



Press Release

GAROFALO HEALTH CARE S.P.A.: BOARD OF DIRECTORS APPROVES 2018 CONSOLIDATED FINANCIAL STATEMENTS AND STATUTORY FINANCIAL STATEMENTS

STRONG GROWTH IN ALL FINANCIAL INDICATORS

REVENUES OF EURO 155.6 MILLION (+13.9%) AND NET PROFIT OF EURO 14.1 MILLION (+14.3%)

ADJUSTED OPERATING EBITDA OF EURO 29.8 (+19.7%)

- Revenues of Euro 155.6 million, up 13.9% on Euro 136.7 million for 2017 and 2.3% on Euro 152.2 million for 2017 Pro-Forma⁽¹⁾;
- Adjusted Operating EBITDA, neutralising the IPO costs ⁽²⁾, of Euro 29.8 million - with a 19.1% margin (18.2% in 2017) - up 19.7% on Euro 24.9 million for 2017 and 8.6% on Euro 27.4 million for 2017 Pro-Forma⁽¹⁾, with a revenue margin of 18.0%;
- Net profit of Euro 14.1 million, up 14.3% on Euro 12.3 million for 2017 and 3.5% on Euro 13.6 million for 2017 Pro-Forma⁽¹⁾.
- Net Financial (Cash) Position of Euro 47.3 million, with cash surplus over debt principally stemming from IPO net income;
- Liquidity at 31.12.2018 of Euro 92.3 million, generated organically and from IPO net income.

Rome, April 18, 2019 – The Board of Directors of Garofalo Health Care S.p.A. (the “Company” or “GHC”), listed on the MTA segment of the Italian Stock Exchange and an accredited private healthcare leader, today approved the consolidated and separate financial statements at December 31, 2018, drawn up as per IAS/IFRS.

Maria Laura Garofalo, Chief Executive Officer of GHC stated: “2018 marked a major milestone for our Group with the successful listing on the Italian Stock Exchange in November last year - achieved in spite of the challenging conditions on the international financial markets. This goal was achieved through a significant degree of determination and without neglecting the Group’s operating performance, which presented solid and significantly improved results in the year ended December 31, 2018. These results - possible thanks to the excellence of our clinics, M&A led growth and the sharp focus on integrating the various Group companies - allow us to look to the future with confidence and to new and major M&A opportunities. As the market enters a period of natural and gradual consolidation, we believe that our Group is ideally placed to tap into the best development opportunities available, following on from the extensive acquisition-led growth “Buy and Build” strategy.

⁽¹⁾ The 2017 Pro-Forma figures retrospectively reflect at January 1, 2017 GHC’s two acquisitions in 2017 (Fides Medica Group, acquired in June 2017 and comprising Fides Medica S.r.l. and its direct and indirect subsidiaries, and Casa di Cura Prof. Nobili S.p.A., acquired in December 2017)

⁽²⁾ Adjusted Operating EBITDA, neutralising the IPO costs, is EBIT + depreciation & amortisation + provisions and write-downs + listing costs incurred and expensed to the Income Statement (this latter amounting to approximately Euro 4.0 million)



1. CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2018

GHC Group 2018 consolidated key operating highlights

Consolidated Revenues Overview

GHC's 2018 consolidated revenues rose to Euro 155.6 million (from Euro 136.7 million for 2017), up 13.9% thanks to organic growth⁽³⁾ (+2.5%) and M&A's relating to the acquisitions in 2017 (+11.4%, from the acquisitions of Fides Medica Group in June 2017 and of Casa di Cura Prof. Nobili in December 2017). These results include the overall contribution of Euro 0.7 million from the agreement reached by the subsidiary Villa Von Siebenthal S.r.l. with the Lazio Region and the Rome Healthcare Authority for the recognition of appropriate tariffs and relating to adolescence assistance services. The above amount concerns 2018 for Euro 0.5 million and 2017 for the remaining Euro 0.2 million. This contribution is added to the preliminary consolidated figures announced on February 27, 2019.

Revenues in Euro millions	2018	2017	% vs. 2017	of which organic vs. 2017	of which M&A vs. 2017
Total	155.6	136.7	13.9%	2.5%	11.4%

2018 consolidated revenues grew 2.3% on 2017 Pro-Forma consolidated revenues, which have been calculated for comparability and amount to Euro 152.2 million.

