annual report 2024

LUZ SAÚDE

Moving Medicine Forward

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Message from the CEO

In 2024, Luz Saúde achieved an important milestone, growing its consolidated operating revenues to €732.8 million (+9.9% compared to 2023), driven by strong performance in the private healthcare segment (+9.7%). Through disciplined and efficient management, we reached an adjusted EBITDA of €115.3 million (+15.5%) and a net income of €38.9 million, reflecting a solid growth of 23.8%.

This performance was made possible by significant growth across our main healthcare services, with highlights in Imaging exams (+14.7%), outpatient consultations (+10%) and surgical activity (+10.5%), despite a challenging environment of substantial cost pressures, especially in human resources, in an increasingly competitive market for healthcare talent.

In spite of these challenges, the Group continued to improve its EBITDA margin, driven by ongoing digital transformation and automation initiatives, with a special focus on administrative processes and customer service — notably through the MY LUZ App, which reached around 1.6 million users (+24% compared to 2023). These efforts contributed to reducing cost-to-serve and diluting fixed costs.

We also value the mutual trust established with our institutional clients, including insurers and health subsystems, as well as suppliers and partners, with whom we have worked to achieve the necessary adjustments that ensure fair and sustainable balances for all stakeholders in the private healthcare ecosystem.

In 2024, the management team remained focused on consolidating Luz Saúde's leadership in clinical and technological innovation, closely linked to academic teaching and research. A milestone in this commitment was the reaccreditation with distinction of Hospital da Luz Lisboa by the Joint Commission International, including its status as an academic medical center, underscoring our dedication to training the next generations of healthcare professionals.

Our strategic partnerships with Academia, especially with Católica Medical School, continues to foster innovative training models, research, and entrepreneurship, key to sustaining the premium positioning of Hospital da Luz network and attracting and retaining top-tier healthcare professionals.

As part of our market consolidation strategy in Portugal, Luz Saúde maintained a robust pipeline of brownfield and greenfield expansion projects in 2024. In September, we opened a new ambulatory unit in downtown Funchal, and we are moving forward with the Hospital da Luz Torres de Lisboa project, scheduled to open in the first half of 2025. Additionally, we are expanding this unit with a new building for consultations, exams, and enhanced imaging services, to be completed by 2026.

Development is also underway for two new ambulatory units in the Hospital da Luz Coimbra region (Figueira da Foz and Leiria), scheduled to open in the first and second halves of 2025, respectively, as well as a new ambulatory unit in Aveiro, set to open in the first half of 2026. In the Lisbon area, a new ambulatory clinic in Vila Franca de Xira will open in April of 2025, and the construction of a new hospital in Santarém is on track for completion in the first half of 2026.

We are also strengthening our presence in southern Portugal with the expansion and clinical upgrade of Hospital da Luz Setúbal, expected to be completed in the second half of 2028. Additionally, the renovation of Hospital da Misericórdia de Évora represents a renewed commitment to enhancing our offer in the Alentejo region.

In 2024, we also completed the acquisition of a hospital and five clinics in the Algarve, a hospital under construction in Covilhã, and two new clinics in Lisbon and Porto, pending clearance from the Portuguese Competition Authority.

With this investment cycle, Luz Saúde consolidates its position as Portugal's largest private hospital network, now covering over 80% of the Portuguese population, while continuing to invest in new formats, such as Hospital da Luz Digital / LUZ 24 Line, which integrates digital and physical care in a seamless clinical model and grew by 23% in 2024, reaching approximately 117,000 consultations.

Looking ahead to 2025, and within the strategic cycle for 2024-2027, Luz Saúde will remain focused on profitable growth aligned with the best international practices, delivering value to our shareholders and stakeholders, driven by a vision of innovation leadership and a mission to achieve measurable health outcomes for our patients, while balancing operational efficiency and clinical excellence.

To all our employees, I extend my deepest gratitude for your professionalism and dedication to everyone who has entrusted us with their care.

I wish you all a successful 2025, as we remain united by our Team Medicine model, focused on achieving the best possible outcomes for our patients, building a future-ready organization, and fostering professional fulfillment.

To our shareholders, we extend our gratitude, on behalf of all our employees, for your continued support of our ambition to pursue a long-term sustainable growth strategy.

Isabel Vaz

Chief Executive Officer, Luz Saúde Group

Executive Summary

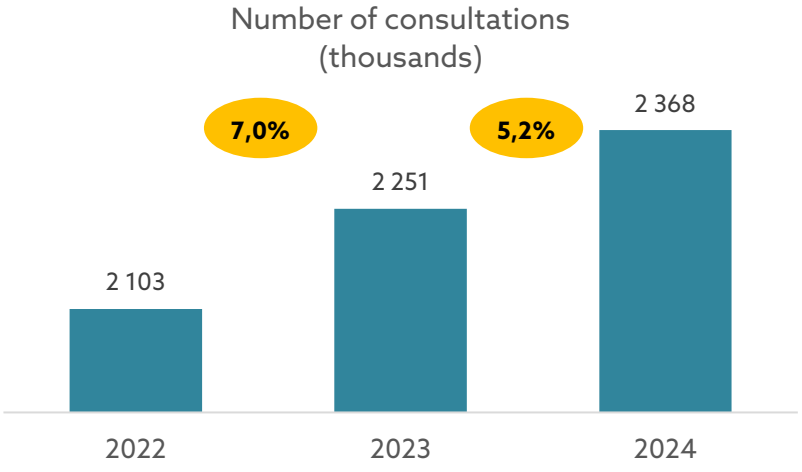
LUZ SAÚDE OVERVIEW

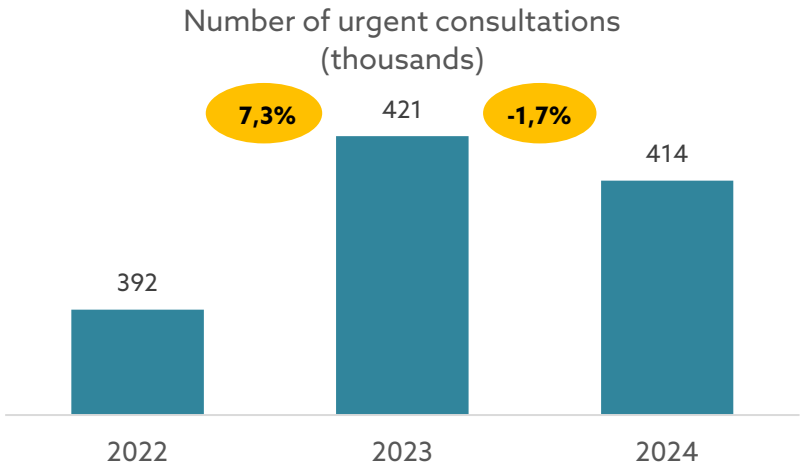
Luz Saúde, SA leads one of the largest healthcare groups in the Portuguese market – an expanding market. The Group provides its services through 30 units (including 14 private hospitals (Hospital da Luz, Hospital do Mar - Specialized Care, Hospital da Misericórdia de Évora), 15 private outpatient clinics (Hospital da Luz), a senior residence (Casas da Cidade Senior Residences) and a digital hospital (Hospital da Luz Digital) which operates throughout all geographies) and is present in the North, Centre, South and Madeira and the metropolitan area of Lisbon, holding, in certain regions, the only private hospital or clinic in operation.

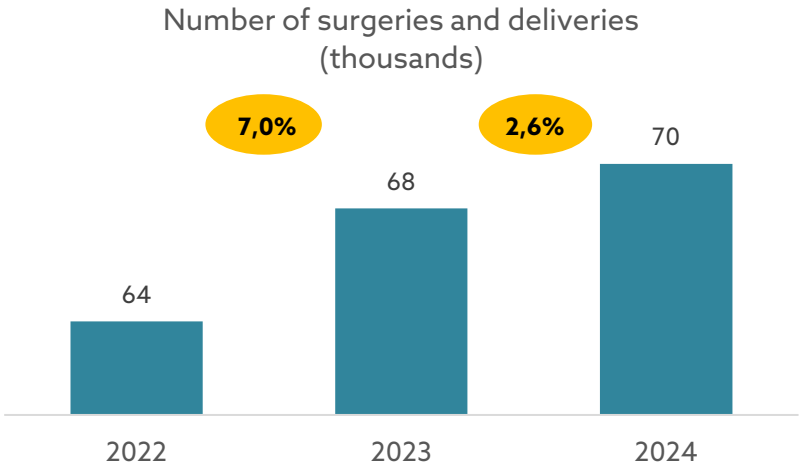
The Group's structure is organized into four hubs, including more differentiated hospitals, medium-sized hospitals and outpatient clinics, and operates its health units in a complementary and integrated way, by allowing cross unit patient referral, sharing know-how (clinical and related to process management) and ease of access to the facilities of some of the best acute hospitals in the country. The Group has a differentiated position in the Portuguese healthcare services market as a provider offering specialized and complex services, based on the use of technologically advanced equipment in many of its units – often, the only equipment of their kind in Portugal.

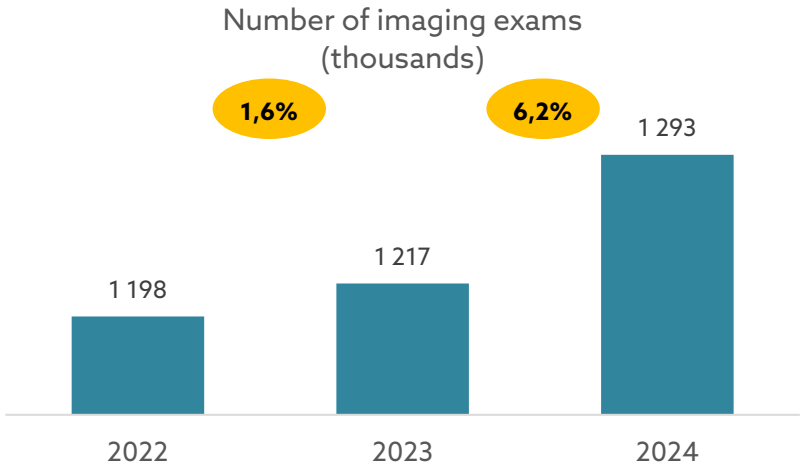
KEY DATA

1 OPERATIONAL INDICATORS

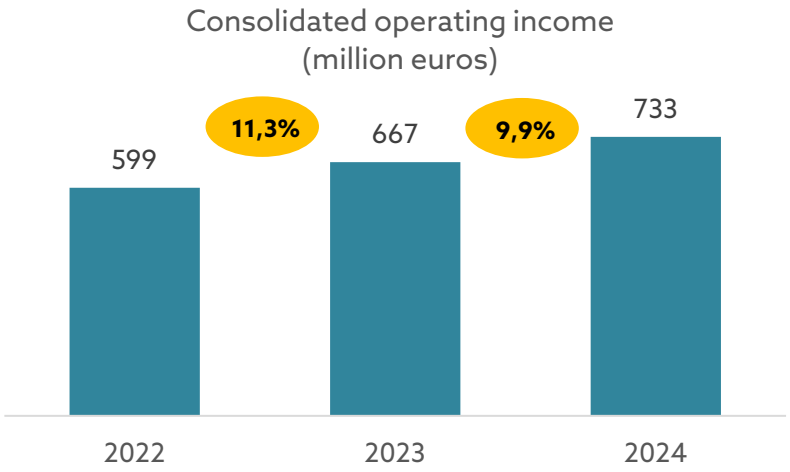


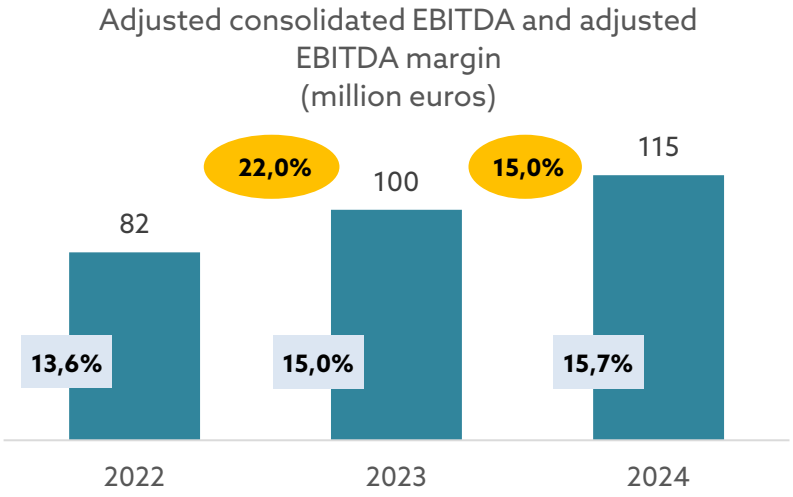

Number of urgent consultations
(thousands)
7,3%
-1,7%
392
421
414
2022
2023
2024


Number of surgeries and deliveries
(thousands)
7,0%
2,6%
64
68
70
2022
2023
2024


Number of imaging exams
(thousands)
1,6%
6,2%
1 198
1 217
1 293
2022
2023
2024

2 FINANCIAL INDICATORS





3 INFRASTRUCTURE INDICATORS

- 14 private hospitals
- 15 private outpatient clinics
- 1 senior residence
- 1,114 beds
- 704 consultation offices
- 56 operating rooms

4 HUMAN RESOURCES INDICATORS

- 14,058 employees
- 66% women in leadership positions

5 CLIENT INDICATORS

- 1,195,604 clients served in 2024 (~1.2 million clients)
- 1.6 million clients with a MY LUZ account or in a MY LUZ household
- 1.519 million appointments scheduled through MY LUZ
- +73 thousand triages carried out by LUZ 24
- 42.9 thousand video consultations

6 TRAINING AND RESEARCH INDICATORS

- 67,936 participants in courses/events organized by Learning Health
- 370 courses and events by Learning Health
- 102 studies submitted
- 84 clinical trials involving 325 patients
- 110,340 hours of training

HIGHLIGHTS AND RECOGNITIONS

	Imaging and Transfusion Medicine at Hospital da Luz Guimarães; Imaging and Gastroenterology at Hospital da Luz Clínica Santa Maria da Feira; Imaging, Gastroenterology and Sterilization and Transfusion Medicine at Hospital da Luz Arrábida; Imaging, Gastroenterology and Transfusion Medicine at Hospital da Luz Vila Real; and Imaging ad Nuclear Medicine at Hospital da Luz Coimbra certified by Bureau Veritas (ISO 9001:2015 Standard).
	Luz Saúde elected Health Service Provider 2023 by ITIJ (International Travel & Health Insurance Journal), for the second consecutive time.
	ESMO seal of quality and excellence and renewed certification by the European Society for Medical Oncology (ESMO) for the Palliative Care Unit at Hospital da Luz Lisboa, in conjunction with the Oncology Center.
	European Private Hospital Awards 2023 for Hospital da Luz Learning Health, in "Excellence in the workplace", for the creation and development of an innovative training path for customer service officers in healthcare institutions. In 2024, Hospital da Luz Learning Health won first prize in the "Excellence in Professional Development" category.
	Echocardiography Laboratory at Hospital da Luz Setúbal with maximum accreditation ("Advanced") in the three categories of echocardiography: transthoracic, transesophageal and overload, awarded by the European Association of Cardiovascular Imaging (EACVI) of the European Society of Cardiology. In 2024, the Echocardiography Laboratory at Hospital da Luz Lisboa was reaccredited by the European Association of Cardiovascular Imaging.
	Luz Saúde is the hospital institution that invests the most in Research and Development (R&D) activities in the areas of Health Sciences, according to the National Scientific and Technological Potential Survey (IPCTN) 2021, published in 2023 by the General Directorate for Education and Science Statistics.

WE SUPPORT UN GLOBAL COMPACT	Luz Saúde continues its commitment to sustainability, through the implementation of the United Nations 'Sustainable Development Goals' commitment, at the level of the Group and its units, and in 2023 joined the United Nations Global Compact Network Portugal, a global initiative of the UN to align companies for a more sustainable world.
EXECUTIVA	The CEO of Luz Saúde was chosen by the 2024 Executive Awards jury as the most important Portuguese manager in 2024.
APFH ASSOCIAÇÃO PORTUGUESA DE FARMACÊUTICOS HOSPITALARES	The Portuguese Association of Hospital Pharmacists (APFH), awarded Hospital da Luz Lisboa with the Scientific Award Professor Doctor Aluísio Marques Leal 2024 (Research and Innovation in Clinical Pharmacy).
ORDEM DOS FARMACÊUTICOS 1835	The Order of Pharmacists (South Region and Autonomous Territories Section) granted to the Jesús Luque from Hospital da Luz Lisboa project its Innovation Scholarship (Category of Pharmaceutical Intervention).
	For the third time in a row, Hospital da Luz Lisboa received the gold seal from the Joint Commission International (JCI), which this year also includes the entire clinical academic area of the hospital. Hospital da Luz Lisboa thus becomes the only university hospital with full accreditation awarded by the prestigious international auditor.

Economic Outlook

Macroeconomic Outlook

Portugal's Gross Domestic Product (GDP) grew by 1.7% in 2024[1], with projected growth rates of around 2.2% for 2025 and 2026[1]. This growth rate reflects a moderate economic recovery, driven by various internal and external factors. This growth contributes to maintaining the convergence of the Portuguese economy toward European income levels and results in an approximately neutral inflation differential compared to the euro area. GDP growth in the fourth quarter of 2023 and the beginning of 2025 is partly due to the recovery of exports, driven by the acceleration of external demand and increased dynamism in tourism. Private consumption also accelerated, in line with improved household confidence and the evolution of disposable income.

Inflation decreased to 2.6% in 2024[1], reflecting price stabilization after significant increases in recent years. The recent volatility in inflation was unexpected and largely reflected idiosyncratic effects on accommodation service prices.

Private consumption grew by 3.0%[1], driven by an increase in household disposable income and consumer confidence. Public consumption, on the other hand, grew by 1.1%[1], reflecting a moderate increase in government expenditures.

Real disposable income grew by 7.1% in 2024[1], a historically high rate resulting from favorable labor market conditions in terms of employment and real wages, increased pensions and other transfers, and the impact of income tax reductions. The savings rate rose to 11.5% for the year (compared to 8.0% in 2023)[1], a historically high value in a non-recessionary context. The increase in the household savings rate in 2024 reflects the usual smoothing of consumption expenditure in response to rising income but is also boosted by the positive interest rate environment, contrasting with the near-zero levels that characterized the decade before the pandemic. Higher interest rates increase the opportunity cost of consumption, making financial investments and loan repayments more attractive. They also constrain household consumption spending, particularly for those in debt or relying on credit. Additionally, the recent inflation surge has reduced the purchasing power of household financial assets, which may encourage savings to restore the real value of wealth. The increase in savings may also reflect greater household caution in spending after the extreme shocks of recent years, including the pandemic and the significant rise in the cost of living.

The unemployment rate is expected to remain stable at 6.4%[1], with employment growth of 1.3%[1]. This scenario is supported by active employment policies and the recovery of key sectors such as tourism and industry.

