

Other Matters – Comparative information

The consolidated sustainability statement for the year ended on 31 December 2024, contains, in the specific section "EU Taxonomy" the comparative information referred to in Article 8 of the Taxonomy Regulation related to the year ended on 31 December 2023, which has not been subjected to verification.

Responsibility of the directors and Board of Statutory Auditors for the Consolidated Sustainability Statement

The directors are responsible for the development and implementation of procedures used to identify the information included in the consolidated sustainability statement in accordance with the requirements of the ESRS (hereinafter the "Materiality assessment process") and for the description of such procedures in the paragraph "*Managing impacts, risks and opportunities – Double materiality*" of the consolidated sustainability statement.

The directors are also responsible for the preparation of the consolidated sustainability statement, which contains the information identified through the Materiality assessment process, in accordance with the requirements of Article 4 of the Decree, including compliance with:

- the ESRS;
- Article 8 of the EU Taxonomy Regulation regarding the information contained in the paragraph "*Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)*".

This responsibility entails the establishment, implementation, and maintenance, as required by law, for that part of internal control that they consider necessary in order to allow the preparation of the consolidated sustainability statement in accordance with the requirements of Article 4 of the Decree, free from material misstatements caused by fraud or not intentional behaviors or events. This responsibility also includes the selection and application of appropriate methods for processing the information as well as the development of assumptions and estimates regarding specific sustainability information that are reasonable under the circumstances.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Intrinsic limitations in the preparation of the Consolidated Sustainability Statement

As indicated in paragraph "Basis of Preparation," for the purpose of reporting prospective information in accordance with the ESRS, the directors are required to prepare such information based on assumptions, described in the consolidated sustainability statement, regarding events that may occur in the future and possible future actions by the Group. Due to the uncertainty associated with the realization of any future events, both concerning the occurrence itself and regarding the extent and timing of its occurrence, the variations between actual values and prospective information could be significant.

As indicated in the paragraph "Basis of preparation", the information related to Scope 3 greenhouse gas emissions is subject to greater intrinsic limitations compared to Scope 1 and 2, due to the limited availability and accuracy of the information used to define such information, both quantitative and qualitative, as well as due to reliance on data, information, and evidence provided by third parties.

Auditor’s responsibility for the Assurance of the Consolidated Sustainability Statement

Our objectives are to plan and perform procedures to obtain a limited level of assurance that the consolidated sustainability statement is free from material misstatements, due to fraud or not intentional behaviors or events, and to issue a report containing our conclusions. Errors may arise from fraud or not intentional behaviors or events and are considered significant if it can be reasonably expected that they, individually or in the aggregate, could influence the decisions made by users based on the consolidated sustainability statement.

In the context of the engagement aimed at obtaining a limited level of assurance in accordance with the Sustainability Reporting Assurance Standard (“Principio di Attestazione della Rendicontazione di Sostenibilità”) – SSAE (Italy), we exercised professional judgment and maintained professional skepticism throughout the duration of the engagement.

Our responsibilities include:

- considering the risks to identify the information in which a significant error is likely to occur, whether due to fraud or not intentional behaviors or events;
- defining and performing procedures to verify the information in which a significant error is likely to occur. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error arising from not intentional behaviors or events, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or manipulation of internal controls;
- directing, supervising, and conducting the limited assurance of the consolidated sustainability statement and assuming full responsibility for the conclusions regarding the consolidated sustainability statement.

Summary of the work performed

An engagement aimed at obtaining a limited level of assurance involves performing procedures to obtain evidence as a basis for formulating our conclusions.

The procedures performed on the consolidated sustainability statement were based on our professional judgment and included interviews, primarily with the company personnel responsible for preparing the information included in the consolidated sustainability statement, as well as documents analysis, recalculations and other procedures aimed to obtain evidence considered appropriate.

In particular, we performed the following procedures, partly in a preliminary phase before the end of the year and subsequently in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies, and the context in which it operates concerning sustainability issues;
- understanding the processes underlying the generation, detection, and management of the qualitative and quantitative information included in the consolidated sustainability statement, including the analysis of the reporting perimeter;
- understanding the process implemented by the Group for identifying and assessing relevant impacts, risks, and opportunities based on the principle of Double Materiality concerning sustainability issues and verifying the related information included in the consolidated sustainability statement;

- identifying the information for which there is a likelihood of a significant error risk;
- defining and performing analytical and substantive procedures, based on our professional judgment, to address the identified significant error risks, including:
    - for the information collected at the Group level:
        - carrying out inquiries and document analysis regarding qualitative information, particularly policies, actions, and targets on sustainability issues, to verify consistency with the evidence collected;
        - performing analytical procedures and limited assurance procedures on a sample basis regarding quantitative information;
    - for the information collected at site level, conducting on-site visits for Hesperia Hospital Modena S.r.l. (Modena site – hospital facility). These sites were selected based on their activities and their relevance to the metrics of the consolidated sustainability statement. During these visits, we conducted interviews with Group personnel and obtained documentary evidence regarding the determination of the metrics;
- regarding the requirements of Article 8 of the EU Taxonomy Regulation, understanding the process implemented by the Group to identify eligible economic activities and determine their aligned nature based on the provisions of the EU Taxonomy Regulation, and verifying the related information included in the consolidated sustainability statement;
- cross-checking the information reported in the consolidated sustainability statement with the information contained in the consolidated financial statements in accordance with the applicable financial reporting framework or with the accounting data used for the preparation of the consolidated financial statements or with the management data of an accounting nature;
- verifying the structure and presentation of the information included in the consolidated sustainability statement in accordance with the ESRS;
- obtaining the representation letter.

Rome, 27 March 2025

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

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