Revenues in Euro millions	2018	2017 Pro-forma	% vs. 2017 Pro-forma	of which organic vs. 2017PF	of which M&A vs. 2017PF
Total	155.6	152.2	2.3%	2.3%	-

Consolidated Adjusted Operating EBITDA and Consolidated Operating Results

In terms of margins, the results indicate the solid advancement of Consolidated Adjusted Operating EBITDA, neutralising the IPO costs, which amounts to Euro 29.8 million and was up 19.7% on Euro 24.9 million for the previous year, with significant contributions both from the organic component (+8.3%) and M&A's relating to the acquisitions in 2017 (+11.4%).

This result - an indicator of Group core operations - adjusts Operating EBITDA for costs incurred by the company for its listing on the MTA segment of the Italian Stock Exchange and recognised to the Income Statement in the year of approximately Euro 4.0 million⁽⁴⁾.

In 2018, the Group's Adjusted Operating EBITDA margin, neutralising the IPO costs, was 19.1%, also improving on 18.2% in the previous year.

Adj. Op. EBITDA in Euro millions	2018	2017	% vs. 2017	of which organic vs. 2017	of which M&A vs. 2017
Total	29.8	24.9	+19.7%	+8.3%	+11.4%
Margin (%)	19.1%	18.2%	-	-	-

⁽³⁾ At like-for-like consolidation scope, considering GHC's two acquisitions in 2017 (Fides Medica Group, acquired in June 2017 and comprising Fides Medica S.r.l. and its direct and indirect subsidiaries, and Casa di Cura Prof. Nobili S.p.A., acquired in December 2017)

⁽⁴⁾ Total listing costs of approximately Euro 7.3 million, of which approximately Euro 4.0 million expensed to the Income Statement and Euro 3.3 million recognised to Shareholders' Equity.



Consolidated Adjusted Operating EBITDA for 2018 grew 8.6% against Operating EBITDA for 2017 Pro-Forma, calculated to ensure like-for-like comparability and amounting to Euro 27.4 million.

Adj. Op. EBITDA in Euro millions	2018	2017 Pro-forma	% vs. 2017 Pro-Forma	of which organic vs. 2017PF	of which M&A vs. 2017PF
Total	29.8	27.4	+8.6%	+7.6%	+1.0%
Margin (%)	19.1%	18.0%	-	-	-

Consolidated EBIT in 2018 was Euro 19.0 million, compared to Euro 17.0 million in 2017; the increase reflects the progression of Operating EBITDA and the impact from releases from the risks and charges provision in excess of accruals.

EBIT, neutralising the IPO costs (Adjusted EBIT)⁽⁵⁾, was Euro 23.0 million, compared to Euro 17.0 million in 2017 and Euro 19.1 million in 2017 Pro-Forma, up respectively Euro 6.0 million and Euro 4.0 million.

Financial management in 2018 reported net financial charges of Euro 1.0 million regarding the financial debt, with the account in 2017 benefiting from interest on arrears received from the subsidiary l'Eremo di Miazzina for a total of Euro 0.7 million.

The Profit before taxes in 2018 was Euro 18.0 million. The Adjusted Profit before taxes⁽⁶⁾, neutralising the IPO costs, was however Euro 22.1 million, increasing Euro 5.1 million on Euro 17.0 million in 2017 and Euro 3.1 million compared to Euro 19.0 million in 2017 Pro-Forma.

Consolidated Net profit overview

Consolidated Net profit in 2018 was Euro 14.1 million, up 14.3% on Euro 12.3 million in 2017 and 3.5% on Euro 13.6 million for 2017 Pro-Forma.

This result was impacted by non-recurring costs incurred by the company as part of the listing of its shares on the MTA segment of the Italian Stock Exchange and expensed to the Income Statement, amounting to Euro 4.0 million, partially offset by their full deductibility for tax purposes for the entire amount, of Euro 7.3 million.

The Group Net result, excluding the minority share, amounts to a profit of Euro 13.6 million, up 11.0% on Euro 12.2 million for 2017 and 3.1% on Euro 13.2 million for 2017 Pro-Forma.

GHC Group 2018 consolidated key balance sheet highlights

Consolidated Net Financial Position Overview

At December 31, 2018, the Net Financial Position (NFP) of GHC was a negative Euro 47.3 million, i.e. a surplus of cash over financial debt. This amount is based on liquidity of Euro 92.3 million and a debt of approx. Euro 45.0 million. This indicator reduced by Euro 79.7 million over December 31, 2017. This change in the NFP at December 31, 2018 follows a generation of cash by the Group of Euro 19.8 million, the receipt of income from the IPO, net of costs incurred for the operation of approx. Euro 66.1 million, the utilisation of cash for non-recurring components totalling Euro 6.2 million (related to the expansion projects at "Gravellona Toce" and the "ex-Scuola" and the advance payment of a portion of the acquisition price of Poliambulatorio Dalla Rosa Prati S.r.l.).