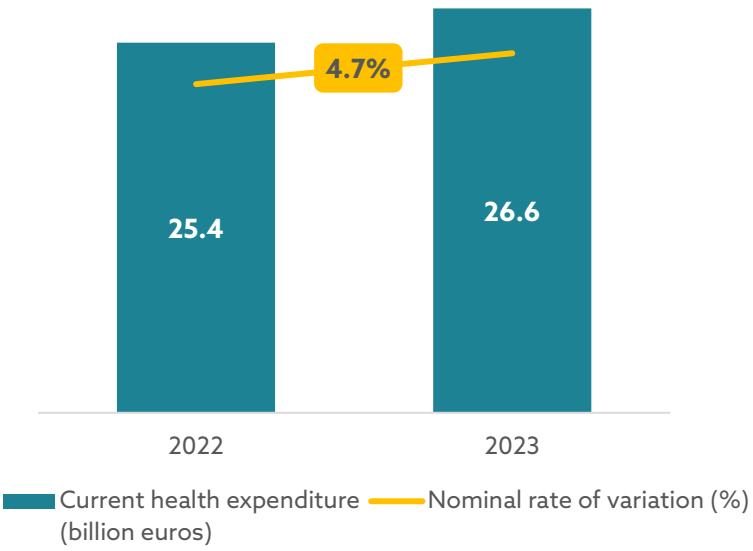
[1] Banco de Portugal – Economic Bulletin – December 2024

Exports are expected to grow by 3.9%[1], driven by the recovery of external demand and the diversification of destination markets. Imports are projected to increase by 5.2%[1], reflecting the recovery of domestic economic activity and the need for raw materials and intermediate goods.

HEALTH SECTOR OVERVIEW

According to the most recent date from the Portuguese National Statistics Institute, in its Health Satellite Account, in 2023, current health expenditure grew by 4.7%, reaching 26.6 billion euros (2,574 euros per capita). The weight of current health expenditure in GDP remained above the values seen in the pre-pandemic year, representing 10.0% [2] in 2023.

Contrary to what was seen in the same period in the previous year, current health expenditure grew, in nominal terms, less than the GDP (-4.9 p.p.) in 2023[2].



According to preliminary data, it is estimated that current public expenditure will increase by 3.4%[3], Driven by the increase in personnel costs of public providers. The reduction in COVID-19-related activity (vaccination and testing), in turn, had a negative impact on the evolution of public expenditure.

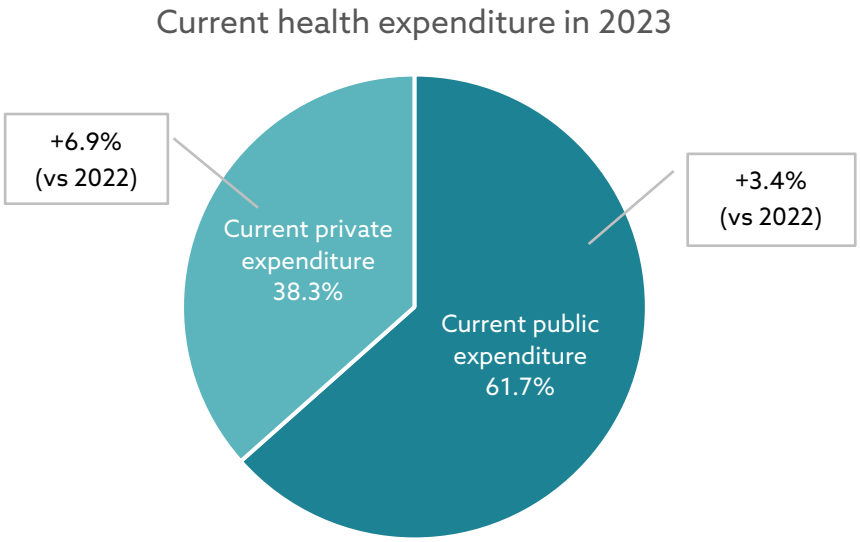
[2] INE – Health Satellite Account – July 2024

[3] INE – Health Satellite Account – July 2024, considering voluntary public health subsystems as a private financing agent (due to the nature of the contribution of 3.5% of civil servants' salaries), as well as PPP activity as an expense in public sector providers

in 2023, public current expenditure is estimated to represent 61.7% of total current health expenditure[3].

Current private expenditure is also expected to have increased by around 6.9%[3], driven by the increase of healthcare activity by private providers, mainly for outpatient healthcare services.

The private healthcare market grew at a compound annual growth rate (CAGR) of 8.7% between 2015 and 2022. The current expenditure of private healthcare providers in 2021 represented 46%[3] of total health expenditure in hospitals, outpatient healthcare and ancillary services (excluding Public-Private Partnerships).



The health insurance market in 2023 observed a growth of 6.3%, with the number of insured individuals approaching 3.6 million and an 8.0% increase in the average premium per insured person. Estimates for 2024, provided by the Portuguese Association of Insurers, indicate that the number of residents with health insurance will have surpassed 4 million, with an average premium increase of 9.6% in the first six months of the year, compared to the same period last year. This growth reflects the increasing pressure on healthcare sector costs. The integration of new technologies and the digitalization of services are important trends, helping to improve the efficiency and accessibility of health insurance.

[3] INE – Health Satellite Account – July 2024, considering voluntary public health subsystems as a private financing agent (due to the nature of the contribution of 3.5% of civil servants' salaries), as well as PPP activity as an expense in public sector providers

Strategic and Business Vision

Luz Saúde aims to contribute, through its strategic and business vision, to the sustainability of its healthcare network and the healthcare system as a whole, and to the development of an organizational, governance and care delivery model that makes the sector capable of responding to the challenges and risks that healthcare may have to face in the coming years.

Vision, Mission and Values

Our purpose

Promote health and wellbeing of the populations we serve providing best-in-class care and acting with high levels of efficiency, aiming to make a lasting contribution to health system sustainability and social cohesion.

Vision

To be a leading healthcare provider in highly specialized and complex medical care recognized as a reference of excellence and innovation through integrated clinical practise, education and research.

Luz Saúde commitment is absolute and unequivocal: to ensure the best diagnosis and medical treatment that talent, innovation and dedication can provide.

Luz Saúde offers a full range of healthcare services that ensures continuity of care and can respond to changing health needs of people throughout their lives.

Mission

Achieve the best healthcare outcomes with absolute respect for each patient's individuality, through effective and efficient diagnosis and treatment in an organization that attracts, develops and retains exceptional people.

In order to fulfil its Mission, Luz Saúde, through its employees, is committed to:

Excellence in healthcare

- Placing the best interests of patients ahead of the personal interests and of the organization;

- Adopting the highest ethical and professional standards, valuing team medicine and multidisciplinary collaboration to achieve the best health outcomes from the perspective of patients;
- Honoring patients' needs and preferences, respecting their values and involving them and their family in care decisions;
- Developing long-term relationships with patients and third-party payers based on efficacy, integrity and trust, thus contributing in an exemplary way to the economic sustainability of the healthcare system.

Technology and innovation

- Providing the best possible healthcare that scientific and technological advances allow;
- Practicing a personalized medicine based first and foremost on the physicians' inviolable trust relationship with their patients, enhanced by advances in clinical genetics and molecular diagnostics, alongside the adoption of computational medicine and data science technologies;
- Investing in state-of-the-art technology to deliver innovative treatments with scientifically proven clinical value;
- Promoting scientific research that contributes significantly to the advancement of knowledge and focuses on achieving the best outcomes for patients.

Talent and training

- Working with the best professionals and fostering their continuous development through investment in their training and the implementation of a culture of high demand and self-improvement based on meritocracy;
- Managing an efficient, high-quality healthcare structure made up of competitive and dynamic employees who are strongly committed to the organization, to its mission and values;
- Collaborating with leading institutions in teaching and research to train the new generations of health professionals and researchers.

Values

The following values lie at the core of Luz Saúde:

Result-oriented

Ambition

- We are determined to achieve ambitious and measurable results in implementing the organization's mission;

- We are pragmatic in defining what needs to be done today, without losing sight of the long term and the way to get there;
- We do not give up on our goals, even when we face difficulties and constraints along the way.

Intellectual rigor

- We are critical of everything we do, systematically looking for the best ideas and solutions;
- We approach issues and decisions in a rigorous, rational and reasoned way;
- We take risks in a sensible, controlled and intelligent way, in a context of ambiguity.

Positive attitude

- We welcome new ideas with enthusiasm, we are curious and motivated to proactively continue to learn, progress and be agents of change and to create new paradigms;
- We do not cling to past successes and embrace new challenges with enthusiasm, facing difficulties as unique opportunities to reinvent ourselves, to do things differently and even better;
- We reflect and learn from experience and mistakes, never failing to try again;
- We proudly celebrate the results that, individually or collectively, we have achieved.

Team medicine

Spirit of cooperation

- We believe in a collective and coordinated effort as the best way to achieve excellence in the organization's results and to enhance our impact on clients;
- We acknowledge that all employees, regardless of their hierarchical position, play an important role in fulfilling our mission and we value their contribution;
- We base our relationships on mutual respect, loyalty, honesty and clarity of communication.

Personal responsibility

- We give the best of ourselves and take responsibility for achieving the best possible results in our area of expertise;
- We assume the duty of updating our knowledge and skills, namely through the training opportunities made available to us by the organization;
- We fulfil the commitments we make to each other, recognizing that trust relationships are the basis of teamwork, because if one person's success is everyone's success, when one fails, everyone fails too.

Respect and humility

- We respect others and their ideas and value perspectives different from our own, assuming the limitations of our experience and knowledge;
- We are constructive in criticism, not making judgments, but rather trying to understand the position of others and always having the ultimate goal of improving individual and collective performance;
- We treat clients with professionalism and respect: i) providing them with all the necessary information so that they can make informed decisions about their health and minimizing the effects of knowledge asymmetry; ii) respecting their values and valuing their own perspective on defining health outcomes.

Spirit of service

Integrity

- We say what we think even if it might be controversial;
- We fairly and directly challenge behavior that is inconsistent with the organization's values and commitments;
- We are quick to acknowledge our mistakes;
- In the performance of our duties, we always adopt loyal, suitable and dignified behavior, safeguarding the prestige of the organization and its employees;
- We are the main ambassadors of the Luz Saúde Group.

Generosity

- We value genuine empathy and compassion for those suffering as the factor that truly makes a difference in the lives of patients and our own development as human beings;
- We assume the obligation to develop each other through transparent sharing of knowledge and our experience;
- We assume that assessing and being assessed is an investment in the development of each employee's potential and, to that extent, an exercise in projecting the organization's future, which must be done seriously, objectively and fairly.

Social responsibility

- We perform our duties responsibly, namely through the sensible and efficient use of the resources made available to us, with a view to contributing to the future sustainability of the health system.

LUZ SAÚDE'S HISTORY AND NETWORK

2000

Espírito Santo Saúde is founded (currently Luz Saúde).

Acquisition of Cliria - Hospital Privado de Aveiro (currently HL Aveiro) and Hospital da Arrábida (in V. N. Gaia, currently HL Arrábida).

2002

Start of the management contract for Hospital da Misericórdia de Évora.

2003

Construction begins on the Integrated Health Complex of Luz (Hospital da Luz and Casas da Cidade – Senior Residences).

2004

Opening of Cliria – Águeda Medical Centre (currently HL Clínica de Águeda).

Integration of the Clube de Repouso Casa dos Leões (later Casas da Cidade Senior Residences Carnaxide) into Espírito Santo Saúde (ESS).

2006

Opening of Hospital do Mar – Specialized Care in Lisbon.

Acquisiton of IRIO (Institute of Radiotherapy) and Hospor (Santiago Hospital, currently HL Setúbal, and Clipóvoa – Private Hospital, currently HL Póvoa de Varzim and HL Clinics in Amarante, Cerveira and Porto).

2007

Opening of HL Lisboa and Clínica Parque dos Poetas (currently HL Oeiras).

2009

Opening of Casas da Cidade Senior Residencies and HL Clínica da Amadora.

Acquisition of Cliria - Clínica de Oiã (currently HL Oiã).

Signing of the public-private partnership contract for the management of Hospital Beatriz Ângelo (Loures), part of the NHS.

2012

Opening of Hospital Beatriz Ângelo.

HL Lisboa is awarded the Valmor Prize.

2014

Espírito Santo Saúde becomes the first private healthcare company to be listed on Euronext Lisboa.

Fidelidade - Companhia de Seguros, S.A. acquires 96% of Espírito Santo Saúde.

Change of name to Luz Saúde, SA.

2016

Consolidation of business areas into three main brands: Hospital da Luz (hospitals and clinics), Hospital do Mar Specialized Care and Casas da Cidade Senior Residences.

Acquisition of Hospital Privado de Guimarães (currently HL Guimarães) and Clihotel de Gaia (Hospital do Mar Specialized Care Gaia).

Opening of HL Clínica de Vila Real.

2017

Acquisition of Clínica de Santa Catarina (currently HL Funchal), Policlínica do Caniço (currently HL Clínica do Caniço) and British Hospital (currently HL Torres de Lisboa).

Expansion of the HL Clínica de Oeiras, which gives way to HL Oeiras.

2018

Opening of HL Clínica de Odivelas.

Certification of HL Lisboa by the Joint Commission Internacional (JCI).

Acquisition of Idealmed Group, in Coimbra: one hospital and four clinics (currently HL Coimbra, HL Clínica da Solum, HL Clínica de Cantanhede, HL Clínica da Figueira da Foz and HL Clínica de Pombal).

Expansion of services in Vila Real, with a move to the historic center: HL Vila Real opens.

2019

Opening of the 3rd building of Hospital da Luz Lisboa.

2020

Approval of the Medicine course at the Catholic University, the 1st private degree, in partnership with Luz Saúde. Hospital da Luz Lisboa is the first private university hospital in Portugal.

Sale of Hospital do Mar Cuidados Especializados Gaia

2021

Inauguration of the Clinical Simulation Center (operating in the HL Lisboa building).

Reception of the first students of the Medicine course at the Catholic University.

2022

Completion of the transfer of Hospital Beatriz Ângelo to the Portuguese State, due to the end of the PPP contract.

Approval by government order of CAC Católica Luz, the first clinical academic center consisting only of private entities (Catholic University, Luz Saúde and União das Misericórdias). Its purpose is to promote the quality of healthcare through teaching, research and medical care.

Opening of HL Clínica Santa Maria da Feira and HL Clínica da Covilhã.

HL Lisboa's maternity, with 3.347 deliveries, is considered the greatest single maternity in the country.

Luz Saúde is the institution that invests the most in R&D in the field of Health Sciences (National Scientific and Technological Potential Survey).

Casas da Cidade – Senior Residences of Carnaxide leaves the Luz Saúde universe, after the sale process to the companies Foco Saúde S.A., Foco Saúde (Fiães), Lda. and Oliaf-International Trading, S.A.

2023

Opening of HL Clínica Luísa Todi, in Setúbal.

Opening of the expansion of Hospital da Misericórdia de Évora.

Luz Saúde launches the Health Evaluator.

Hospital da Luz is part of the National Network of Test Beds for innovative products from national startups and SMEs.

HL Lisboa's maternity has once again the highest number of births in the country – 3,921.

2024

Hospital da Luz and Hospital do Mar expand their mental health offer with the opening of the inpatient psychiatric unit for adults at Hospital do Mar.

On September, Hospital da Luz Clínica da Carreira, in Funchal (Madeira Island) starts activity.

For the third time in a row, Hospital da Luz Lisboa received the gold seal from the Joint Commission International (JCI), which this year also includes the entire clinical academic area of the hospital. Hospital da Luz Lisboa thus becomes the only university hospital with full accreditation awarded by the prestigious international auditor.

Hospitals

- Hospital da Luz Guimarães
- Hospital da Luz Vila Real

- Hospital da Luz Póvoa de Varzim
- Hospital da Luz Arrábida
- Hospital da Luz Aveiro
- Hospital da Luz Oiã
- Hospital da Luz Coimbra
- Hospital do Mar Cuidados Especializados Lisboa
- Hospital da Luz Lisboa
- Hospital da Luz Torres de Lisboa
- Hospital da Luz Oeiras
- Hospital da Luz Setúbal
- Hospital da Misericórdia de Évora
- Hospital da Luz Funchal

Outpatient clinics

- Hospital da Luz Clínica de Cerveira
- Hospital da Luz Clínica de Amarante
- Hospital da Luz Clínica do Porto
- Hospital da Luz Clínica Santa Maria da Feira
- Hospital da Luz Clínica de Águeda
- Hospital da Luz Clínica da Covilhã
- Hospital da Luz Clínica Solum
- Hospital da Luz Clínica de Cantanhede
- Hospital da Luz Clínica de Pombal
- Hospital da Luz Clínica da Figueira da Foz
- Hospital da Luz Clínica da Amadora
- Hospital da Luz Clínica de Odivelas
- Hospital da Luz Clínica Luisa Todi
- Hospital da Luz Clínica do Caniço
- Hospital da Luz Clínica da Carreira

Senior residences

- Casas da Cidade Residências Sénior de Lisboa

Other areas

- GLSMED Trade
- Hospital da Luz Learning Health

LUZ SAÚDE STRATEGY 2024

Sustainable Growth and Competitive Differentiation

Since its inception in 2000, Luz Saúde has distinguished itself through solid and consistent growth, basing its competitive differentiation on the creation of a healthcare services ecosystem that leads in innovation, sustaining a premium position within the Portuguese healthcare system with consistently strong operational and financial performance.

In its first growth cycle, the trajectory was sustained by strategic investments in cutting-edge clinical and information system technologies, as well as well-invested infrastructures that have become industry benchmarks for architectural and operational quality. This strategy was complemented by the selective acquisition of operators aligned with the Group's strategy, accelerating the physical network coverage to approximately 75% of the Portuguese population.

During the second growth cycle, a decisive investment was made in harmonizing the physical network with digital services, through the creation of Hospital da Luz Digital, the Luz 24 service, and the My Luz Ecosystem. This facilitated customer access to the Group's services, allowing them to manage their healthcare journey in a simple and autonomous manner.

In parallel, the Group consolidated its position as an integrated platform for healthcare, education, and research, and Hospital da Luz Lisboa obtained accreditation as an Academic Center by the Joint Commission International. As part of the Católica-Luz Clinical Academic Center, it is now the anchor university hospital for the first private medical school in Portugal.

As it prepares for its third strategic cycle, Luz Saúde Group is focusing on growth driven by the reinvention of the concept of patient centrality. This will be achieved through the development of computational medicine and personalized care, expanding the use of technology, particularly by developing comprehensive data infrastructures and applying data science and artificial intelligence in disease detection, diagnosis, and treatment

A Vision Based on Strategic Principles

Luz Saúde bases its operations on foundational strategic premises that have ensured its competitive differentiation in the Portuguese healthcare sector:

- The fundamental objective is to achieve the best health outcomes and patient experience — investments in innovation and technology are made based on the value they generate for health.
- Hospitals and healthcare services comprise of a set of complex processes where waste can be eliminated, and quality and safety can be continuously optimized through the application of proven process engineering tools and techniques—lean, automation, and digitalization. More recently, the application of advanced technologies such as data science and artificial intelligence has already enabled significant steps in creating new models of clinical and administrative care, leading to a superior experience for our customers.

- The best healthcare professionals are those who, in addition to being technically excellent, understand and align with cost-benefit decisions, patient safety, and team-based, multidisciplinary medical practice within a disease-oriented and patient-centred clinical governance framework.
- Promotion of an agile organizational culture oriented towards innovation and continuous improvement, focused on building a clinically distinctive organization that is always prepared to face the future.

Strategic Pillars for the Future

Luz Saúde has defined four strategic pillars that have consistently driven the Group's competitive differentiation over the years:

Expanding the Network and Enhancing Access

Development of an integrated phygital network, both clinically and operationally, based on a Hub & Spoke model aligned with customer access and convenience needs:

- Implementation of distinctive and scalable greenfield projects.
- Selective acquisition of operators aligned with the Group's model.
- Focus on investment in digital services/expansion of offerings through partnerships and integration into multi-sector ecosystems.

Financing the Journey Through Solid Operational Discipline

Development of economically solid clinical and service operational platforms capable of continuously improving customer experience and loyalty while reducing cost-to-serve. This ensures financial performance that supports sustainable growth and value creation over time.

Ensuring Competitive Differentiation Through an Excellent Clinical Platform

Integrated and comprehensive care pathways (prevention and healthy living, acute, post-acute, and palliative care) guided by a value-based medicine ethos and an end-to-end approach to customer journeys.

Development of an innovation platform through the integration of healthcare delivery with academic and research ambitions, alongside investment in data science and advanced analytics capabilities.

Securing the Future by Investing in Organizational Health

Continuous investment in employee training (re-skilling and up-skilling) to keep pace with evolving operational models, strengthening positioning as a leading employer brand for attracting top talent, and implementing a culture of high performance and personal achievement based on meritocracy and equal opportunities.

The Path to the Future

Within the strategic framework defined for the 2024-2027 cycle, Luz Saúde Group will continue to focus on profitable growth aligned with international best practices in the sector and on creating value for its shareholders and stakeholders. This strategy is based on a vision of leadership through innovation and a mission to achieve measurable best-in-class health outcomes for its customers, ensuring a commitment to their entire care cycle while always balancing operational efficiency with clinical excellence.

MAIN RISKS AND UNCERTAINTIES FOR LUZ SAÚDE

Luz Saúde, SA is an organization committed to excellence in the provision of healthcare services, recognizing the importance of a rigorous and effective approach to risk management to ensure customer safety, employee protection, and business sustainability.

The expansion of healthcare technologies and artificial intelligence, growing concerns about cybersecurity and data protection, the accelerated pace of health sciences evolution, the legal, regulatory, and political framework, sector financing, climate change, and the emergence of new public health threats are challenges that require proactive and comprehensive risk management.

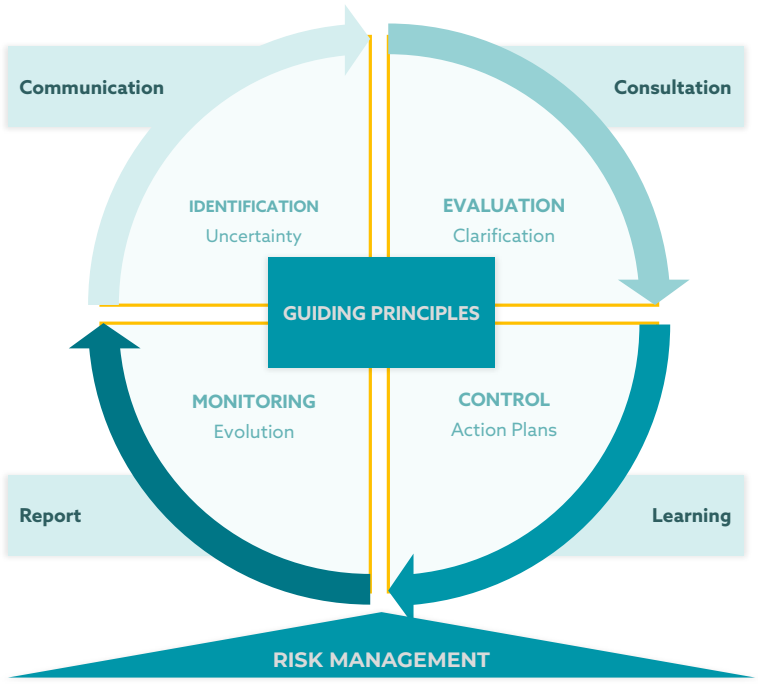
In this context, we highlight the policies, procedures, and practices implemented by our organization to identify, assess, mitigate, and monitor risks in a dynamic and constantly evolving sector and environment.

THE RISK MANAGEMENT PROCESS

At Luz Saúde, Risk Management is understood as a collaborative and structured process, based on three lines of defense:

- ✓ 1st LINE – OPERATIONAL RESPONSIBILITY
- ✓ 2nd LINE – RISK MANAGEMENT AND CONTROL
- ✓ 3rd LINE – INTERNAL COMPLIANCE

This process ensures an integrated and systematic approach guided by the principles presented in the following diagram.



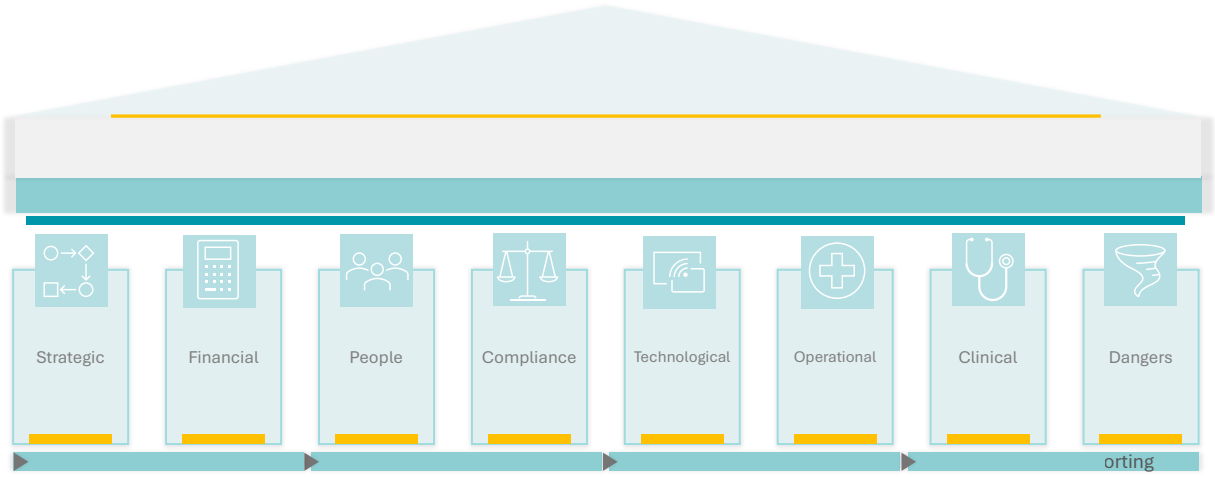
Risk management begins with the identification of hazards and sources of uncertainty that may impact the organization's mission and objectives. Assessing the likelihood and severity of these risks provides a clear understanding of their implications.

Control is ensured through the implementation of action plans aimed at managing threats and promoting opportunities for process improvement. Continuous monitoring and evaluation of the effectiveness of these action plans allow for tracking the evolution of risk exposure, ensuring that control measures remain appropriate and effective in line with the organization's risk appetite.

Within this cycle, systematic and transparent communication of risk management activities is essential to engage stakeholders, promote continuous learning, disseminate best practices, and strengthen the overall risk management process.

RISK MANAGEMENT FRAMEWORK

Risk and uncertainty are inevitable in healthcare organizations due to the complexity of systems and the nature of care delivery. To mitigate these risks, Luz Saúde has developed a risk management model based on eight risk pillars, encompassing both current and emerging risks. This model ensures an integrated approach, assigning the management of each risk category to its respective Risk Owner in a collaborative and structured manner.



Health risk assessment is a continuous and multidisciplinary process that goes beyond mere risk identification. It involves a critical analysis of factors such as severity and likelihood, the use of tools to quantify and prioritize risks, and the implementation of strategies to learn from past incidents.

The use of analytical models, risk management systems, and appropriate financial strategies helps build a strong safety culture, enabling proactive risk management and ensuring the protection of patients/clients and the organization's operations.

Luz Saúde has established a risk assessment matrix based on the prioritization and cross-analysis of different analytical models. The effectiveness of this process relies on the combination of two key factors: severity and probability, within a structured approach that encompasses various essential activities and practices.

The result of these two dimensions determines the risk level, as reflected in the following matrix.

Risk Matrix

Risk Levels			Uncommon 1	Unlikely 2	Possible 3	Likely 4	Almost certain 5
		Likelihood					
Negligible	1	Severity	1 Low Risk	2 Low Risk	3 Low Risk	4 Moderate Risk	5 Moderate Risk
Slight	2		2 Low Risk	4 Moderate Risk	6 Moderate Risk	8 High Risk	10 High Risk
Moderate	3		3 Low Risk	6 Moderate Risk	9 High Risk	12 High Risk	15 Very High Risk
Severe	4		4 Moderate Risk	8 High Risk	12 High Risk	16 Very High Risk	20 Extreme Risk
Catastrophic	5		5 Moderate Risk	10 High Risk	15 Very High Risk	20 Extreme Risk	25 Extreme Risk

The definition of risk levels, ranging from low to extreme, provides a solid foundation for informed and proactive decision-making, enabling more effective risk management. This tiered system facilitates the prioritization of threats, ensuring that the most severe risks are addressed as a priority.

Thus, risk management is not about predicting the future with absolute certainty but rather about analyzing possible and plausible scenarios, assessing their likelihood and potential consequences—whether tangible or intangible. The process is supported by a structured set of procedures that allow for the systematic identification, analysis, and mitigation of threats. This approach not only enhances organizational resilience but also ensures clear and objective risk communication, optimizes resource allocation, and strengthens the organization's response to uncertainty.

Based on this analytical model and the processes outlined, the following section presents a detailed analysis of the main risks categorized under Luz Saúde's strategic pillars. This analysis will be key in identifying priorities and establishing action plans for even more effective risk management within the organization.

Strategic Risk Pillar

S1. External Environmental Risks (Contextual)

External factors, beyond the organization's direct control, can have a significant impact on the group's operations, strategy, and sustainability. Changes and uncertainties in the economic, political-legal, and sociocultural environments may jeopardize the achievement of objectives and the maintenance of the group's competitiveness, or part of it.

Monitoring and Mitigation

Since these risks are external and often unpredictable, their mitigation involves continuous monitoring of the external environment, scenario analysis, organizational flexibility, and strategic planning. This allows Luz Saúde to prepare response and contingency plans, anticipate challenges, and identify growth opportunities.

S2. COMPETITION AND COMPETITIVENESS

Threats and challenges arising from market dynamics include the entry of new competitors, changes in the strategies of industry companies, disruptive innovation, and shifts in customer preferences. This risk can jeopardize the group's competitive position, affecting, among other factors, its market share, profitability, and sustainable growth capacity.

MONITORING AND MITIGATION

For Luz Saúde, mitigating this risk requires a strategic approach that includes constant monitoring of the market and competition, continuous innovation, diversification of product or service offerings, development of sustainable competitive advantages, and an effective communication and marketing strategy. This ensures the group can differentiate itself and maintain its relevance in the industry.

S3. MERGERS, ACQUISITIONS, AND DIVESTMENTS

Mergers, acquisitions, or divestitures of business units are strategic measures for diversification and expansion, mainly aimed at increasing competitive capacity, obtaining complementary resources through the sharing of skills, experience, information, and technological means, and obtaining financial synergies.
The impact of mergers and acquisitions on the group's progress and success varies depending on the characteristics of each business unit, including factors such as type, size, geographical location, financial and cultural factors. Thus, each transaction has a risk level between the buyer and seller regarding, among other things, factors such as omitted liabilities, tax contingencies, asset and liability valuation, and business integration risks.

MONITORING AND MITIGATION

At Luz Saúde, mitigating this risk involves due diligence procedures that allow for the assessment of potential deals, as well as defining a clear strategy for integration or divestment, detailed financial and operational planning, and effective management of organizational change to ensure strategic objectives are met and that the potential negative impacts of each transaction are minimized.

FINANCIAL RISK PILLAR

F1. Market Risk

Market risk is the potential negative impact on the group's financial position resulting from adverse fluctuations in market variables, such as interest rates, exchange rates, financial asset prices, inflation levels, and general macroeconomic conditions.
The group is not exposed to significant currency risks or operations in securities markets. Therefore, the defined objective in terms of market risk management focuses primarily on monitoring the evolution of interest rates that influence remunerated financial liabilities and optimizing them, seeking a balance between debt maturity, the company's capacity/need to generate/access cash flows, and the levels of remuneration on liabilities that the group can access in the market.

Monitoring and Mitigation

The group monitors exposure to interest rate risk by simulating adverse scenarios that may negatively affect the group's results. Additionally, the group seeks to select appropriate strategies for financing its operations to mitigate the negative impact that potential interest rate variations may have on its performance.
A substantial part of the financing lines contracted by the company are remunerated based on variable rates given by the reference index plus a spread. To balance exposure to interest rate fluctuations, the group enters into cash flow hedging instruments to fix interest rates on some of its financing lines and mitigate exposure to interest rate variation risk.

F2. Credit Risk

Credit risk arises from the possibility of financial losses resulting from a debtor's failure to meet the contractual obligations established with the group in the course of its activity. Exposure to credit risk primarily relates to receivables arising from operational activities and the monetary funds managed as part of its treasury activities.

Monitoring and Mitigation

The monitoring of credit risk arising from operational activities is carried out through constant tracking of debtor portfolios and their outstanding balances. This approach is complemented by procedures aimed at evaluating risk during the customer acceptance phase, their classification, and the definition of associated credit limits, as well as during the collection procedures and processes.
The monitoring of the group's credit risk profile, particularly regarding the evolution of credit exposures and monitoring of bad debt losses, is regularly carried out by the operational areas of each unit in collaboration with the Administrative and Financial

Services Directorate. The Financial and Audit Directorate is responsible for monitoring sectorial exposure levels across the group.
Regarding the management of monetary funds, Luz Saúde follows the principle of aligning its counterparties where it deposits its funds, and the financial institutions where it has utilized financing lines, to create a natural hedge for any potential credit event that might occur with the institution where the funds are deposited.

F3. Liquidity Risk

Liquidity risk arises from the potential inability to finance the group's assets and operations or meet contracted obligations on their due dates. This risk may result from an imbalance in cash flows, restrictions in access to credit, changes in market conditions, or devaluation of assets that hinder their conversion into liquidity without significant losses.
The consequences of liquidity risk include delays in supplier payments, default on financial obligations, increased financing costs, and, in extreme cases, insolvency.

Monitoring and Mitigation

Liquidity monitoring and management at the group level are centralized in the Financial and Audit Directorate. This management aims to maintain a satisfactory level of available cash and available credit lines to meet financial needs.

To assess overall exposure to this type of risk, reports are prepared to identify any short-term liquidity gaps and activate mechanisms to cover them, ensuring that all the group's responsibilities towards the entities with which it engages in its activities are met.

F4. Capital Risk

Capital risk refers to the possibility that a company may experience a reduction in its capital due to accumulated losses, excessive distributions to shareholders, asset devaluation, or adverse impacts on its operations. This risk directly affects the company's solvency, financial stability, and growth capacity, potentially compromising its ability to attract new investments and meet regulatory and financial requirements.

The group's objectives concerning capital management are:

i. to safeguard the group's ability to continue operating, thus providing returns for shareholders and benefits for other stakeholders;

ii. to maintain a solid capital structure to support business development; and

iii. to maintain an optimal capital structure that allows for reducing the cost of capital.

MONITORING AND MITIGATION

The group monitors capital risk by tracking a set of ratios, including Gearing, Net Debt/EBITDA, and Return on Equity. These indicators assess the group's financial leverage capacity and its ability to generate adequate returns for its shareholders.

PERSONNEL / HUMAN CAPITAL PILAR

HC1. IDENTITY, CONDUCT AND ORGANIZATIONAL CULTURE

The absence of alignment, consistency, or integration between the organization's identity, the cultural values practiced, and the conduct expected from employees can compromise internal cohesion and external reputation. Organizations should foster a culture where employees, regardless of their background, functions, assignments, and seniority, embrace shared fundamental values and demonstrate behaviors that protect, preserve, and enhance the brand and its reputation, facilitating the pursuit of the company's purpose and mission.

MONITORING AND MITIGATION

Firstly, it is important to mention that at Luz Saúde, the vision, mission, and fundamental values of the organization are communicated and promoted internally from the onboarding and integration of new employees.
Additionally, organizational climate is regularly assessed through satisfaction studies and climate evaluations, providing a clear view of the organizational culture. These studies allow Luz Saúde to better understand its strengths and main gaps, adjusting initiatives and processes to strengthen its identity and culture.

HC2. SHORTAGE OF PROFESSIONALS AND DIFFICULTIES IN RECRUITMENT

Luz Saúde's performance depends on its ability to attract and retain experienced, high-quality doctors and other healthcare professionals, such as nurses and healthcare technicians. Recruiting and retaining qualified doctors and healthcare professionals compete with other healthcare providers, both public and private, including those located in other EU countries.
The reputation, qualifications, specialties, and capacity of healthcare professionals in various units are essential for the group's ability to attract and retain clients. Thus, the success of Luz Saúde's operations depends on the number and quality of doctors and other healthcare professionals and maintaining good professional relationships with them.
The shortage of healthcare professionals has worsened in recent years due to a combination of structural and circumstantial factors. Population aging, increased demand for healthcare, and professionals leaving abroad or other sectors have reduced the availability of doctors, nurses, specialized technicians, and other essential professionals.

Additionally, the rate of new professional training has not been sufficient to meet the sector's needs, exacerbating the competition between institutions for qualified talent. Recruitment difficulties stem not only from this structural shortage but also from specific challenges such as:

i. High competition between healthcare institutions, including public, private, and social sector units, competing for a limited number of professionals.

ii. Demanding working conditions, with intense work hours, high stress levels, and challenges in balancing personal and professional life.

iii. Growing salary demands driven by increased demand and other countries' ability to offer more competitive salary packages and benefits.

iv. A mismatch between the needs of healthcare units and available training, creating difficulties in finding professionals with specific profiles for critical areas.

MONITORING AND MITIGATION

To proactively manage this risk, Luz Saúde has adopted strategies such as encouraging the training of healthcare professionals, improving working conditions, remuneration, and social benefits, defining career plans, establishing talent retention programs, and using innovative technologies and practices to maximize healthcare service efficiency.

HC3. PROMOTION OF EMPLOYEE HEALTH AND WELL-BEING

Failures in promoting employee health and well-being programs can have an impact:

i) on professionals, such as an increased risk of workplace accidents, injuries, or occupational diseases, as well as issues of well-being like stress, burnout, and imbalance between professional, personal, and family life;

i) ii) on the organization, such as absenteeism, turnover, employee dissatisfaction, reduced activity, increased insurance premiums, and failure to comply with legal and regulatory standards;
iii) on customers, such as reduced quality and service to clients due to dissatisfaction or demotivation of professionals.

MONITORING AND MITIGATION

Driven by the organizational culture that values employee health and well-being, initiatives are promoted in the following areas: i) workplace health and well-being programs with clear goals, specific initiatives, and an integrated approach to various aspects of well-being and workplace safety; ii) clear and comprehensive communication about the available programs and initiatives; iii) incentives for employee participation and engagement.
It is also important to mention the commitment to monitoring the incidence and prevalence of occupational diseases and workplace accidents, as well as assessing labour risks and developing work processes based on ergonomics and human factors.