⁽⁵⁾ Adjusted EBIT, neutralising the IPO costs, is EBIT + listing costs incurred and expensed to the Income Statement (this latter amounting to approximately Euro 4.0 million)

⁽⁶⁾ The Adjusted Profit before taxes, neutralising the IPO costs, is the Profit before taxes + listing costs incurred and expensed to the Income Statement (this latter amounting to approximately Euro 4.0 million)



Net Financial Position <i>in Euro millions</i>	2018	2017	Change vs. 2017
Total	-47.3	32.4	-79.7

The capacity of the company to generate cash is also represented by the cash-conversion indicator⁽⁷⁾, which for 2018 was approximately 87%, rising on an average of 79% for the 2015-2017 three-year period.

2. SEPARATE FINANCIAL STATEMENTS AT DECEMBER 31, 2018

Garofalo Health Care S.p.A. 2018 key operating highlights

Garofalo Health Care S.p.A. (the “**Parent Company**”) in November 2018 was listed on the Italian Stock Exchange by means only of a share capital increase, in order to raise the funding necessary to support its “Buy and Build” acquisition-led growth strategy and with a view to further geographical diversification and the development of the range of activities and services offered.

2018 revenues were Euro 1.2 million 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 4.7 million as a result of the costs incurred by the parent company during the year for the execution of Parent Company core operations and the non-recurring listing costs of Euro 4.0 million.

EBIT reported a loss of Euro 4.7 million, due to amortisation, depreciation and impairment of less than Euro 0.1 million.

The financial management was impacted by financial charges for Euro 0.4 million and the positive component of financial income for Euro 8.1 million concerning dividends distributed by subsidiaries.

The Net profit in 2018 amounted to Euro 5.0 million.

Garofalo Health Care S.p.A. 2018 key balance sheet highlights

At December 31, 2018, the Net Financial Position (NFP) of the Parent Company was a negative Euro 57.3 million, i.e. a surplus of cash over financial debt. This indicator reduced Euro 70.1 million compared to December 31, 2017 (Euro 12.9 million). This change in the NFP at December 31, 2018 relates mainly to the receipt of income from the IPO, net of costs incurred for the operation of approx. Euro 66.1 million.

3. SUBSEQUENT EVENTS

On **January 7, 2019**, Garofalo Health Care S.p.A. using own funds completed the acquisition of an additional holding of 30.75% in Casa di Cura del Prof. Nobili S.p.A., a company in which GHC already held 52.55% of the share capital. Subsequently, on January 16, 2019, an additional acquisition of 12.05% of the company was completed through the use of own financial resources.

As a result of these acquisitions, the overall investment of Garofalo Health Care S.p.A. in the clinic rose to 95.35%, corresponding to 98.81% of voting rights. The price paid to acquire these holdings, overall comprising 42.80% of the share capital of Casa di Cura Prof. Nobili, is approx. Euro 2.6 million.

On **January 29, 2019**, the Board of Directors of the company approved the launch of a treasury share buyback programme, following authorisation by the Shareholders’ Meeting of September 26, 2018 and with efficacy from November 9, 2018, the date on which the company’s shares began trading on the MTA segment of the Italian Stock Exchange. This treasury share buyback programme stipulates the purchase, in one or more tranches, of ordinary shares, up to a maximum limit of 1,230,000 (1.5% of the share capital of the company, at the date of the BoD motion): the maximum amount in cash allocated to the purchase

⁽⁷⁾ Cash conversion defined as (Adj. Op. EBITDA – ordinary tangible and intangible investments) % of Adjusted Operating EBITDA



programme is Euro 5 million, concluding on May 9, 2020.

On **February 5, 2019**, following the signing of a preliminary purchase contract on December 20, 2018 and announced to the market on December 21, 2018, the Company completed the acquisition of the company Poliambulatorio Dalla Rosa Prati S.r.l., a diagnostic center headquartered in Parma, operating both under the Emilia-Romagna Region accredited and private healthcare systems and under the agreement with the Parma Hospital for PET-TAC services. The price paid for the acquisition of the Poliambulatorio, settled by GHC through own resources, was approx. Euro 19.1 million. With this operation, the GHC Group consolidates its presence in Emilia-Romagna, where it has two major acute recovery clinics: the Hesperia Hospital in Modena and the Casa di Cura Prof. Nobili in Castiglione dei Pepoli (province of Bologna).