LEGAL & COMPLIANCE RISKS PILLAR

LC1. PERSONAL DATA BREACHES

Personal data breaches represent a significant risk to individual privacy and security, potentially resulting in various risks and impacts for both data subjects and the companies where the personal data breach occurred.
A personal data breach may occur due to cyberattacks, security failures, misuse of information, or other negligent or malicious actions.
In its activities, Luz Saúde is responsible for managing and protecting personal data (including health data) of clients. The definition of data protection rules and compliance monitoring in this area is handled by the Data Protection Office (DPO)

MONITORING AND MITIGATION

At Luz Saúde, the management of this risk is reflected in the rigor of the information security measures implemented both in processes and information systems; communication and information provided to clients; training and awareness of employees in information security, cybersecurity, and data protection (annual and mandatory training for all employees); and employee awareness of data security and compliance with the General Data Protection Regulation (GDPR), including the reporting of risks and personal data breach incidents.

LC2. ETHICS AND CONDUCT

A violation of ethics and conduct rules occurs when a person or organization fails to act in accordance with the ethical principles and standards established for their area of operation. These violations can vary in severity and occur in different contexts, such as the workplace, professional sphere, government, or society in general.

MONITORING AND MITIGATION

At Luz Saúde, various mitigation measures are adopted at this level, including: i) the dissemination of the Ethics and Conduct Code to employees to ensure they are aware of and understand their ethical responsibilities and rights; ii) providing a secure and confidential Whistleblower Channel, ensuring the protection of whistleblowers; iii) impartial analysis of reports by an external entity in coordination with the Legal and Compliance Department; iv) regular follow-up and review based on notifications or incidents.

LC3. CORRUPTION AND RELATED OFFENSES

According to the General Regime for the Prevention of Corruption, corruption and related offenses are defined as crimes involving bribery, improper receipt or offering of advantage, embezzlement, economic participation in business, extortion, abuse of power,

prevarication, influence peddling, money laundering, or fraud in obtaining or diverting subsidies, grants, or credit.
Corruption is closely linked to negative impacts, such as poverty in transition economies, environmental damage, human rights violations, violations of democracy, improper allocation of investments, and weakening the rule of law. Markets, international norms, and stakeholders expect organizations to demonstrate their commitment to integrity, governance, and business practices.

MONITORING AND MITIGATION

Luz Saúde has defined a Corruption and Related Offenses Risk Prevention Plan, which includes the identification and assessment of risks in this area, monitoring, implementation of preventive measures, and follow-up.

TECHNOLOGICAL RISKS PILLAR

T1. CYBERSECURITY

Cybersecurity refers to the ability to protect information systems, networks, devices, and data against unauthorized access, disruptions, alterations, or destruction caused by cyberattacks, human errors, technological failures, or other incidents. This risk encompasses both external and internal threats, including vulnerabilities in digital platforms, technological infrastructure, connected devices, and interfaces that can compromise data confidentiality, integrity, and availability, impacting business continuity, regulatory compliance, and corporate reputation.
The cybersecurity risk depends on factors such as: i) the dynamism of cyber threats (in number, technique, and methodology used); ii) failures in critical systems and/or infrastructure; iii) security failures in networks, systems, and applications (software failures, inadequate configurations, access assignment failures, or weak passwords); iv) the increased use of mobile and networked devices, increasing susceptibility due to the growing number of access points for cyberattacks; v) cybersecurity training and awareness failures among users, among others.
Luz Saúde's information systems are essential for several critical areas of group operations, including health information systems, client billing, electronic document management systems, management of clinical and non-clinical materials, accounting and auditing, logistics management, human resources management, and more. Any system failure, power failure, or other disruption that causes an interruption in the service or availability of its information systems or related infrastructure could adversely affect business operations, financial condition, operational results, or future prospects of Luz Saúde.

MONITORING AND MITIGATION

The introduction of technological innovations associated with service platforms, as well as the strengthening of technical security measures in networks and systems, are critical aspects that the group consistently follows to monitor and mitigate the described risks.

T2. ARTIFICIAL INTELLIGENCE

Artificial Intelligence (AI) has been transforming the healthcare sector, offering significant gains in efficiency, personalized care, and diagnostic support. However, its adoption also brings risks that must be carefully managed to ensure patient/client safety, regulatory compliance, and the integrity of clinical and operational processes

Thus, AI risks refer to the potential negative impacts associated with the development, implementation, and use of AI-based systems, encompassing both intentional and unintentional consequences. These risks may arise in various areas, including automated decisions, algorithmic bias, discrimination, explainability of AI decision-making (transparency), privacy, and protection against malicious interference (cybersecurity).

MONITORING AND MITIGATION

In this regard, efforts are underway to adapt the activities and practices of the Luz Saúde Group to the provisions of the EU AI Regulation (Regulation (EU) 2024/1689), with the establishment of the Artificial Intelligence Office, adopting a multidisciplinary approach that considers technological, clinical, legal, ethical, and social aspects, ensuring that AI systems are used safely, reliably, and responsibly. Among other responsibilities, this office will oversee the regulation of AI use within the Group, as well as the assessment and mitigation of associated risks.

T3. DATA ETHICS

Disrespect for the principles that guide the responsible, fair, transparent, and ethical use of data within the organization, covering all stages of the data lifecycle: from collection or capture, storage, processing, and analysis to its elimination, including "Big Data" initiatives where large volumes of data are stored and processed.

This risk includes concerns about the use of personal and health data on a large scale, sourced from diverse and complex sources, that may be used for clinical, research and development, analytical, operational, or commercial purposes. Potential impacts include violations of confidentiality and privacy, abuse of data use, erosion of customer and stakeholder trust, legal and regulatory sanctions (such as penalties for non-compliance with GDPR), reputational damage, and the loss of strategic or competitive opportunities due to poor management of Big Data-related risks.

MONITORING AND MITIGATION

With a strong awareness of the threats involving these risks, Luz Saúde mitigates them by adopting robust and ethical data management policies, clear governance of data ownership and control, training teams on ethical conduct and practices in daily operations, continuous monitoring and evaluation of analytical processes. Specific measures, such as anonymization and pseudonymization of data, ethical and privacy impact assessments before use, and transparent practices ensuring that data is used responsibly for the benefit of all stakeholders, are also implemented. These measures are integrated with other data protection and security initiatives under the supervision of the Data Protection Office, Information Systems and Technology Department, and the Artificial Intelligence Office.

T4. INTEGRATION AND INTEROPERABILITY

The inability of systems, platforms, and technological devices to connect, communicate, and function seamlessly creates barriers to the efficient exchange of data and coordination of operations. Interoperability is crucial to ensuring that heterogeneous systems, such as electronic health records, laboratory systems, connected medical equipment, administrative systems, and telemedicine platforms, function harmoniously.

MONITORING AND MITIGATION

Considering this risk a priority, Luz Saúde has made significant investments in implementing and updating systems, based on strategic planning that prioritizes security, usability, future compatibility, and information integration. This planning involves stakeholders to define requirements, conduct technical and impact analyses, with particular focus on technical limitations in application programming interfaces (APIs), system connectors, and cyber defence.

By mitigating integration and interoperability failures, Luz Saúde seeks to ensure operational efficiency while also improving customer experience, professional satisfaction, and alignment with industry standards and regulations.

OPERATIONAL RISKS PILLAR

O1. OPERATIONAL EFFICIENCY

This risk refers to the organization's inability to manage its resources, processes, and operations efficiently and effectively, which may result in limited productivity, waste, delays, errors, and, consequently, compromise the delivery of services or products with quality that meets the needs and expectations of customers, stakeholders, and the organization itself.

This risk may arise from poor allocation of human, material, or technological resources, lack of standardization in processes or inadequate processes, coordination failures between departments and teams, and inefficiencies in operational flows, leading to waste and the need to redo work.

The consequences may include increased costs, loss of service quality, failure to meet deadlines, reduced responsiveness to demand fluctuations, decreased customer, stakeholder, and employee satisfaction, and loss of market competitiveness.

MONITORING AND MITIGATION

To mitigate this risk, Luz Saúde periodically reviews processes and workflows to identify and eliminate inefficiencies and waste. Management and automation tools are used to streamline operations, allowing the monitoring of performance and results indicators, enabling timely actions when inefficiency or difficulty in responding to demand is identified.

Additionally, continuous training for teams, standardization of procedures, and effective communication between departments are essential to ensure coordination and operational efficiency.

These measures contribute to more efficient operations, higher productivity, and organizational resilience.

O2. BUSINESS INTERRUPTION

The business interruption risk refers to the loss resulting from the partial or total disruption of the company's activities and operations caused by people, systems, processes, or external events. This can result in loss of revenue, reputational damage, loss of customers, or even bankruptcy.

MONITORING AND MITIGATION

To minimize the impacts of this risk, Luz Saúde has developed contingency and business continuity plans, including drills to test these plans. Cybersecurity protocols, data backup, and secure storage of critical information have been defined, along with redundancies for situations such as power, water, communication, and medical gas supply cuts. The diversification of suppliers and business partners has also been considered to ensure business continuity.

In addition to internal measures, the Group seeks to negotiate insurance policies that appropriately transfer risks related to catastrophes and other "Black Swan" events.

O3. COMPROMISED CUSTOMER SATISFACTION

The customer satisfaction risk arises when the organization fails to meet customer expectations and needs, resulting in dissatisfaction and potential abandonment, negatively impacting the company's image, reputation, and competitiveness.

For Luz Saúde, the customer is the central focus of its operations, as stated in its mission: "Achieve the best health outcomes from the patients' perspective, through a fast and effective diagnosis and treatment process with absolute respect for their individuality." A satisfied customer is one who is well-attended, treated with respect, and loyal.

MONITORING AND MITIGATION

In response to this risk, Luz Saúde regularly promotes customer satisfaction evaluation and feedback initiatives, such as Net Promoter Score (NPS) surveys, which allow for internal and external benchmarking. The analysis and handling of feedback (praise and complaints) help identify weaknesses and opportunities for improvement, leading to the implementation of action plans.

Additional measures include ensuring the safety and comfort of facilities, personalizing and improving the efficiency of service (front-office and back-office), monitoring waiting times, assessing the quality and adequacy of the care provided, follow-up after discharge or service usage, effectiveness of institutional communication, and continuous professional qualification and training.

O4. SUPPLY CHAIN RISKS

Supply chain risks refer to disruptions, inefficiencies, or inadequacies in activities related to supplier identification, acquisition of goods and services, and contract formalization, which can compromise the organization's ability to obtain critical materials or services at the right time, with the required quality, and at a competitive cost. This directly impacts operations, financial results, and the achievement of strategic goals.

MONITORING AND MITIGATION

To mitigate this risk, Luz Saúde adopts an integrated and structured approach to procurement, purchasing, and contracting processes, including implementing procurement procedures, supplier due diligence, robust systems for monitoring purchases and suppliers, using technological tools to automate purchasing cycles, adopting best market practices, and continuous training for involved teams.

Additionally, efforts have been made to standardize processes and procedures, ensuring clarity and minimizing errors while ensuring compliance with the organization's strategic and compliance objectives.

CLINICAL RISK PILLAR / PATIENT SAFETY

C1. CONTINUITY OF THE PATIENT'S JOURNEY

The continuity of care faces growing challenges due to multiple factors that can compromise the quality, safety, and efficiency of the patient's journey. The technical and technological differentiation of professionals, along with the need for coordination between multiple clinical, diagnostic, and therapeutic specialties, can lead to fragmented care. Transitions between different care levels, such as primary care units and hospitals, increase the risk of information loss and discontinuity in follow-up care, especially in more complex clinical profiles arising from increased life expectancy and the prevalence of

chronic diseases. Additionally, the lack of interoperability between information systems, organizational fragmentation, or shortage of professionals hinders care coordination and effective communication between teams. Economic and social barriers, coupled with limitations in health literacy, also negatively influence treatment adherence and increase the need for reinterventions.

MONITORING AND MITIGATION

This is a challenge faced by healthcare systems globally. Luz Saúde, aware of the importance of this challenge, implements programs in its operations aimed at ensuring the continuity of the patient's journey to guarantee quality and safety of care, the best outcomes for the patient, and operational efficiency.

The following measures are noteworthy: i) the digitalization of communication with the patient through the MY LUZ app, ensuring patient involvement in the care process; ii) the implementation of policies and procedures for effective communication between professionals and healthcare levels; iii) the integration and interoperability of information systems, both internal and with external entities; iv) the development of clinical pathways and protocols that define diagnostic and therapeutic approaches for various pathologies and medical specialties; v) the provision of educational and informational content about different health areas and pathologies, promoting patient literacy and increasing their involvement in the healthcare process.

C2. ADVERSE EVENTS

Adverse events in healthcare represent a significant risk, with a direct impact on patient safety, quality of care, financial sustainability, and institutional reputation. These events include diagnostic errors, medication errors, hospital-acquired infections, falls, avoidable surgical complications, and failures in continuity of care, which can result in serious harm to patients, legal disputes, and increased costs for the organization.

In this risk assessment approach, these events should be considered from various perspectives: clinical, operational, financial, compliance, and reputational.

MONITORING AND MITIGATION

In addressing this risk, Luz Saúde distinguishes itself with a proactive approach. Ensuring excellent care for the best outcomes for patients, professionals, and institutional partners is a foundational principle of the company's mission and values. Therefore, it is essential to highlight: i) the periodic evaluation of the patient safety culture at the Hospital da Luz units, ensuring action plans focused on developing different dimensions of patient safety; ii) the implementation of continuous improvement and patient safety programs through their respective committees (central and at each unit), which identify priority areas for improvement, define indicators, monitor, and ensure the ongoing and sustained development of patient safety and quality of care; iii) the certification of various healthcare services by international standards and clinical societies; iv) the accreditation of units by

international entities, validating the incorporation of safe, patient-focused processes, health professional education and training, clinical research, and excellent operational management; v) the implementation of clinical risk management programs, including adverse event reporting systems, systematic incident analysis and review, and proactive clinical risk management tools; vi) the development of a training, research, innovation, and medical simulation centre to ensure the development and improvement of professionals' skills; vii) adherence to the International Patient Safety Goals proposed by the World Health Organization, ensuring the implementation of internationally validated protocols and procedures for global problems to minimize risk, improve care processes, and ensure the best health outcomes for patients. Examples include the implementation of a surgical safety checklist and other tools related to patient identification, communication effectiveness among professionals, medication safety, and fall prevention in the hospital setting; viii) an internal compliance evaluation program with clinical, operational, and infrastructure safety policies, procedures, and protocols, ensuring effective implementation.

C3. Healthcare-Associated Infections

Healthcare-associated infections (HAIs) represent one of the main clinical risks for healthcare organizations, directly impacting patient safety, operational costs, and institutional reputation. The transmission of pathogenic microorganisms can lead to serious infections, increased morbidity and mortality, prolonged hospital stays, and the need for additional treatments, including broad-spectrum antibiotics. To mitigate this risk, it is essential to implement a comprehensive prevention and control program, which includes epidemiological surveillance, continuous training of professionals, strict adherence to hand hygiene standards, proper use of antibiotics, and standardized practices for cleaning, disinfection, and sterilization of equipment and surfaces. However, several challenges hinder the effectiveness of these measures. Antimicrobial resistance has been exacerbated by the excessive and inappropriate use of antibiotics, making infections more difficult to treat. Additionally, fragmented information systems hinder the early detection of outbreaks and communication between healthcare systems. The aging population and the rise in chronic diseases lead to longer hospitalizations and greater need for invasive devices, increasing the risk of infection.

Monitoring and Mitigation

Luz Saúde is a reference in managing the risk associated with HAIs. Notable efforts include: i) a modern portfolio of hospital infrastructures, aligned with regulatory and technical requirements, promoting the implementation of hygiene and environmental safety procedures. For example, the differentiation of outpatient and inpatient pathways that promote the segregation of more vulnerable patients; ii) providing rooms and infrastructures that ensure clinical safety for patients and professionals in the context of transmissible diseases; iii) the implementation of infection prevention and control

programs, as well as antibiotic resistance programs in all units, through their respective committees (central and at each unit), which implement the latest strategies for reducing infection transmission risk; iv) the implementation of the hand hygiene promotion program proposed by the World Health Organization; v) the implementation of antibiotic stewardship programs aimed at rational and effective use of antibiotics; the development of education and training programs for professionals to promote ongoing attention and effective implementation of procedures to prevent HAIs. Additionally, health literacy actions in this area are directed at patients and surrounding communities.

HAZARD RISK PILLAR

H1. EMERGENCIES AND DISASTERS

This risk is related to the occurrence of extraordinary, unexpected, or large-scale events that may cause significant disruption to the organization's activities, affect the health and safety of clients, employees, or third parties, and compromise the continuity and capacity to provide healthcare. These events can have natural, technological, or human origins, and their occurrence can result in significant human, financial, operational, environmental, reputational, or legal losses.

MONITORING AND MITIGATION

The proactive management of this risk involves the implementation of measures to mitigate, prepare for, respond to, and recover from these events, as outlined in contingency and business continuity plans.

H2. CLIMATE AND ENVIRONMENTAL RISKS

Climate change represents an increasing risk to the healthcare sector, directly and indirectly impacting the provision of care, the infrastructure of healthcare units, and patient/client safety. On the other hand, this sector has a significant environmental impact due to its substantial waste generation and energy consumption.
Thus, these risks can be classified into physical risks and transition risks.

MONITORING AND MITIGATION

Since its foundation, Luz Saúde has developed, centrally or through its operational units, extensive and diversified interventions in matters related to environmental and social sustainability.
Luz Saúde has a Sustainability Office, responsible for promoting, driving, and monitoring ESG (Environment, Social, and Governance) activities within the Group, in coordination with each of its operational units, as well as consolidating all information and reporting related to this area.

The management of climatic and environmental risks follows a preventive and strategic approach, which includes: investment in resilient infrastructures and energy efficiency; the incorporation of cleaner production practices and environmentally friendly technologies into operations; promotion of efficient use of natural resources such as water and energy; the definition and adoption of ambitious environmental policies and the encouragement of sustainable practices; proper management of common and hazardous waste; and investment in clean and renewable energy sources.

ENVIRONMENTAL INFORMATION

A concern with sustainable development in the environmental area, in order not to compromise the ability of future generations to meet their own needs, leads organizations to pay special attention to the topic of resource savings and energy efficiency. In this context, efforts have been made to disseminate information in Luz Saúde units regarding environmental protection: energy efficiency; saving resources to minimize environmental impact on energy, gas and water; reduction of gas and liquid emissions; adequate screening and treatment of waste, among others. The activities carried out by some of Luz Saúde's subsidiaries are governed by specific waste treatment legislation, and all applicable standards and directives have been complied with, at each site and for each specific activity. In addition, a series of training sessions have been held on the separation and treatment of various types of hospital waste, for employees of various Luz Saúde's units. When relevant, the subsidiaries outsourced the destruction of medical and toxic waste to specialized companies, as prescribed by law. In 2024, in the course of its business, the Group did not incur significant environmental costs. No environmental liabilities have been recorded in the financial statements, nor has any environmental contingency been disclosed given Management's belief that, on that date, there are no obligations or contingencies arising from past events with significant material costs for the Company.

The creation, in 2022, of the Luz Saúde Sustainability Office will allow a consolidated management of all aspects relating to this dimension, covering, in a structured way, the issues related to Environmental, Social and Governance Sustainability of the Luz Saúde Group. The creation, in 2022, of Luz Saúde's Sustainability Office allows for a consolidated management of all aspects related to this dimension, covering, in a structured way, the issues concerning the Environmental, Social, and Governance Sustainability of the Luz Saúde Group. The result of this consolidation, including the actions and outcomes achieved, is presented in the Sustainability Report of the Luz Saúde Group.

Since the publication of the first Sustainability Report, referring to the year 2022, relevant environmental information has been presented, namely the objectives, high-lighted initiatives, KPIs and the United Nations Sustainable Development Goals (SDGs) addressed. In a transparent way, the carbon footprint of Grupo Luz Saúde is also presented, referring to scope 1 and 2 emissions. In progress, and in line to the objective of establishing objectives and targets regarding its carbon neutrality, Grupo Luz Saúde is reviewing the calculations of scope 1 and 2 emissions, including anesthetic gases, and calculating its scope 3 emissions.

With the introduction of the Corporate Sustainability Reporting Directive (CSRD), the Sustainability Report will form an integral part of this report in the future.

OUTLOOK FOR 2025

In 2025, Luz Saúde will focus its efforts on integrating and developing recently renovated or acquired units.

At the same time, Luz Saúde will focus on the development of the most recent additions to its network: the Hospital da Luz Clínica da Covilhã and the Hospital da Luz Clínica de Santa Maria da Feira, both opened in 2022, and the Hospital da Luz Clínica Luísa Todi in Setúbal, which began operations in 2023. In 2024, the network expanded with the Hospital da Luz Clínica da Carreira, and in 2025, two new clinics are expected to open: the Hospital da Luz Clínica de Vila Franca de Xira and the Hospital da Luz Clínica de Leiria, along with the renovation of the Hospital da Luz Clínica da Figueira da Foz.

Notable projects include the renovated Hospital da Misericórdia de Évora and the expansion of the Hospital da Luz network, which will add a new hospital and five clinics in the Algarve, a hospital in Covilhã, as well as two new clinics in Lisbon and Porto. This expansion is still awaiting approval from the Competition Authority.

In parallel, the company will continue its active approach to identifying opportunities for consolidation and growth in the national market, including ongoing projects such as a new clinic in Aveiro, Hospital da Luz Ribatejo, and the expansion of the Hospital da Luz Torres de Lisboa.

Beyond physical expansion, Luz Saúde will continue to invest in customer loyalty through upselling and cross-selling initiatives, as well as strengthening the referral network to enhance the continuum of care. This focus will be complemented by improving customer experience, optimizing the patient journey across both digital channels and in-person services to ensure greater accessibility and satisfaction.

The emphasis on digitalization and operational optimization will be intensified, leveraging the substantial growth already achieved with the MY LUZ and Luz 24 platforms. In 2024, the number of MY LUZ clients surpassed 1.6 million, underscoring the importance of digital care delivery. The company will continue to expand video consultation services, both scheduled and urgent, and implement digital clinical programs in areas such as Preventive Medicine and General and Family Medicine.

The human resources challenges of 2024 will continue into 2025, with Luz Saúde seeking the best solutions to meet the expectations of its employees. Key priorities include implementing career pathways, developing skills (upskilling and reskilling), valuing individual and collective performance, and enhancing working conditions to promote a motivating organizational environment focused on care excellence. Additionally, employee experience initiatives will be reinforced, focusing on

continuous professional development and recognition of employees—essential factors for attracting and retaining talent in the healthcare sector.

Training and talent retention will remain strategic priorities. Hospital da Luz Lisboa will continue strengthening its position as a University Hospital, expanding the number of specialties with recognized training status by the Medical Association. Currently, around 50 specialty residents are in training, reinforcing the commitment to teaching and clinical development. The activity of Hospital da Luz Learning Health will also increase, covering both postgraduate medical training and the development of skills for non-clinical professionals.

As innovation is a core pillar for Luz Saúde, the company will maintain strong investments in Artificial Intelligence and Clinical Innovation initiatives in 2025, enhancing partnerships with universities, research centers, and technology companies to promote a culture of continuous innovation and drive progress in the sector.

Sustainability will remain a strategic pillar through the consolidation of its commitment to the United Nations' 2030 Sustainable Development Goals. The company will implement a phased strategy to ensure the integration of the ESG (Environmental, Social, and Governance) approach across both the holding company and its operational units.

Finally, with regard to international expansion, Luz Saúde will continue to explore growth opportunities in other markets, aligned with the strategy of its shareholder, Fidelidade/Fosun.

Governance

LUZ SAÚDE'S GOVERNANCE SYSTEM

The Company is currently organized according to a corporate governance model inspired by the traditional model called "monista latino", and its corporate bodies are the General Meeting, the Board of Directors, the Supervisory Board, the Statutory Auditor and the Company Secretary.

The **General Shareholders Meeting** is the corporate body constituted by all the Company's shareholders, which has functions assigned in accordance with the provisions of the Portuguese Companies Code.

In accordance with paragraphs 1(a), 2 and 3 of Article 278 and Article 413(a)(a) of the Portuguese Companies Code, the Company maintained the Board of Directors as the sole management body, and the Company's supervision is assigned to a **Supervisory Board** and a **Statutory Auditor**. In this model, the Company's supervisory body has organic autonomy in relation to the management body (Board of Directors).

The **Board of Directors** is made up of a minimum of five and a maximum of nineteen directors, elected by the General Meeting, for periods of four years.

The Company's day-to-day management is delegated by the Board of Directors to the **Executive Committee**, therefore the Company follows an Anglo-Saxon-inspired model. Through this delegation of powers, it is intended to ensure greater efficiency in the conduction of day-to-day business.

The Company is also supported by a **Remuneration Committee**, which is responsible for setting the remuneration of the holders of the Company's corporate bodies, and also has an active role in assessing the performance of Executive Directors, since it is responsible for setting their variable remuneration.

The Company also has a formally appointed Company Secretary, whose main role is to ensure compliance with the legal and statutory requirements related to corporate governance. Among their responsibilities are the preparation and organization of meetings of the corporate bodies, the drafting and recording of minutes, supporting the fulfillment of reporting and disclosure obligations, as well as advising on best governance practices, ensuring transparency and compliance with the applicable regulatory framework.

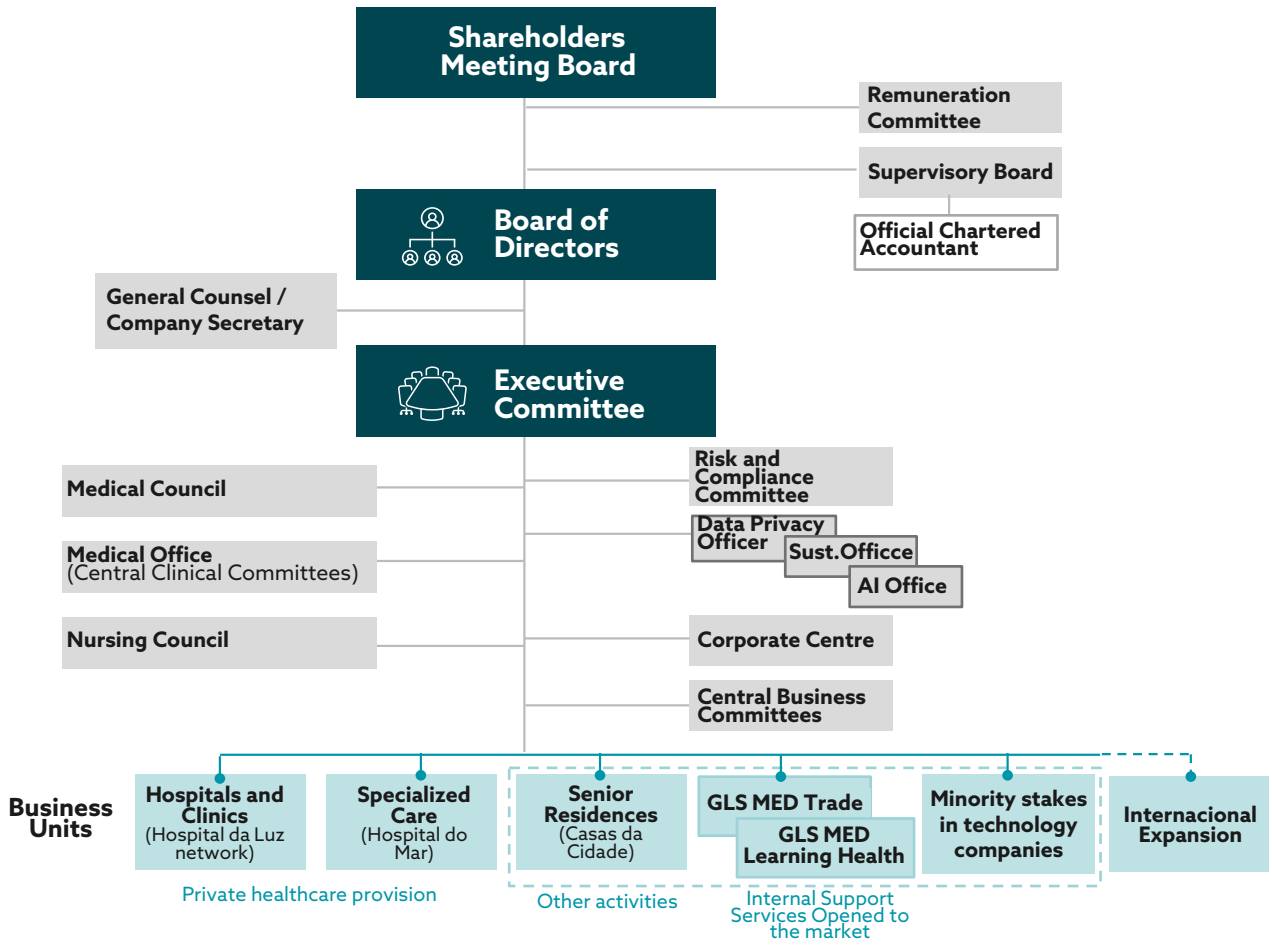
Taking into account the activity carried out by the Company, several committees were also set up to support the Executive Committee. From a clinical operational point of view, were established the Medical Council (*Conselho Superior Clínico*), the Medical Office (*Comissões Clínicas Centrais*) and the Nursing Council (*Conselho Superior de Enfermagem*). In corporate affairs, in addition to Central Departments, a Sustainability Office, a Risk and Compliance Committee and Technical Support

Central Committees were set up. The Data Protection Officer ensures data security, protection and privacy, with the AI Office currently in the process of being implemented.

There is also a Complementary Grouping of Companies ("ACE"), resulting from the combination of the Group's companies that operate healthcare units (except for SGHL – Sociedade Gestora do Hospital de Loures, S.A.), which provides specialized services in terms of management of healthcare units to the companies that are part of the ACE, through all its Coordinating and Central Departments.

The Company owns and is responsible for the management of thirty healthcare units, including twenty-eight private hospital and clinics in Mainland Portugal and Madeira, and a specialized rehabilitation care hospital, and it also owns and is responsible for the management of a senior residence.

The Company also owns GLSMED Trade, a company that distributes products, equipment and medical devices of Luz Saúde Group, and GLSMED Learning Health, which focuses on the basic and advanced training of students and professionals in the area of healthcare delivery and management.



EXECUTIVE COMMITTEE

Isabel Vaz (CEO)

- Corporate Strategy Coordination
  - Business Analytics (DAN)
  - Transformation Office (TO)
- Human Resources Coordination
- Digital Services Coordination
  - Hospital da Luz Digital Department (HLD)
  - MY LUZ Ecosystem Department (DEML)
- Training, Research and Innovation Department (DFII)
- Marketing and Communication Department (DMC)
- Value Based Healthcare Management Department (DGVS)
- Enterprise-Wide Nursing Programs Department (DPTE)
- Client Experience Department (DSC)

João Novais (CFO)

- Finance and Audit Coordination
- Legal and Compliance Department (DJC)
- Administrative and Financial Services Department (DSAF)
- Logistics and Operational Support Department (DLSO)
- Central Pharmacy and Drugs Management Department (DCFM)
- Central Negotiation Department (DCN)

Tomás Branquinho da Fonseca (COO)

- Clinical Operations Design and Control Department (DDCOO)
- Commercial Department (DC)
- International Patient Services (IPS)
- Business Development Department (DNN)

Ivo Antão (CITO)

- Information Systems and Technologies Coordination
- Imaging Services Hub
  - Central Imaging Diagnostic Department (DCDI)
- Infrastructure, Maintenance and Equipment Department (DIME)

Artur Vaz (CRO)

- Risk Management and Quality Department (DGRQ)
- Sustainability Office (GS)

MANAGEMENT TEAM

CENTRAL COORDINATION DIVISIONS

Corporate Strategy Coordination

Francisco Mota

Supports the definition and implementation of the Group's strategy defined by the Executive Committee, supported by the Business Analytics Department and the Transformation Office.

Finance and Audit Coordination

Nuno Pires

Responsible for financial management and coordination, ensuring the financing of operations, internal and external financial reporting, budget management, monitoring, and coordination of accounting and tax policies and procedures, as well as the financial audit work for Luz Saúde.

Imaging Services Hub Coordination

Pedro Patrício

Defines and implements the strategy established by the Executive Committee regarding the imaging care activity, supported by the Central Imaging Diagnostic Department.

Human Resources Coordination

Anabela Lobo de Carvalho

Defines and implements policies related to human resource management at Luz Saúde, based on the strategic guidelines established by the Executive Committee and in close collaboration with all units of the Group, with the goal of enabling them to attract, develop, and retain exceptional people.

Digital Services Coordination

Nélson Brito

Defines and implements the strategy established by the Executive Committee regarding the Group's digital services, supported by the Digital Hospital da Luz Department and the MY LUZ Ecosystem Department.

Coordenação de Sistemas e Tecnologias de Informação

David Vieira

Coordinates, designs, implements, and maintains the Group's information systems and technologies, using in-house resources or partnering with technology providers. Integrates internally developed applications with market-acquired solutions to enable Luz Saúde to accelerate its IT transformation and enhance its innovation capacity. Responsible for continuous training of employees in best practices and for the modernization and strengthening of technology to protect, detect, respond, and recover in case of threats.

CENTRAL DEPARTMENTS

Business Analytics Department

Ana Bento

Collects and processes operational and financial information from the different units of the Group using the Business Intelligence tool.

Technical Assistance Center Department

Ricardo Rodrigues

Responsible for ensuring the efficiency and quality of service to employees of the Luz Saúde Group, ensuring the quick and effective resolution of incidents and service requests related to information technology and equipment maintenance. Also acts as a liaison between the different areas of the IT department and end users, ensuring alignment with the organization's strategic objectives and promoting the adoption of best practices for the efficient use of systems and technological infrastructure.

Central Imaging Diagnostic

Gonçalo Leal

Develops the strategy, manages, and supervises the diagnostic imaging centers of the Group's units. Follows global medical imaging innovation and market trends, manages the equipment portfolio, ensures the adoption and compliance with radiation protection programs, and participates in projects related to advanced image post-processing information systems.

Central Pharmacy and Drugs Management Department

Claúdia Santos

Operational structure to support the Group's units, in the scope of management, quality and safety of the drug circuit, coordination of resources, definition of processes and compliance with legal requirements and good practices. Defines the strategy of ensuring maintenance and sustainability of the supply chain of medicines, the optimization and standardization of therapeutic protocols, maximizing efficiency, safety and profitability.

Central Negotiation Department

Gabriela Valido

Procurement and negotiation of medical devices, current drugs and medical and general equipment needed by the Group's hospitals and clinics. Through careful selection of business partners, it promotes the creation of long-term partnerships, based on principles of ethics, trust and mutual commitment. Develops new types of cooperation and initiatives in areas such as innovation and research, risk sharing, training and dissemination of best clinical practices.

Commercial Department

Luís Martins

Its mission is to maintain, negotiate and manage the prices and conditions for the provision of healthcare with health service paying entities, in various areas and purposes, considering the price and margins criteria established. It ensures the agreement and consistency of the operational and contractual rules, necessary for the good execution of contracts, with the Units of the Group and the agreed entities. Participates, manages and maintains private pricing policy, in accordance with the Group's strategy and competition assessment. Participates and supports the development, placement and/or holding of local conventions or new products in the Group's units.

Clinical Operations Design and Control Department

Cristina Mesquita

It is responsible for increasing the efficiency of processes, through their reformulation and, if applicable, automation. It analyses flows, circuits and activities that do not add value to the process, with the double aim of disseminating the best practice throughout the Group and complying with existing regulations in the sector.

MY LUZ Ecosystem Department

João Chaves

Responsible for the availability and development of the MY LUZ platform, ensuring the introduction of new features and integration with platforms of strategic partners that enhance the user experience and increase the reach and personalization of the services offered

Training, Research and Innovation Department

Francisca Leite

Operates in several areas: training of health professionals, clinical and health science research, data science and innovation. Responsible for the Training and Simulation Centre, for the connection to the Católica-Luz Clinical Academic Centre and collaborates with entities in the R&D+I ecosystem in Portugal.

Risk Management and Quality Department

José Varela Gonçalves

Ensures the functioning of risk management processes, with integrity and homogeneity throughout the Group. Responsible for promoting systematic and consistent use of risk management strategies in an integrated perspective of continuous improvement of quality and customer safety, contributing to the development of a culture of safety, sharing knowledge and change. Monitors the effectiveness of the implementation of national and international quality benchmarks, by carrying out compliance tests at Luz Saúde's units. Its main objective is to ensure a consolidated vision of Risk and Compliance management, particularly, in clinical excellence in the provision of healthcare, for the maintenance and/or implementation of these same references.

Value-Based Healthcare Department

Isabel Vaz

Implements the Value Based Healthcare program in the Group's hospitals and clinics: healthcare provided according to best practices, which are proven to achieve the best clinical results from the perspective of patients, with the lowest variation in costs used for maximum efficiency in the total care cycle.

Hospital da Luz Digital Department

Petra Matias

Responsible for providing remote healthcare in a safe, simple and intuitive way; operationalizes scheduled and urgent video consultations throughout the Hospital da Luz network, provides the

health monitor for sharing data between the client and the physician (for an integrated view and complete healthcare) and provides video consultations in various parts of the country.

Infrastructure, Maintenance and Equipment Department

Henrique Bentes

Responsible for monitoring and managing the life cycle of infrastructure and equipment in Hospital da Luz network, for the maintenance and management of buildings, consumption (water, electricity, gas), medical and non-medical equipment. Participates in and supports the licensing processes at different levels, the Group's engineering committee and all units of the Hospital da Luz network in the areas of its specialty.

International Patient Services Department

Eve Jokel

Defines the strategy and manages support services for international clients throughout the Hospital da Luz network. Responsible for publicizing this service, in collaboration with the Marketing and Communication Department, with a focus on promoting it among international communities connected to Portugal. Establishes agreements with international entities to facilitate the access of foreign clients.

Legal and Compliance Department

João Ferreira Rebelo

Provides legal advice to the entities of the Luz Saúde Group, contributes to the management bodies, central departments, business units and respective employees to comply with the applicable legislation and the rules and procedures (external and internal) in force, to mitigate risks and avoid losses resulting from activity. It advises the Board of Directors, the Executive Committee, and the Supervisory Board on matters of corporate governance and supports the Group in matters of data protection and privacy, through a specialized team including the Data Protection Officer.