On **April 12, 2019**, in relation to the withdrawal from the subsidiary Villa Garda S.p.A. by the minority shareholder, with regards to the exercise of the right to withdrawal announced on June 20, 2018 by the minority shareholder, concerning point 22-*quater* of Article 2427 of the Civil Code, the calculation of the value of the shares subject to withdrawal made by the Sole Director on December 21, 2018 on the basis of the valuation undertaken by an independent expert became definitive in accordance with law. Consequently, on March 22, 2019, the 2,400 ordinary shares subject to withdrawal were offered as options to the other shareholder GHC S.p.A. at a unitary price of Euro 1,692.74 and for a total amount of Euro 4,062,568, in accordance with Article 2437-*quater* of the Civil Code. The shareholder GHC S.p.A. may exercise the option right within thirty days from the above offer date. Where the options are not taken up by the shareholder GHC S.p.A., they may be sold also to third parties and for this reason the outcome of the procedure is uncertain.

4. OUTLOOK

For 2019, the Group shall continue to roll out its strategy focusing on the following objectives:

- Continue to deliver high quality standards, representing the benchmark for covered patients and the private-private sector (out of pocket), thanks to a “patient centered” organisational model supported by top level medical staff and investment in cutting-edge infrastructure and technologies;
- Achieve the full benefits from the synergies between the Group clinics;
- Leverage the current Group “platform” to acquire new clinics through the use of the funding raised on the Group’s listing.

5. OTHER BOARD OF DIRECTORS’ MOTIONS

Calling of the Shareholders’ Meeting

At today’s meeting, the Board of Directors also called the Shareholders’ Meeting for May 24, 2019, in single call, to discuss and vote upon, among other matters, the approval of the 2018 Annual Accounts. The Board of Directors shall propose to the Shareholders’ Meeting the allocation of the Net profit of Euro 4,993 thousand, as follows: Euro 250 thousand to the legal reserve, Euro 45 thousand to the provision as per Article 40 of the By-Laws and the remaining Euro 4,698 thousand to the extraordinary reserve.

Corporate Governance and Ownership Structure Report and Remuneration Report approved

The Board of Directors approved the Corporate Governance and Ownership Structure Report for 2018 prepared by the Company in accordance with Article 123-*bis* of Legislative Decree No. 58/1998, as subsequently amended (the “**CFA**”).

The Board of Directors in addition approved the Remuneration Report concerning the directors and senior executives of the company for 2019 in accordance with Article 123-*ter* of the CFA and Article 84-*quater* and Annex 3A, Scheme 7-*bis* of Consob Regulation No. 11971/1999, as subsequently amended (the “**Issuers’ Regulation**”).

This report shall be made available to the public, in accordance with law, at the registered office of the company, in Rome, Piazzale delle Belle Arti n. 6 and on the company website www.garofalohealthcare.com, *Governance/Shareholders’ Meeting* section.



The Board of Directors approved the disclosure document prepared in accordance with Article 84-bis of the Issuers' Regulation and in compliance with Annex 3A, Scheme 7 of the Issuers' Regulation concerning the 2019-2021 Stock Grant Plan approved by the Shareholders' Meeting of September 26, 2018. This Document shall be made available to the public in accordance with law at the registered office of the company in Rome, Piazzale delle Belle Arti n. 6 and on the company website www.garofalohealthcare.com, *Governance/Shareholders' Meeting* section.

Approval of the Non-Financial Report at December 31, 2018 as per Legislative Decree 254/2016.

The Board of Directors approved the Non-Financial Report at December 31, 2018 prepared by the Company in accordance with Legislative Decree 254/2016. This Report shall be made available to the public, according to the same timeline for the annual financial report of Garofalo Health Care S.p.A. in accordance with law, at the registered office of the company in Rome, Piazzale delle Belle Arti n. 6 and on the company website www.garofalohealthcare.com, *Governance / Shareholders' Meeting* section.

The Non-Financial Report outlines Group operations, its performances, results and the impact in terms of environmental, social, personnel, human rights and anti-active and passive corruption aspects.