Logistics and Operational Support Department

Pedro Lima

Operates on four main areas: supply chain management (purchase/distribution of medical devices and all logistical operations at Luz Saúde units); hotel management (provision of activity support services, such as cleaning, surveillance, food, clothing, waste management, disinfestation, car parks, vending, concession of spaces and management of central buildings); consumption management (implementation of the best practices for recording, monitoring and analyzing consumption); and management of the sterilization center.

Marketing and Communication Department

Marisa Morais

Defines and implements the marketing strategy in its various aspects: relational, product, channel, internal marketing, events, partnerships, communication, and corporate image. Manages content production and its promotion, whether through external channels (media and advertising) or through Luz Saúde's own communication channels, such as social media, websites, corporate channel, corporate magazines, newsletters, and scientific publications.

Business Development Department

Tomás Lino

Responsible for managing projects that allow the Group to increase its activity, through expansions, acquisitions, or construction of new units. Additionally, participates in the analysis of some business development opportunities for existing units, as well as in the preparation of Luz Saúde's financial forecasts.

Enterprise-Wide Nursing Programs Department

Jorge Humberto Sousa

Responsible for the implementation of evidence-based best practices in nursing, with a focus on creating value for internal and external clients, through a process of consensus and development at Luz Saúde's units. Coordinates the Superior Nursing Council, a clinical decision-making body, and collaborates in projects of the central departments that require the participation of nurses.

Client Experience Department

Nélson Brito

Responsible for managing the digital ecosystem of the Hospital da Luz network - MY LUZ - and for maintaining and developing the CRM tool, ensuring a 360° view of clients. Ensures remote access for customers to health care at the units, through the management of the Contact Center, as well as the urgent triage service LUZ 24. Together with hospitals and clinics, continuously reviews the defined processes, to improve the customer's experience.

Administrative and Financial Services Department

Ana Freire de Andrade

Responsible for the shared accounting services, treasury management and current accounts of the clients of the various Luz Saúde's business units. Performs all the billing activity to the various

financing entities and participates in the preparation of budgets for clients. Supports the preparation and control of the annual budgets of Luz Saúde's units.

Transformation Office

Francisco Mota

Supports the definition and implementation of the Group's strategy defined by the Executive Committee, supported by the Business Analytics Directorate and the Transformation Office.

Superior Clinical Council (*Medical Council*)

José Roquette

Structure responsible for the clinical coordination of Luz Saúde Group's units and for setting the Group's clinical priorities and long-term goals, issuing opinions on ethical and deontological matters, while also acting as a discussion forum among the various clinical directors to coordinate topics such as medical careers or criteria for standardization and evaluation of clinical activity.

Sustainability Office

David Veloso

Luz Saúde aims to create a positive impact on people, society and on the planet, through innovation and the provision of excellent healthcare, ensuring the responsible management of resources and care for the people, health professionals and communities where it operates. It is up to the Sustainability Office to mainstream this ESG approach.

Luz Saúde performance

- Activity grew compared to 2023, in most areas of service, with special emphasis on imaging, consultations and surgeries and births;
- Operating income grew by 9.9%, reaching €732.9 million (vs. €666.9 million in 2023), with special emphasis on the growth of the four main hubs, HL Lisboa, HL Arrábida, HL Coimbra e HL Setúbal, of the units already established in which the Group has invested in recent years, namely HL Torres de Lisboa, HL Oeiras and Hospital da Misericórdia de Évora, also combined with the growth of recent units, such as HL Clínica da Covilhã and HL Clínica Santa Maria da Feira, which began operating in 2022;
- Adjusted EBITDA (note 3.3 from the consolidated financial statements) increased by 15.5% to €115.3 million (vs: €99.8 million in 2023), as a result not only of the increase in the level of activity, but essentially due to an improvement in the operational margin;
- Net income reaches €38.5 million, with a growth of 23.8%;
- Net debts decreased around €24.6 million to €343.5 million, and the net debt/EBITDA ratio reduced to 3.1x (2023: 3,8x).

OPERATIONAL PERFORMANCE

Private healthcare (In thousands of clinical procedures)	2024	2023	Var
Consultations	2 368	2 251	5,2%
Emergencies	414	421	-1,7%
Surgeries and Deliveries	70	68	2,6%
Imaging Exams	1 293	1 217	6,2%

Activity grew transversally compared to 2023, across the majority of lines of service. It is worth highlighting the growth in Imaging (+6.2%), Consultations (+5.2%) and Surgeries and Deliveries (+2.6%).

These figures are driven by the significant growth of the private healthcare segment.

FINANCIAL PERFORMANCE AND POSITION

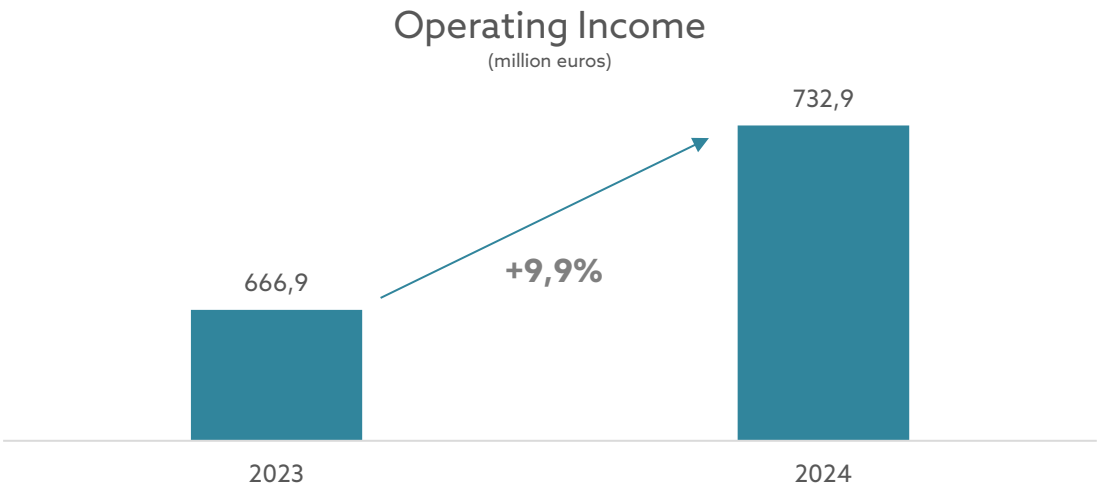
FINANCIAL PERFORMANCE

Consolidated income statement			
(unit: million euros)	**31-Dec-24**	**31-Dec-23**	**Var.**
Operating income	**732.9**	**666.9**	**9.9%**
Adjusted EBITDA*	**115.3**	**99.8**	**15.5%**
Adjusted EBITDA margin	15.7%	15.0%	0.7 p.p.
Provision for legal risk	(3.4)	(3.3)	3,0%
EBITDA	**112.0**	**96.5**	**16.1%**
Depreciation and amortization	(42.9)	(42.3)	1.4%
EBIT	**69.1**	**54.2**	**27.5%**
Financial results	(20.5)	(19.6)	4.6%
EBT	**48.6**	**34.6**	**40.5%**
Taxes	(9.8)	(3.8)	157.9%
Income from continuing operations	**38.8**	**30.8**	**26.0%**
Income from discontinued operations	**(0.3)**	**0.3**	**(200.0%)**
Net income for the year	**38.5**	**31.1**	**23.8%**
Net income attributable to non-controlling interests	0.3	0.1	200.0%
Net income attributable to Luz Saúde shareholders	**38.9**	**31.3**	**24.3%**
EPS (euros)	0.407	0.327	24.5%

*see note 3.3 of the consolidated financial statements

OPERATING INCOME

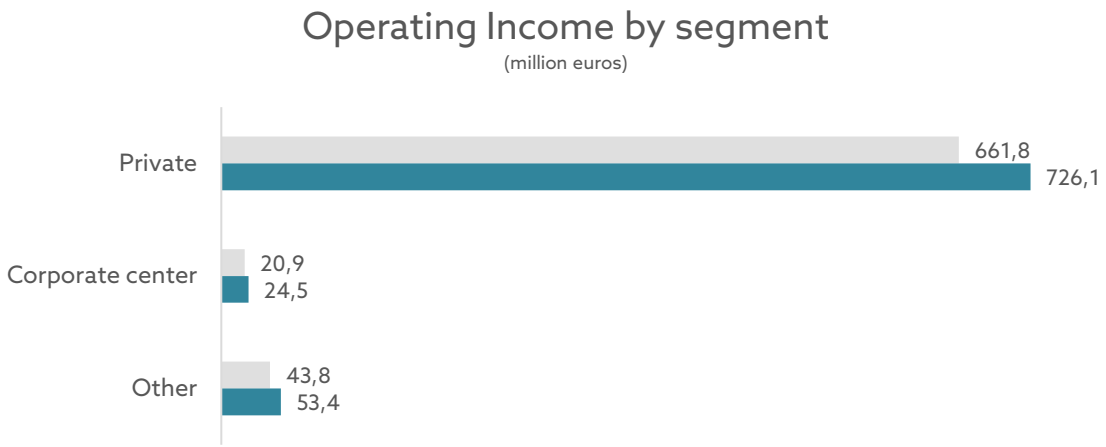
Operating income grew by 9.9%, reaching €732.9 million in 2024 (vs. €666.9 million in 2023).



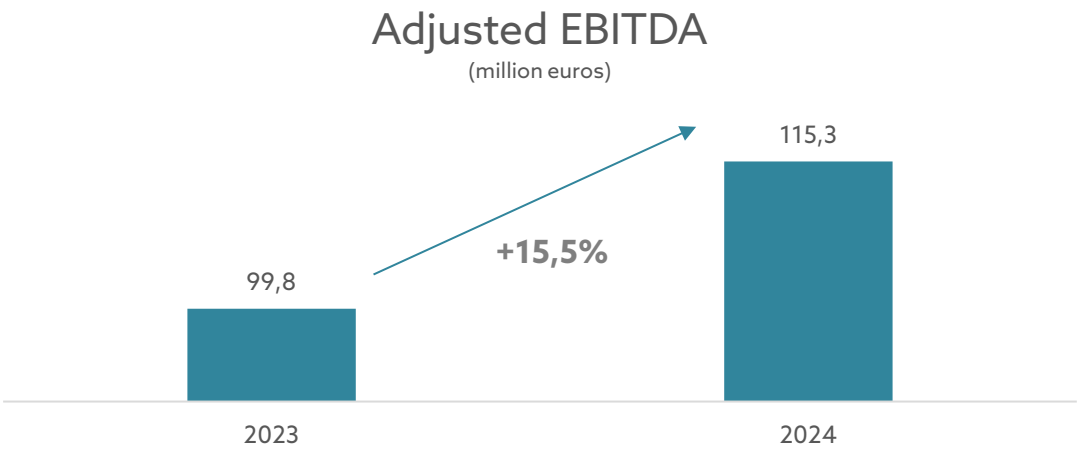
OPERATING INCOME BY SEGMENT

The private healthcare business segment remains the segment with the largest contribution to the group's revenue, which grew by 9.7% compared to 2023, reaching an operating income of €726.1 million. This growth resulted, on the one hand, from the increase in the volume of medical procedures performed across most of the units (with particular emphasis on the units where the group has invested in recent years) and from the adjustment of prices for various medical services provided.

The remaining segments registered a growth of 20.4%, however, with a smaller contribution to the group's revenue



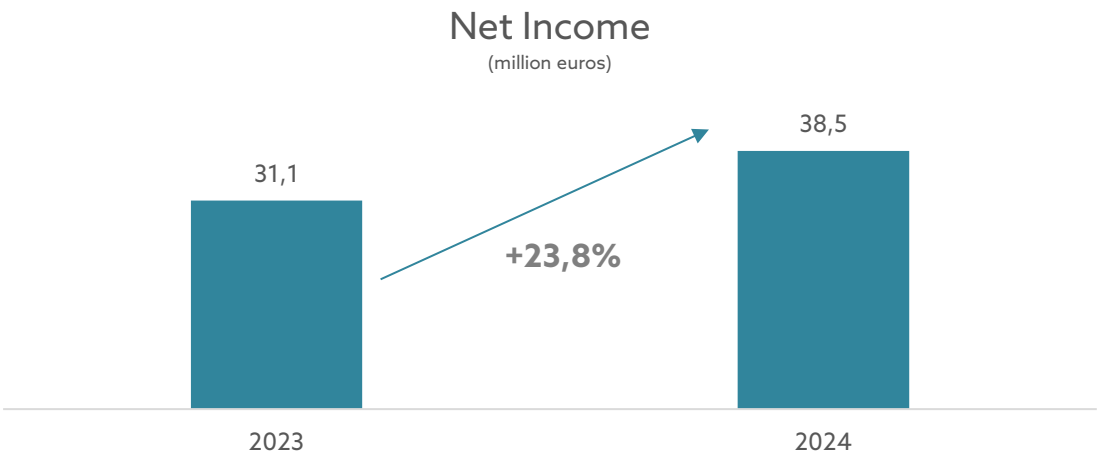
ADJUSTED EBITDA



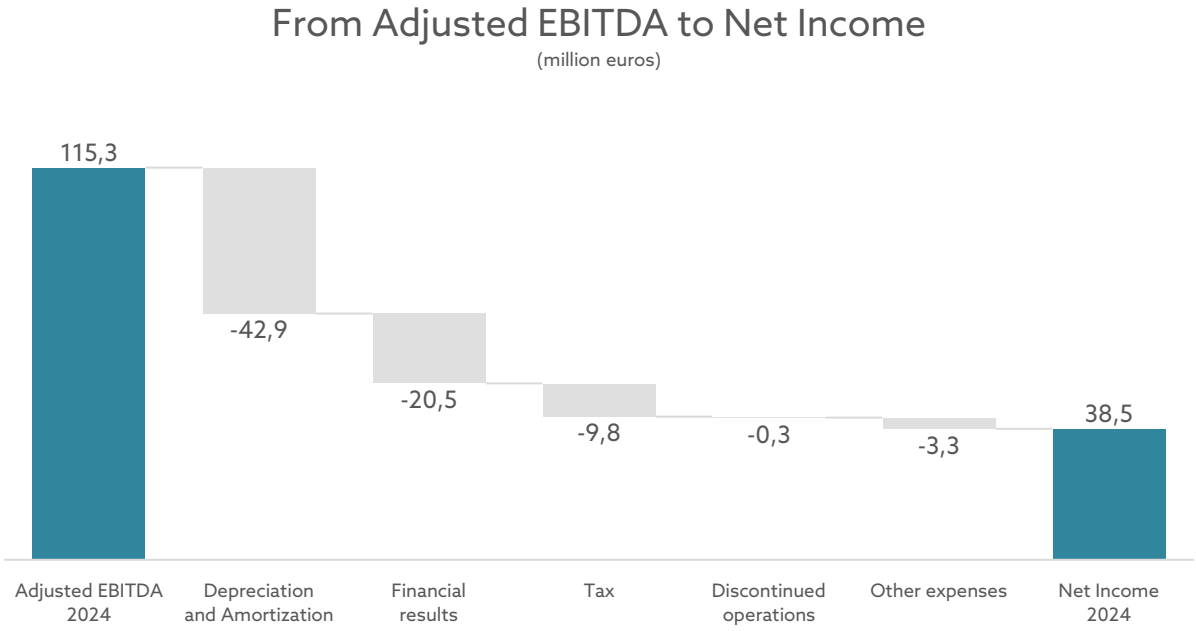
Adjusted EBITDA (see note 3.3 of Consolidated Financial Statements) grew by 15.5% compared to 2023, reaching €115.3 million, with an adjusted EBITDA margin of 15,7%. The growth in EBITDA was sustained by the growth in the level of activity of all units of the private healthcare business segment

and by the improvement in the operational margin. This improvement was a result of the effort made by Management to contain the growth of the cost structure, which in the last years was filled with increased difficulties as a result not only of inflationary pressures that the global economy has suffered, but in particular the salary pressure to which the labor market in the healthcare area has been subject. The year 2024 is also impacted by non-recurring costs (€0.9 million) related to the capital opening process, which, due to adverse market conditions, was not realized during the year 2024

NET INCOME



Net profit compared to 2023 grew by 23.8% to €38.5 million, essentially due to the operational contribution of continuing operations and in particular the private healthcare segment.



Despite maintaining a significant volume of investment, the Depreciation and amortization, show a similar level compared to 2023, with a growth of around 1.4%.

In turn, financial results had a growth of 4.6% compared to the previous year, largely due to the behavior of the Euribor rate throughout 2024. The decrease in interest rates starting in the second half of 2024 had a limited positive impact on the results for the period under review, as it only applied to renewals of interest rates that occurred in the second half of the year. The growth in financial results was mitigated by the recognition of a financial gain of €1.8 million from the sale of the minority stake in HL-SGE.

The income tax recorded a significant variation of around €6.0 million compared to 2023, due to the growth of the results and the decrease in the impact of tax incentives, with special emphasis on SIFIDE.

The discontinued operations, unlike the previous year, registered a negative contribution to the consolidated net income, mainly due to the impact of resolving pending processes related to the management of Hospital Beatriz Ângelo.

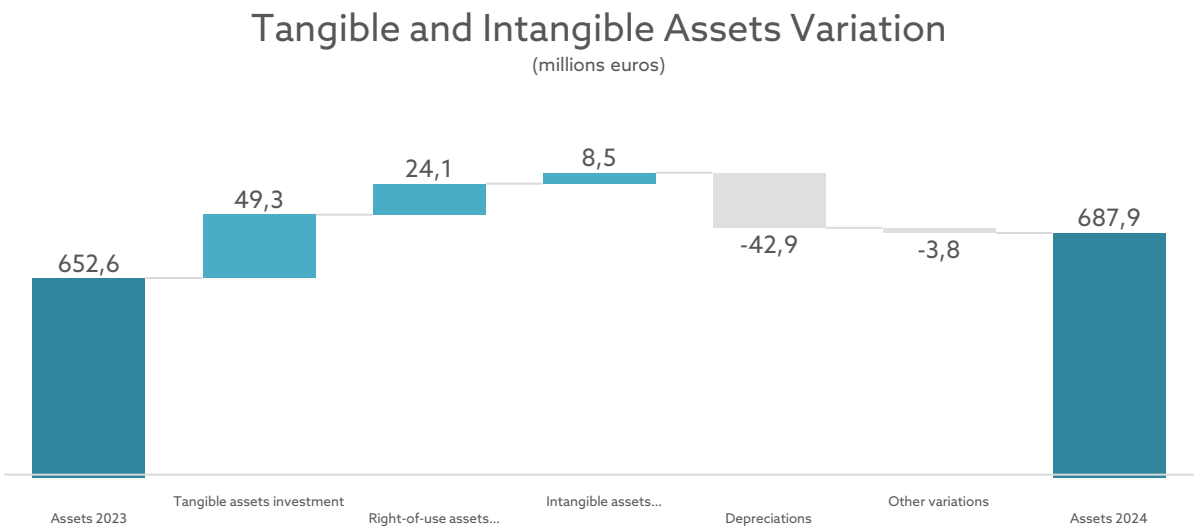
FINANCIAL POSITION

FIXED ASSETS

As of 31 december 2024 the fixed assets in use by Luz Saúde amounted to €728.4 million, recording a growth of 6.1% compared to the previous year.