Verification of the independence of the directors and statutory auditors

The Board of Directors verified the continued independence in accordance with Article 148, paragraph 3 of the CFA, of Article 25 of the By-Laws and Article 3 of the Self-Governance Code of Borsa Italiana of the Independent Directors Cristina Finocchi Mahne, Flavia Mazzarella and Tommaso Longhi. In addition, the Board verified the outcome of the independence checks as per Article 148, paragraph 3 of the CFA and the combined provisions of Articles 8.C.1 and 3.C.1 of the Self-Governance Code regarding the statutory auditors, which the Board of Statutory Auditors, in accordance with Article 8 of the Self-Governance Code, carried out on April 13, 2019.

Authorisation of the purchase and utilisation of treasury shares

The Board of Directors approved a request to the Shareholders' Meeting to authorise the purchase of treasury shares in accordance with Article 2357 of the Civil Code and Article 132 of the CFA, following revocation of the motion taken by the Shareholders' Meeting on September 26, 2018, for the portion not executed, concluding on May 9, 2020.

The request shall concern:

- (a) the purchase of treasury shares to be allocated, where required, to the 2019 - 2021 Stock Grant Plan approved by the Shareholders' Meeting of September 26, 2018, in addition to any other share incentive plans, including of a long-term nature, reserved for directors and/or managers of the company or its subsidiaries, which may be approved in the future by the Shareholders' Meeting of the company and
- (b) interventions, in compliance with the applicable provisions and through intermediaries, in order to stabilise the share price and ensure normal trading and share prices, countering distortions related to excessive volatility or scarcity of shares.

The Board of Directors established the authorisation to be fixed as the maximum permitted by law, set out under Article 2357, paragraph 2 of the Civil Code, as a period of 18 months from any Shareholders' Meeting approving the proposal.

The authorisation would be requested for the purchase, also in a number of tranches, of ordinary GHC shares without nominal value, up to a maximum number of shares which, taking account of the ordinary shares which may be held in portfolio by the company and by its subsidiary, does not exceed overall 1.5% of the share capital of the Company, in accordance with Article 2357, paragraph 3 of the Civil Code.

The Board of Directors established that the unitary price for the purchase of the shares is set on a case by case basis for each transaction and however may not be 10% lower or higher than the share price recorded in the trading session before each individual transaction.

The purchases of shares may be made in compliance with the conditions established by Article 3 of Delegated Regulation (EU) No. 2016/1052 of the Commission in order to benefit, where the relative conditions are met, from the exemption as per Article 5, paragraph 1 of Regulation (EU) No. 596/2014 concerning market abuse with regards to the abuse of inside information and market manipulation.

In consideration of the various goals pursuable through treasury share transactions, the Board of Directors proposed to the Shareholders' Meeting that the authorisation is granted for purchases, in compliance with the principle regarding the equal treatment of shareholders under Article 132 of the CFA, according to any



of the means set out under Article 144-*bis* of the Issuers' Regulation, to be identified on a case by case basis at the Board's discretion.

At today's date, the subscribed and paid-in share capital of the company amounts to Euro 28,700,000 and comprises 82,000,000 ordinary shares without nominal value. The company at today's date holds 45,820 treasury shares.

For further details on the proposal to authorise the purchase and disposal of treasury shares, reference should be made to the Illustrative Report of the directors which shall be published according to the terms and means established by the legal and regulatory provisions applicable, at the registered office of the company, in Rome, Piazzale delle Belle Arti n. 6 and on the company website www.garofalohealthcare.com, *Governance / Shareholders' Meeting* section.

Supplementation of the fees for the independent audit appointment

The Board of Directors also approved, on the reasoned proposal of the Board of Statutory Auditors of April 11, 2019, to submit for the approval of the Shareholders' Meeting the request of the independent audit firm EY S.p.A., received by the company on March 8, 2019, to supplement for the financial years 2019-2025 the fees approved by the Shareholders' Meeting of August 8, 2018.

Calling of the Shareholders' Meeting

The Board of Directors meeting today approved the calling of the Shareholders' Meeting of Garofalo Health Care S.p.A. in ordinary session for May 24, 2019, in single call, to discuss and vote upon the following

Agenda

1. Financial Statements of Garofalo Health Care S.p.A. at December 31, 2018. 2018 Directors' Report. Report of the Board of Statutory Auditors and of the Independent Audit Firm. Presentation of the Consolidated Financial Statements at December 31, 2018 and of the consolidated non-financial report in accordance with Legislative Decree No. 254 of December 30, 2016 for 2018. Resolutions thereon.
2. Allocation of the Net profit.
3. Revocation of the motion passed by the Shareholders' Meeting of September 26, 2018 and authorisation to purchase and dispose of treasury shares as per Articles 2357 and subsequent of the Civil Code, in addition to Article 132 of Legislative Decree No. 58 of February 24, 1998 and Article 144-*bis* of the Consob Regulation adopted with motion No. 11971/1999 and subsequent amendments. Resolutions thereon.
4. Supplementation of the fees for the appointment to audit the accounts. Resolutions thereon.
5. Consultation on the Remuneration Policy of Directors and Senior Executives.

The call notice, accompanied by all of the information required by Article 125-*bis* of the CFO, in addition to all the documentation which shall be submitted to the Shareholders' Meeting in accordance with Articles 125-*ter* and 125-*quater* of the CFA, shall be made available to the public, in accordance with law, at the registered office of the company in Rome, Piazzale delle Belle Arti n. 6 and on the company website www.garofalohealthcare.com, *Governance / Shareholders' Meeting* section.

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The Executive Officer for Financial Reporting, Fabio Tomassini, states in accordance with paragraph 2, Article 154-*bis* of the Consolidated Finance Act that the accounting information in this press release corresponds to the underlying accounting documents, records and entries.



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The GHC Group

The GHC Group, listed on the Milan Stock Exchange, is an Italian accredited private healthcare leader operating through 19 healthcare clinics demonstrating excellence, located in Italy's strongest regions and 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 in fact operates across six regions in Northern and Central Italy (Piedmont, Veneto, Emilia Romagna, Liguria, Tuscany and Lazio), covering in the hospital sector acute admissions, long hospitalization, post-acute rehabilitations and outpatient services (the "Hospital Sector"), and in the regional and social-care sector covering residential admissions and district outpatient services (the "Dependency Care Sector").

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FOR FURTHER DETAILS:

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2018 Consolidated Income Statement of the GHC Group

<i>In thousands of Euro</i>	2018	of which related parties	2017	of which related parties
Revenues from services	153,268		135,373	
Other revenues	2,369		1,293	
Total Revenues	155,637		136,666	
Raw materials and consumables	21,268		19,459	
Service costs	62,840	1,197	51,058	762
<i>of which non-recurring charges</i>	4,037		-	
Personnel costs	38,707		34,651	
Other operating costs	7,063		6,616	
Amortisation, depreciation & write-downs	7,749		5,920	
Impairments and other provisions	(987)		1,924	
Total operating costs	136,641		119,628	
EBIT	18,996		17,038	
Financial income	10		875	
Financial charges	(1,175)	(167)	(930)	
Results of investments at equity	201		32	
Total financial income and charges	(964)		(23)	
Profit before taxes	18,032		17,015	
Income taxes	3,964		4,706	
Net Profit for the year	14,069		12,309	
Attributable to:				
<i>Group</i>	13,583		12,241	
<i>Minority interests</i>	486		68	
Basic and diluted earnings per share (in Euro)	0.17		0.20	

GHC Group Consolidated Balance Sheet for 2018

ASSETS Euro thousands	2018	of which related parties	2017	of which related parties
Goodwill	38,815		38,815	
Other intangible assets	14,053		14,276	
Property, plant and equipment	93,145		89,950	
Investment property	1,027		1,063	
Equity Investments	878		788	
Other non-current financial assets	1,542		56	
Other non-current assets	1,002		1,084	
Deferred tax assets	3,250		3,326	
Total Non-Current Assets	153,712		149,358	
Inventories	2,218		2,352	
Trade receivables	35,239	299	38,399	2
Tax receivables	3,084		2,018	586
Other receivables and current assets	2,507	499	1,506	
Other current financial assets	135		0	
Cash and cash equivalents	92,287		22,635	
Total Current Assets	135,471		66,910	
Total Assets	289,183		216,268	