Fixed Assets			
(unit: million euros)	**31-dez-24**	**31-dez-23**	**Var.**
Tangible fixed assets	397.7	355.6	11.8%
Right-of-use assets	121.7	133.8	-9.0%
Intangible assets	168.5	163.2	3.2%
Tangible and intangible assets	687.9	652.6	5.4%
Other fixed assets	40.5	34.1	18.8%
Fixed Asset	728.4	686.7	6.1%

The growth in fixed assets compared to 2023 is primarily explained by the investment made during the year in tangible and intangible fixed assets, as the level of depreciation remained stable compared to the previous year, and other fixed assets did not register significant changes.



In 2024, Luz Saúde invested €82.0 million in fixed assets continuing to privilege the investment in the expansion of the network of healthcare units, with an investment of around €25.8 million, with emphasis on the opening of the unit HL Carreira in Funchal, in addition to the continuation of ongoing expansion projects (clinics in Leiria, Figueira da Foz, Vila Franca de Xira, Aveiro, new Torres de Lisboa building and Ribatejo) and for the investment values in the digitization of the group's operations. which in 2024 amounted to around €8.0 million.

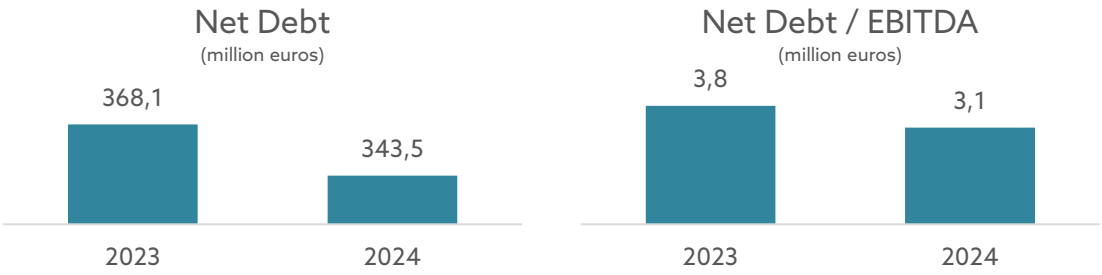
The variation in other fixed assets was primarily due to the increase in the deferred tax assets item. resulting from changes in the composition of the tax group. which no longer had Luz Saúde as the parent company. with most subsidiaries now being part of the tax group led by Fidelidade - Companhia de Seguros. SA starting from January 1, 2024.

WORKING CAPITAL

Working Capital			
(unit: million euros)	**31-dez-24**	**31-dez-23**	**Var.**
Trade and other receivables	108 928	120 134	-9.3%
Inventories	14 402	14 968	-3.8%
Other current assets	8 163	7 749	5.3%
Trade and other payables	(130 147)	(129 326)	0.6%
Contract liabilities	(9 330)	(9 749)	-4.3%
Current income tax receivable / (payable)	(3 465)	1 885	-283.8%
Working Capital	(11 449)	5 661	-302.2%

In 2024, the positive evolution in terms of working capital was primarily due to the decrease in customer debts, resulting from the improvement in payment terms of some group payers.

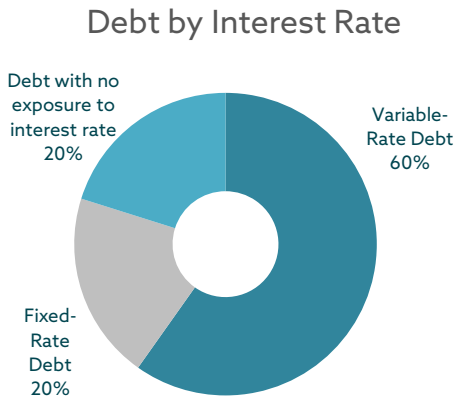
FINANCING



Although the group maintained a high level of investment, the cash flow generated by operations and the improvement in working capital management allowed for a reduction in net debt of approximately €24.6 million.

The net debt / EBTIDA ratio recorded a relevant improvement, going from 3.8 to 3.1. Much contributed to this sharp improvement, on the one hand, the positive evolution of the Group's performance in terms of growth in its results, and on the other hand, the effort made to reduce net debt.

In 2024, there was a reduction in the share of total debt without interest rate risk from 45% to 40%. Given the conditions of the financial markets and particularly the high levels that Euribor rates have shown, the group continued to favor contracting debt at a variable rate.



SUBSEQUENT EVENTS

Between 31 December 2024 and the date of approval of this report, there were no relevant events that are not reflected herein.

PROFIT ALLOCATION PROPOSAL

In the year ended 31 December 2024, consolidated net profit was €38,528,981.71 and net profit in the individual accounts was €27,193,118.15.

As such, and in accordance with the legal and statutory provisions, the Board of Directors proposes that the net profit for the year ended 31 December 2024, in the amount of €27,193,118.15, calculated based on the individual financial statements, be applied as follows:

(i) Legal Reserve: €1,359,656.00

(ii) Unrestricted Reserve: €25,833,462.15

(iii) To allocate, as profit distribution to employees and Executive Directors of the Company, a maximum amount of €1,285,000.00 (an amount that, due to the accounting rules used, is already reflected in the net profit for the year ended December 31, 2024). In the case of Executive Directors, the determination of this amount is dependent on the decision of the company's Remuneration Committee."

AUTHORIZATIONS GRANTED FOR TRANSACTIONS BETWEEN THE COMPANY AND ITS DIRECTORS

No authorizations have been granted for transactions between the Company and its directors, under Article 397 of the Portuguese Companies Code.

OTHER INFORMATION

INFORMATION ON SHAREHOLDINGS OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES IN THE COMPANY'S SHARE CAPITAL, AS AT 31 DECEMBER 2024

Pursuant to Article 447(5) of the Portuguese Companies Code, Luz Saúde, SA hereby discloses that no members of the management and supervisory bodies hold any shareholdings in the Company, as at 31 December 2024.

STATUTORY AUDITOR

The Statutory Auditor, KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A., have no shareholding as at 31 December 2024, having made no transactions with any securities of Luz Saúde, SA.

INFORMATION ABOUT OWN SHARES

During the period between 31 December 2023 and 31 December 2024, there were no transactions with Luz Saúde own shares.

On 31 December 2024, Luz Saúde, SA did not hold any own shares.

Lisbon, 14 March 2025

BOARD OF DIRECTORS

(Jorge Manuel Baptista Magalhães Correia)

(Isabel Maria Pereira Aníbal Vaz)

(Artur Aires Rodrigues de Morais Vaz)

(Fang Yao)

(Ivo Joaquim Antão)

(João Paulo da Cunha Leite de Abreu Novais)

(Lingjiang Xu)

(Maria Isabel Toucedo Lage)

(Rogério Miguel Antunes Campos Henriques)

(Teresa Alexandra Pires Marques Leitão Abecasis)

(Tomás Leitão Branquinho da Fonseca)

(Vítor Manuel Lopes Fernandes)

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

Amounts expressed in thousands of euros

(free translation from the original version in Portuguese)

	Note	2024	2023
Continuing operations			
Revenue from services rendered	4.1	729 266	662 699
Revenue from sales of goods	4.1	767	582
Other operating income	8.1	2 841	3 576
Total operating income		**732 874**	**666 857**
Inventories consumed and sold	5	(93 502)	(89 538)
Cost of services and materials	6	(323 783)	(296 972)
Personnel expenses	7	(189 549)	(168 734)
Other operating expenses	8.2	(9 478)	(9 604)
Provisions, net of reversals	14.3.1	(3 448)	(3 884)
Impairment, net of reversals	8.3	(1 148)	(1 660)
Depreciation and amortization	8.4	(42 852)	(42 275)
Operating profit		**69 114**	**54 190**
Finance income	9	4 194	2 133
Finance costs	9	(24 694)	(21 709)
Profit before income tax		**48 614**	**34 614**
Income tax	10.1	(9 812)	(3 769)
Profit for the year from continuing operations		**38 802**	**30 845**
Discontinued operations			
(Loss) / Profit for the year from discontinuing operations	14.4.5	(273)	297
Profit for the year		**38 529**	**31 142**
Other comprehensive income:			
Items that maybe reclassified to profit or loss			
Cash flow hedges, net of tax	14.2.3	(52)	(1 729)
Other comprehensive income for the year		**(52)**	**(1 729)**
Comprehensive income for the year		**38 477**	**29 413**
(Loss) / Profit attributable to:			
Equity holders of the company		38 867	31 269
Non-controlling interests	13.4.1	(338)	(127)
(Loss) / Profit attributable to Equity holders of the company from:			
Continuing operations		39 140	30 973
Discontinued operations	14.4.5	(273)	297
Comprehensive (loss) / income attributable to:			
Equity holders of the company		38 815	29 540
Non-controlling interests	13.4.1	(338)	(127)
Basic earnings per share:			
From continuing operations	13.3	0,410	0,324
Total attributable to equity holders of the company	13.3	0,407	0,327
Diluted earnings per share:			
From continuing operations	13.3	0,410	0,324
Total attributable to equity holders of the company	13.3	0,407	0,327

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2024

Amounts expressed in thousands of euros

(free translation from the original version in Portuguese)

	Note	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	12.1.1	397 668	355 610
Right-of-use assets	12.2.1	121 740	133 800
Intangible assets	12.3.1	168 491	163 163
Deferred tax assets	10.3	20 790	12 322
Other non-current assets	11.2	1 970	2 028
Other receivables	11.1	2 013	1 995
Derivative financial instruments	14.2.2	874	2 140
Financial assets at fair value through profit or loss	14.1.1	14 890	15 661
Total non-current assets		**728 436**	**686 719**
Current assets			
Inventories	11.3	14 402	14 968
Other current assets	11.2	8 163	7 749
Trade and other receivables	11.1	108 928	120 134
Current income tax receivable		2 429	1 885
Cash and cash equivalents	13.5	38 441	37 718
Current assets excluding assets held for sale and from discontinued operations		**172 363**	**182 454**
Assets held for sale and from discontinued operations	14.4.4	18 575	25 297
Total current assets		**190 938**	**207 751**
Total assets		**919 374**	**894 470**
Equity			
Equity and reserves			
Share capital	13.2.1	95 542	95 542
Share premium	13.2.2	61 796	61 796
Reserves and retained earnings	13.2.3	206 825	168 050
Total equity attributable to equity holders of the company		**364 163**	**325 388**
Shareholders' equity attributable to non-controlling interests	13.4	294	592
Total shareholders' equity		**364 457**	**325 980**
Liabilities			
Non-current liabilities			
Borrowings	13.6	177 387	209 665
Lease liabilities	13.6	101 326	98 732
Provisions	14.3.1	17 438	14 034
Total non-current liabilities		**296 151**	**322 431**
Current liabilities			
Trade and other payables	11.4	130 147	129 326
Borrowings and bank overdrafts	13.6	79 911	78 269
Current income tax payable		5 894	-
Lease liabilities	13.6	23 365	19 114
Contract liabilities	11.5	9 330	9 749
Current liabilities excluding liabilities from discontinued operations		**248 647**	**236 458**
Liabilities from discontinued operations	14.4.4	10 119	9 601
Total current liabilities		**258 766**	**246 059**
Total liabilities		**554 917**	**568 490**
Total equity and liabilities		**919 374**	**894 470**

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

Amounts expressed in thousands of euros

(free translation from the original version in Portuguese)

	Note	2024	2023
Operating activities			
Receipts from customers		743 034	653 855
Payments to suppliers		(441 295)	(387 358)
Payments to employees		(109 012)	(94 405)
Cash flow generated from operations		**192 727**	**172 092**
Income tax paid		(11 324)	(3 689)
Other payments related with operating activities, net		(74 202)	(71 336)
Net cash flow generated from operating activities of continuing operations		107 201	97 067
Net cash flow generated from operating activities of discontinued operations		6 354	4 499
Net cash flow generated from operating activities		**113 555**	**101 566**
Investing activities			
Proceeds from:			
Equity instruments in investees	9.4	2 705	121
Disposal of property, plant and equipment		-	531
Interest received		-	1 561
Dividends	9.3	429	12
Other financial assets		-	212
Payments related with:			
Property, plant and equipment		(24 396)	(21 401)
Intangible assets		(8 154)	(9 193)
Other financial assets	14.1.2	(470)	(3 147)
Net cash flow used in investing activities of continuing operations		(29 886)	(31 304)
Net cash flow used in investing activities of discontinued operations		-	-
Net cash flow used in investing activities		**(29 886)**	**(31 304)**
Financing activities			
Proceeds from:			
Borrowings	13.6.1	1 022 150	781 147
Payments related with:			
Borrowings	13.6.1	(1 066 203)	(829 468)
Lease liabilities	12.2.2	(23 422)	(29 710)
Interest and other similar expenses	9.1	(13 293)	(14 918)
Dividends paid to non-controlling interests		-	(285)
Acquisition of non-controlling interests		-	(2)
Net cash flow used in financing activities of continuing operations		(80 768)	(93 236)
Net cash flow used in financing activities of discontinued operations		-	-
Net cash flow used in financing activities		**(80 768)**	**(93 236)**
Change in cash and cash equivalents		**2 901**	**(22 974)**
Cash and cash equivalents at the beginning of the year	13.5	25 603	48 577
Cash and cash equivalents at the end of the year	13.5	**28 504**	**25 603**

Note: Other payments related with operating activities, net include mainly the payments made to social security and personnel income tax withholding

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

Amounts expressed in thousands of euros

(free translation from the original version in Portuguese)

	Share capital	Share premium	Reserves and retained earnings	Total equity attributable to equity holders of the company	Non-controlling interests	Total shareholders' equity
At 1 January 2023	95 542	61 796	138 510	**295 848**	1 007	**296 855**
Profit for the year	-	-	31 269	**31 269**	(127)	**31 142**
Other comprehensive income for the year	-	-	(1 729)	**(1 729)**	-	**(1 729)**
Comprehensive income for the year	**-**	**-**	**29 540**	**29 540**	**(127)**	**29 413**
Transactions with owners in their capacity as owners						
Acquisition of non-controlling interests (note 13.4)	-	-	-	**-**	(3)	**(3)**
Dividend distribution to non-controlling interests (note 13.4)	-	-	-	**-**	(285)	**(285)**
Total direct change in equity	-	-	-	**-**	(288)	**(288)**
At 31 December 2023	**95 542**	**61 796**	**168 050**	**325 388**	**592**	**325 980**
At 1 January 2024	95 542	61 796	168 050	**325 388**	592	**325 980**
Profit for the year	-	-	38 867	**38 867**	(338)	**38 529**
Other comprehensive income for the year	-	-	(52)	**(52)**	-	**(52)**
Comprehensive income for the year	**-**	**-**	**38 815**	**38 815**	**(338)**	**38 477**
Transactions with owners in their capacity as owners						
Acquisition of non-controlling interests (note 13.4)	-	-	(40)	**(40)**	40	**-**
Total direct change in equity	-	-	(40)	**(40)**	**40**	**-**
At 31 December 2024	**95 542**	**61 796**	**206 825**	**364 163**	**294**	**364 457**

The accompanying notes form an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(free translation from the original version in Portuguese)

A REPORTING ENTITY, RELEVANT EVENTS AND CHANGES IN THE CURRENT YEAR

1 REPORTING ENTITY

Luz Saúde, SA (hereinafter "Luz Saúde" or "company" and together with its subsidiaries named as "group") is a limited liability company, with registered office in Lisbon, Rua Carlos Alberto Mota Pinto 17 – 9° floor, registered at the Lisbon Commercial Registry Office with number and tax ID 504 885 367.

Luz Saúde, is the parent company of Luz Saúde group, which is composed by companies that operate in the healthcare industry, in the management of acute hospitals, outpatient clinics, residential hospital and a senior residence with services (list of the entities that compose the group is included in note IA1.2.1).

Luz Saúde is controlled by Fosun International Holdings Ltd (Fosun) through Fidelidade – Companhia de Seguros, SA (Fidelidade).

1.1 RELEVANT EVENTS OF 2024

The group's activity throughout 2024, its financial position and economic performance were impacted by the following events:

- As in 2023, the growth in operating income of 9.9% derived mainly from (i) increase in the volume of medical acts performed by the group, and (ii) the price update of several medical services rendered. This growth in revenue has impacted the operations of the group in terms of its profitability;
- In 2024, Hospital da Luz network expanded its operations with the opening of Carreira clinic in Funchal, completing the initial investment plan of the Group for this region;
- The maintenance of a high level by the Euribor interest rate index, impacted on a negative way the profitability of the group, as part of the debt is exposed to interest rate risk;
- In terms of capital expenditure the group maintained its investment pace, with a total capital expenditure of €82.0 million (note 12) (2023: €75.1 million), that includes €25.8 million (2023: €35.1 million) in the expansion of its operations, namely on the development of new healthcare units in Santarém, Figueira da Foz and Leiria, and the expansion of Hospital da Luz Torres de Lisboa;

- Despite of the high level of investment, net debt registered a decrease to €343.5 million (from €368.1 million in 2023), as a consequence of the cash generated in the group's operations (note 13.6);
- The divestment process to dispose a real estate property that the group has in Oporto has evolved and the closing of the transaction is expected to occur in 2025. In addition, the Group completed the sale of its shareholding stake in HL-SGE generating a financial gain of some €1.8 million (note 9.4);
- In 2024, as consequence of adverse market conditions, Luz Saúde postponed its plans to relist its shares in the Portuguese stock exchange. This decision, had a negative impact in the group profitability of some €0.9 million, due to expenses incurred in the process;
- On the third quarter of 2024, the Group signed an agreement to acquire the control of several healthcare units, including an hospital in Loulé, five clinics in Algarve, two specialized clinics in Lisbon and Oporto under the brand "Centro do Bébé" and a project in progress to open an hospital in Covilhã. The completion of this transaction is dependent of the approval of the PCA, which is expected to occur in 2025.

1.2 COMPANIES INCLUDED IN THE CONSOLIDATION AND CHANGES IN CONSOLIDATION SCOPE

1.2.1 GROUP AT 31 DECEMBER 2024 AND 2023

At 31 December 2024, the group includes the following companies:

	Registered office	Percentage of share capital held [1]		Segment
		2024	2023	
Parent company:				
Luz Saúde, SA	Lisbon	-	-	Corporate center
Subsidiaries:				
Capital Criativo Health Care Investments II, SA ("CCHCI II")	Lisbon	100,00%	100,00%	Private
Casas da Cidade - Residências Sénior, SA ("CASAS")	Lisbon	100,00%	100,00%	Other activities
CRB - Clube Residencial da Boavista, SA ("CRB")	Oporto	100,00%	100,00%	Private
GLSMED Learning Health, SA ("GLSLH")	Lisbon	100,00%	100,00%	Other activities
GLSMED Trade, SA ("GLST")	Lisbon	100,00%	100,00%	Other activities
HME - Gestão Hospitalar, SA ("HME")	Évora	100,00%	100,00%	Private
Hospital da Luz Arrábida, SA ("HAG")	V. N. Gaia	100,00%	100,00%	Private
Hospital da Luz Aveiro, SA ("HLA")	Aveiro	95,72%	95,71%	Private
Hospital da Luz Centro Clínico da Amadora, SA ("HL-CCA")	Amadora	100,00%	100,00%	Private
Hospital da Luz Coimbra, SA ("HLC")	Coimbra	100,00%	100,00%	Private
Hospital da Luz Guimarães, SA ("HLG")	Guimarães	100,00%	100,00%	Private
Hospital da Luz Oeiras, SA ("HLO")	Oeiras	100,00%	100,00%	Private
Hospital da Luz Ribatejo, Sociedade Unipessoal, Lda ("HLR")	Lisbon	100,00%	-	Private
Hospital da Luz, SA ("HLL")	Lisbon	100,00%	100,00%	Private
Hospital Residencial do Mar, SA ("HRM")	Loures	75,00%	75,00%	Private
HOSPOR - Hospitais Portugueses, SA ("HOSPOR")	Póvoa de Varzim	100,00%	100,00%	Private
Luz Saúde - Serviços, ACE ("ACE") [2]	Lisbon	100,00%	100,00%	Corporate center
Luz Saúde - Unidades de Saúde e de Apoio à Terceira Idade, SA ("USATI")	Lisbon	100,00%	100,00%	Mix [3]
RML - Residência Medicalizada de Loures, SGPS, SA ("RML")	Lisbon	75,00%	75,00%	Private
Hospital da Luz Funchal, SA ("HLF")	Funchal	81,67%	81,67%	Private
SGHL - Sociedade Gestora do Hospital de Loures, SA ("SGHL")	Lisbon	99,99%	99,99%	Discontinued
Surgicare - Unidades de Saúde, SA ("SURGICARE")	Lisbon	100,00%	100,00%	Private
Vila Lusitano - Unidades de Saúde, SA ("VLUSITANO")	Lisbon	75,00%	75,00%	Private

(1) the percentage of interest held includes the percentage directly and indirectly held by Luz Saúde, SA in each subsidiary.
(2) Luz Saúde - Serviços, ACE, incorporated without share capital. At 31 December 2024, groups twelve subsidiaries of the group. The percentage indicated refers to the voting rights held.
(3) Luz Saúde - Unidades de Saúde e de Apoio à Terceira idade, SA belongs simultaneously to the private, other activities and corporate center segments.