GHC Group Consolidated Balance Sheet for 2018

LIABILITIES <i>In thousands of Euro</i>	2018	of which related parties	2017	of which related parties
Share capital	28,700		300	
Legal reserve	60		40	
Other reserves	136,507		82,685	
Group result for the year	13,583		12,241	
Total Group Shareholders' Equity	178,849		95,266	
Minority interest capital and reserves	6,519		6,544	
Minority interest result	486		68	
Total Shareholders' Equity	185,854		101,878	
Employee benefits	8,769		9,119	
Provisions for risks and charges	6,150		8,397	
Non-current financial payables	22,928		34,502	6,401
Other non-current liabilities	-		-	
Deferred tax liabilities	8,385		7,642	
Derivative financial instrument liabilities - non-current	11		11	
Total Non-Current Liabilities	46,244		59,671	
Trade payables	20,751	358	19,296	309
Current financial payables	22,142	5,953	20,496	
Tax payables	394		3,908	3,280
Other current liabilities	13,798	2,752	11,019	1,326
Total Current Liabilities	57,085		54,719	
Total Liabilities	103,328		114,390	
Total Shareholders' Equity and Liabilities	289,183		216,268	

GHC Group Consolidated Cash Flow Statement for 2018

<i>In thousands of Euro</i>	2018	2017
Profit for the year	14,069	12,309
Adjustments for:		
Amortisation and depreciation	6,206	5,714
Provisions for employee benefit liabilities	1,959	1,995
Provisions for risks and charges	(963)	1,924
Doubtful debt provision	1,512	206
Change in investments in associates valued under the equity method	(201)	-
Change in other non-current assets and liabilities	(1,404)	75
Net change in deferred tax assets and liabilities	879	539
Change in fair value of derivative instruments	-	(9)
Payments for employee benefits	(2,554)	(25)
Payments for provisions for risks and charges	(1,284)	-
Changes in operating assets and liabilities:		
(Increase) decrease in trade and other receivables	1,649	4,473
(Increase) decrease in inventories	134	527
Increase (decrease) in trade and other payables	1,457	818
Other current assets and liabilities	(2,941)	(1,741)
Net Cash Flow from Operating Activities (A)	18,518	26,805
Cash flow from investing activities		
Investments in intangible assets	(111)	(120)
Investments in tangible assets	(9,030)	(2,530)
Investments in financial assets	110	(504)
Acquisition of Casa di Cura Prof. Nobili, net of cash acquired	-	(2,120)
Acquisition Fi.d.es Group, net of cash acquired	-	(29,913)
Cash flow absorbed by investing activities (B)	(9,031)	(35,187)
Cash flow from financing activities		
Issue of medium-long-term loans	-	13,000
Repayment of medium-long-term loans	-	(5,440)
Issue/(repayment) of short-term loans	(9,928)	(2,479)
Distribution dividends	-	(750)
Share capital increase and shareholder payments	70,093	7,494

<i>In thousands of Euro</i>	2018	2017
Net cash flow generated/(absorbed) by financing activities (C)	60,165	11,825
Total cash flow (D=A+B+C)	69,652	3,443
Cash & cash equivalents at beginning of year (E)	22,635	19,192
Cash & cash equivalents at end of year (F=D+E)	92,287	22,635
Additional information:		
Interest paid	354	786
Income taxes paid	39	1,946

GHC Group Consolidated Net Financial Position for 2018

<i>In thousands of Euro</i>	2018	2017
A Cash	123	91
B Cash and cash equivalents	92,164	22,544
C Securities held-for-trading	-	-
D Liquidity (A) + (B) + (C)	92,287	22,635
E Current financial receivables	135	3
F Current bank payables	10,954	14,322
G Current portion of non-current debt	5,070	5,624
H Other current financial payables	6,129	561
I Current debt (F)+(G)+(H)	22,153	20,507
J Net current financial debt (I) - (E) - (D)	(70,269)	(2,131)
K Non-current bank payables	22,700	27,758
L Bonds issued	-	-
M Other non-current payables	228	6,744
N Non-current financial debt (K) + (L) + (M)	22,928	34,502
O Net financial debt (J)+(N)	(47,341)	32,371

Garofalo Health Care S.p.A. 2018 Separate Income Statement

<i>In thousands of Euro</i>	2018	of which related parties	2017	of which related parties
Revenues from services	1,200	1,200	-	
Other revenues	-		3	
Total Revenues	1,200		3	
Raw materials and consumables	20		0	
Service costs	5,150	211	356	
<i>of which non-recurring charges</i>	4,037		0	
Personnel costs	664		0	
Other operating costs	18		22	
Amortisation, depreciation & write-downs	8		0	
Impairments and other provisions	62	62	114	114
Total operating costs	5,922		492	
EBIT	(4,722)		(489)	
Financial income	8,108	8,108	10,548	10,548
Financial charges	(403)	(403)	(16)	(16)
Total financial income and charges	7,705		10,532	
Profit before taxes	2,983		10,043	
Income taxes	2,010		(35)	
Net Profit for the year	4,993		10,008	

Garofalo Health Care S.p.A. Separate Balance Sheet for 2018⁽⁸⁾

ASSETS <i>In thousands of Euro</i>	2018	of which related parties	2017	of which related parties	January 1, 2017	of which related parties
Other intangible assets	4		-		-	
Property, plant and equipment	32		-		-	
Equity Investments	74,872		74,686		31,774	
Other non-current financial assets	9,029	7,528	7,257	7,257	7,357	7,357
Deferred tax assets	297		6		-	
Total Non-Current Assets	84,234		81,949		39,131	
Trade receivables	1,170	1,170	2		-	
Tax receivables	1,651		149	149	337	
Other receivables and current assets	968		82	5	2,057	2,010
Cash and cash equivalents	65,109		295		27	
Total Current Assets	68,898		528		2,421	
Total Assets	153,132		82,477		41,552	

⁽⁸⁾ Figures as of January 1, 2017 reported since first annual report drawn up as per IAS / IFRS international accounting principles

Garofalo Health Care S.p.A. Separate Balance Sheet for 2018⁽⁹⁾

LIABILITIES <i>In thousands of Euro</i>	2018	of which related parties	2017	of which related parties	January 1, 2017	of which related parties
Share capital	28,700		300		200	
Legal reserve	60		40		20	
Other reserves	109,273		57,527		29,522	
Net Profit	4,993		10,008		2,052	
Total Shareholders' Equity	143,026		67,875		31,794	
Employee benefits	34		-		-	
Non-current financial payables	-		6,401	6,401	6,459	
Total Non-Current Liabilities	34		6,401		6,459	6,459
Trade payables	527		111		52	
Current financial payables	7,856	7,856	6,766	6,766	1,247	1,247
Tax payables	13		-		-	
Other current liabilities	1,676	1,250	1,324	1,250	2,000	2,000
Total Current Liabilities	10,072		8,201		3,299	
Total Liabilities	10,106		14,602		9,758	
Total Shareholders' Equity and Liabilities	153,132		82,477		41,552	

⁽⁹⁾ Figures as of January 1, 2017 reported since first annual report drawn up as per IAS / IFRS international accounting principles

Garofalo Health Care S.p.A. Separate Cash Flow Statement for 2018

<i>In thousands of Euro</i>	31/12/2018	31/12/2017
Profit for the year	4,993	10,008
Adjustments:		
<i>Amortisation and depreciation</i>	8	-
<i>Provisions for employee benefit liabilities</i>	47	-
<i>Provisions for risks and charges</i>	-	-
<i>Doubtful debt provision</i>		-
<i>Change in other non-current assets and liabilities</i>	(1,772)	
<i>Net change in deferred tax assets and liabilities</i>	(291)	(6)
<i>Change in fair value of derivative instruments</i>		
<i>Payments for employee benefits</i>	(17)	
<i>Payments for provisions for risks and charges</i>		
<i>Changes in operating assets and liabilities:</i>		
<i>(Increase) decrease in trade and other receivables</i>	(1,168)	-
<i>(Increase) decrease in inventories</i>		-
<i>Increase (decrease) in trade and other payables</i>	416	60
<i>Other current assets and liabilities</i>	(2,024)	2,317
Net cash flow generated by operating activities (A)	192	12,379
Cash flow from investing activities		
Investments in tangible assets	(39)	
Investments in intangible assets	(5)	
(Investments)/Disposal of financial assets	(186)	(42,913)
Cash flow absorbed by investing activities (B)	(230)	(42,913)
Cash flow from financing activities		
Issue/Drawdown of medium-long-term loans		6,466
Repayment of medium-long-term loans	(5,312)	(1,006)
Issue/(repayment) of short-term loans		
dividends received	(8,108)	(750)
Dividend approved	8,108	
Share capital increase and shareholder payments	70,163	26,092
Net cash flow generated/(absorbed) by financing activities (C)	64,852	30,802
Total cash flow (D=A+B+C)	64,814	268



<i>In thousands of Euro</i>	31/12/2018	31/12/2017
Cash and cash equivalents at beginning of year (E)	295	27
Cash and cash equivalents at end of year (F=D+E)	65,109	295
Additional information:		
Interest paid	0	14
Income taxes paid	62	24