1.2.2 CHANGES IN THE CONSOLIDATION SCOPE

In 2024, there were no changes to the group scope towards 31 December 2023, with the exception of the incorporation of the subsidiary HLR, which will be the company that will develop the project of the future Hospital da Luz Ribatejo.

1.3 SUBSEQUENT EVENTS

No relevant subsequent events for reporting purposes occurred between 31 December 2024 and the date of approval of these financial statements by the Board of Directors.

2 FINANCIAL STATEMENTS APPROVAL

These consolidated financial statements were approved and authorized for issue by the Board of Directors on 14 March 2025. The General Shareholders' Meeting has the power to approve these consolidated financial statements in accordance with the commercial legislation in force in Portugal.

B PERFORMANCE FOR THE YEAR 2024

3 SEGMENT INFORMATION

[POLICY]

Report by segments

An operating segment is a component of the group: (i) which develops business activities from which it can earn revenue and incur in expenses, including revenues and expenses with other segments of Luz Saúde; (ii) whose operating results are, on a regularly basis, reviewed by the group's chief operating decision maker for the purpose of making decisions on the allocation of resources to the segment and the assessment of its performance; and (iii) for which discrete financial information is available.

The amounts reported in each segment arise from all the subsidiaries that are included in each segment presented in note 1.2.1, as well as from the elimination of transactions between subsidiaries of the same segment.

Segment information is presented consistently with the internal reporting produced and made available to the Executive Committee and to the Board of Directors of Luz Saúde based on which they monitor the group's operations, using total revenue and operating profit or loss by business segment as the main monitoring measures. Financial results and income tax are not analyzed in terms of business segment, as they are dependent on decisions taken at group level.

3.1 DESCRIPTION OF SEGMENTS AND PRINCIPAL ACTIVITIES

The main activities carried out by the group are organized into the following business segments:

- Private healthcare;
- Other activities;
- Corporate center.

Until the year ended 31 December 2021, the activities of the group were allocated into four business segments: private healthcare, public healthcare, other activities and corporate center. In 18 January 2022 the PPP operated by the group through the Management Contract of Hospital Beatriz Ângelo has reached its end, therefore the public healthcare segment was reclassified to be presented as discontinued operations.

At 31 December 2024, the private healthcare segment included the following business units:

- Thirteen hospitals dedicated to acute differentiated care, namely surgery, emergencies, inpatient treatments and specialized diagnostics, which are complemented by a strong capacity in the provision of non-acute primary care on an outpatient basis;

- Fifteen outpatient clinics dedicated to non-acute primary care, including clinical consultations in a wide range of medical and surgical specialties, complementary means of diagnostics and therapy (namely in the area of imaging and lab tests), and urgencies;
- One residential hospital, specialized in the provision of healthcare services, involving rehabilitation, medical or post-surgical convalescence, neurostimulation and general support for dementias (particular in the case of Alzheimer's disease), long-term care, palliative care and geriatric care, on a day-center or inpatient basis.

The units that compose this segment are organized in clusters in accordance with its geographic area of influence (north, center, south and Madeira and the metropolitan Lisbon area), and a digital area which operates transversally to all the clusters serving all the Groups customers.

Revenue from this segment is based in the rendering of healthcare services, from which the most relevant are hospitalization, urgencies, appointments, surgeries, deliveries, exams (imaging and non-imaging), among other.

The other activities segment includes one senior residence unit for individuals of 65 years and older that seek a complete package of services in terms of accommodation, leisure and health. This senior residence work integrated and complementary to the residential and acute hospitals of the group. This segment also includes the trading and logistics business (serving both group companies and third-party entities), as well as specialized entity operating in the healthcare industry in the areas of training, research and innovation, operating a state-of-the-art simulation centre for training healthcare professionals.

Main revenue driver from this segment (before intersegment eliminations) refers to the sale of goods by the logistics business, other revenue drivers relate to services in respect of training, management and support to R&D projects, and services related to the use of the senior residence and related support.

The corporate center segment provides specialized services in the healthcare industry, among other, in the following areas: strategic and operational consulting, human resources, financial services, quality assurance, legal support, IT, maintenance of infrastructures, management of call centers, negotiation and supply, marketing and communication to the units of the different business segments.

Corporate center revenue refers to specialized management services rendered to the several units that compose the group.

3.2 PROFIT OR LOSS BY SEGMENT

The financial information related to performance for the years ended 31 December 2024 and 2023 for the different business segments is as follows:

December 2024

	Private healthcare	Other activities	Corporate center	Eliminations and adjustments	Consolidated
Operating Income					
Third party customers	723 762	6 249	22	-	730 033
Intersegment	101	17 563	53 318	(70 982)	-
Other operating income and gains	2 188	640	13	-	2 841
Total operating income by segment	**726 051**	**24 452**	**53 353**	**(70 982)**	**732 874**
Operating expenses	(648 866)	(26 456)	(60 068)	71 630	(663 760)
Operating profit or (loss) by segment	**77 185**	**(2 004)**	**(6 715)**	**648**	**69 114**
Finance income					4 194
Finance costs					(24 694)
Financial results					**(20 500)**
Profit before income tax					**48 614**
Income tax					(9 812)
Profit for the year from continuing operations					**38 802**
Loss for the year from discontinuing operations					**(273)**
Loss attributable to non-controlling interests					(338)
Profit attributable to equity holders of the parent					**38 867**

December 2023

	Private healthcare	Other activities	Corporate center	Eliminations and adjustments	Consolidated
Operating Income					
Third party customers	657 716	5 548	17	-	663 281
Intersegment	1 473	14 464	43 755	(59 692)	-
Other operating income	2 655	920	1	-	3 576
Total operating income by segment	**661 844**	**20 932**	**43 773**	**(59 692)**	**666 857**
Operating expenses	(600 561)	(23 497)	(48 463)	59 854	(612 667)
Operating profit or (loss) by segment	**61 283**	**(2 565)**	**(4 690)**	**162**	**54 190**
Finance income					2 133
Finance costs					(21 709)
Financial results					**(19 576)**
Profit before income tax					**34 614**
Income tax					(3 769)
Profit for the year from continuing operations					**30 845**
Profit for the year from discontinuing operations					**297**
Loss attributable to non-controlling interests					(127)
Profit attributable to equity holders of the parent					**31 269**

Regarding the size of the group's main customers in terms of private healthcare service revenue, two customers represent a percentage greater than 16% each, of the group's activity.

3.3 EBITDA AND ADJUSTED EBITDA

Adjusted EBITDA is the performance measure followed by management to assess the performance of the group, and is calculated as follows:

	2024	2023
Profit before income tax from continuing operations	**48 614**	**34 614**
Finance income	(4 194)	(2 133)
Finance costs	24 694	21 709
Depreciation and amortization	42 852	42 275
EBITDA	**111 966**	**96 465**
Provision for legal risk (note 14.3.1)	3 362	3 297
Adjusted EBITDA	**115 328**	**99 762**
Margin EBITDA	15,7%	15,0%

Adjusted EBITDA excludes (i) discontinued operations, and (ii) the effects in 2024 and 2023 of the provision to address a legal risk associated with group's scope structure.

Margin EBITDA is calculated as adjusted EBITDA / Total operating income ratio.

3.4 OTHER INFORMATION

December 2024

	Private healthcare	Other activities	Corporate center	Eliminations and adjustments	Consolidated
Depreciation and amortization (note 8.4)	35 339	1 395	6 889	(771)	42 852
Investment in property, plant and equipment (note 12.1)	47 028	614	1 694	-	49 336
Investment in intangible assets (note 12.3)	166	59	8 302	-	8 527

December 2023

	Private healthcare	Other activities	Corporate center	Eliminations and adjustments	Consolidated
Depreciation and amortization (note 8.4)	35 551	1 342	5 729	(347)	42 275
Investment in property, plant and equipment (note 12.1)	26 283	543	553	-	27 379
Investment in intangible assets (note 12.3)	81	68	6 911	-	7 060

The group does not disclose information about the financial position by operating segments since this information is not used by the Board of Directors and the Executive Committee in the decision-making process.

4 REVENUE

[POLICY]

Revenue

Revenue or income is recognized whenever economic benefits are likely to flow to the group and it can be reliably estimated, being measured at the fair value of the consideration received or receivable, net of discounts granted and taxes.

Healthcare services

Revenue from healthcare services rendered in the private segment, for the majority of the services is recognized at a point in time based on the completion of each medical service, namely in respect of appointments, urgencies, surgeries, exams or deliveries, as it is understood that for all these services the fulfillment of the performance obligation is substantially completed at the time that medical act is performed. In respect of hospitalization services, revenue is recognized over time through the period of time that the service is rendered.

All services are valued in accordance with the price lists defined for each medical service rendered, regardless of its actual billing.

Sale of goods

Revenue from the sale of medical devices by the group's logistic operator, has only one performance obligation, as such revenue is recognized when the goods are transferred to the customer.

The criteria for recognizing the remaining activities are presented in note 19.11.4

[ESTIMATE]

Revenue valuation

Valuation of the healthcare services performed is estimated based on the price lists agreed with the clients, with the final amount of consideration being billed only after the closing of the clinical/ administrative file, which for a part of the revenue is only achieved in the following year, although no performance obligation is to be performed. The amount of revenue recognized as at 31 December 2024 for which the invoice will be issued in the following year amounts to €19.3 million (2023: €23.4 million), being recorded as accrued income in trade and other receivables heading in the balance sheet (note 11.1.2).

4.1 REVENUE BY ACTIVITY AND TIMING OF REVENUE RECOGNITION

	2024	2023
Revenue from services rendered		
Hospitals	660 789	604 575
Outpatient clinics	49 736	41 433
Residencial care hospitals	9 925	9 720
Senior residences with services	4 636	4 260
Other services	4 180	2 711
	729 266	662 699
Revenue from sales of goods	767	582
	730 033	**663 281**
Timing of revenue recognition		
At a point in time	666 145	601 199
Over time	63 888	62 082
	730 033	**663 281**

In 2024 (as in 2023) the growth in operating income of 9.9% derived mainly from (i) increase in the volume of medical acts performed by the group, and (ii) the price update of several medical services.

In the third quarter of 2024 a new outpatient clinic (Carreira clinic) started its operation in Funchal contributing to the Group's revenue in €0,4 million (2023: in the first quarter of 2023 a new outpatient clinic – Luisa Todi clinic - opened in Setúbal contributing to the Group's revenue in 2024 and 2023 with €1.1 million and €0.6 million, respectively).

The caption other services include mainly the amounts related to the operation of car parking and retail stores existing in the group's hospital units, as well as the revenue associated with the rendering of training services.

4.2 CONTRACT ASSETS AND LIABILITIES

Contract assets and liabilities can be presented as follows:

	2024	2023
Contract assets	-	-
Contract liabilities (note 11.5)	(9 330)	(9 749)
	(9 330)	**(9 749)**

The majority of the contract liabilities are related to advance payments made by clients of the private healthcare segment and deferred revenue related with the lifetime use rights established with its customers by the senior residence business unit.

5 INVENTORIES CONSUMED AND SOLD

	2024	2023
Inventories at 1 January (note 11.3)	**15 675**	**16 217**
Purchases	92 745	90 104
Inventory regularizations	325	(527)
Write-off of inventories (note 8.2)	(274)	(581)
Inventories at 31 December (note 11.3)	**(14 969)**	**(15 675)**
Inventories consumed and sold	**93 502**	**89 538**

In 2024 and 2023 the group has written-off inventories related to the activity of its trading subsidiary (GLST), this expense was included in profit or loss under the item other operating expenses (note 8.2).

The inventory written-off were impaired in the amount of €0.1 million (2023: €0.4 million), and as such the group released this impairment, in the statement of profit or loss under the line item impairment, net of reversals (note 8.3).

6 COST OF SERVICES AND MATERIALS

[ESTIMATE]

The group recognizes monthly an estimate for fees payable to its self-employed professionals. This estimate is recorded based on the historic payments, the agreements established with each service provider, the time worked, the number of clinical procedures performed, and the nature of the services rendered. The final calculation of the amount payable may occur in the period after the approval of these financial statements and as such there may be differences between the estimated amounts and the final amounts paid. The accrued expense for fees payable on 31 December 2024 amounts to €40.2 million (2023: €38.0 million) (note 11.4), being recognized in the profit or loss, in the item cost of services and material in the caption's subcontracts or professional fees.

	2024	2023
Subcontracts	148 552	137 697
Self-employed professional fees	113 495	105 260
Specialized work	20 425	18 234
Maintenance and repair	17 862	16 113
Electricity	5 534	2 451
Security and surveillance	2 735	2 527
Travel and accommodation	2 186	2 008
Communication	2 085	1 656
Fuels	2 008	2 455
Insurance	1 988	1 586
Marketing	1 848	1 824
Materials	1 412	1 296
Leases	1 237	1 322
Other materials and services consumed	2 416	2 543
	323 783	**296 972**

The increase in cost of services and materials is in line with the growth of the group´s activity, especially in subcontracts and self-employed professional fees. These two captions include mainly

the expense for healthcare services rendered by self-employed healthcare professionals (physicians, nurses and technicians) to the different units of the group.

The specialized work caption is mainly related to the contracting of consultancy services, most of which is related to IT systems. Maintenance and repair captions are related to maintenance contracts related to the equipment and infrastructures operated by the group.

The growth in the electricity caption is mainly due to the increase in the component related to network access tariffs.

7 PERSONNEL EXPENSES

[POLICY]

Group personnel are entitled to one month of vacation leave and one month of vacation allowance, a right acquired in accordance with Portuguese labor law in the year prior to its use or payment. Additionally, according to the performance evaluation system in place, the personnel and Board of Directors executive members may receive a bonus in the case of achieving certain goals, a constructive right also acquired in the year prior to its payment. The liabilities related with these commitments are recognized in the statement of profit or loss in the period in which the personnel and Board Directors acquire the referred rights, regardless of the date of their use / payment. The liability assumed is recognized in the balance sheet under the item other payables.

[ESTIMATE]

The group recognizes a monthly estimate for bonuses and other variable remunerations payable to its personnel and corporate bodies members, in accordance with the achievement of individual and group objectives.

The variable remuneration of the executive members of the Board of Directors of Luz Saúde is determined by the Remuneration Committee based on the assessment made on the performance of the previous year, among other factors.

The cost estimate for 2024 recorded in the balance sheet under the other payables item was prepared based on Management's best estimate of the performance for the current year, with the final value only known in the following year. The amount recorded by the group on 31 December 2024 to face this liability amounts to €10.7 million (2023: €9.7 million).

	2024	2023
Corporate body remunerations	5 117	4 290
Personnel wages and salaries	145 703	130 387
Payroll related expenses	30 711	27 301
Other personnel expenses	8 018	6 756
	189 549	**168 734**

The number and distribution of the group's personnel by business segment can be presented as follows:

	2024	2023	Change
Private	5 480	5 421	59
Other activities	149	124	25
Corporate center	895	864	31
Total	**6 524**	**6 409**	**115**

The Statutory Auditor's fees for the year 2024, can be presented as follows:

	2024	2023
Statutory audit	265	303
Other services different from statutory audit	93	507
	358	**810**

The fees presented refer to the operations contracted with the statutory auditor in place in each of the years. In addition to the amounts presented above, the former auditor in 2024 invoiced other assurance services in the amount of €0.4 million.

8 OTHER OPERATING INCOME AND EXPENSES

8.1 OTHER OPERATING INCOME

	2024	2023
Operating grants	560	920
Clinical trials	807	648
Other operating income	1 474	2 008
	2 841	**3 576**

Operating grants refer to research and development projects in which the group participates, being deferred in the balance sheet in the item contract liabilities, and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

8.2 OTHER OPERATING EXPENSES

	2024	2023
Taxes	8 221	7 794
Affiliation fees	308	307
Donations	169	94
Inventories write-off (note 5)	274	581
Other operating expenses	506	828
	9 478	**9 604**

Taxes include mainly VAT supported and property tax related to the group's activity. The increase in these captions is mainly due to the increase in VAT supported.

8.3 IMPAIRMENT, NET

	2024	2023
Trade and other receivables (note 15.1.3.3)	1 304	2 094
Inventories (note 11.3.1)	(141)	(418)
Property, plant and equipment (note 12.1.1)	(15)	(16)
	1 148	**1 660**

8.4 DEPRECIATION AND AMORTIZATION

	2024	2023
Property, plant and equipment (note 12.1.1)	19 518	17 426
Right-of-use assets (note 12.2.2)	20 432	22 212
Intangible assets (note 12.3.1)	2 902	2 637
	42 852	**42 275**

9 FINANCE COST, NET

[POLICY]

Finance costs include interest incurred, losses from fair value of financial assets, other bank costs related to the financing of the group's operations and losses from derivative financial instruments being recognized in the statement of profit or loss on an accrual basis.

Interest or gains generated in the sale of assets are presented as finance income where they are earned from financial assets that are held for cash management purposes or in terms of non-core investment, any other interest or gain in the sale of an asset is included in the profit or loss in the item other operating income. Finance income includes interest, gains from fair value or disposal of financial assets, gains from derivative financial instruments, is recognized in the period to which they relate. Dividends are also recognized from the moment the obligation to distribute dividends is constituted by the investee.

	2024	2023
Finance costs		
Interest expense (note 9.1)	21 192	19 623
Loss on fair value of financial assets (note 14.1.3)	501	517
Loss on derivative financial instruments (note 14.2.3)	1 192	-
Other finance expenses (note 9.2)	1 809	1 569
	24 694	**21 709**
Finance income		
Interest income	(142)	(22)
Gain on fair value of financial assets (note 14.1.3)	(227)	(280)
Dividends (note 9.3)	(429)	(12)
Interest from derivative financial instruments (note 14.2.3)	(1 608)	(1 819)
Gains from the disposal of financial assets (note 9.4 and 14.1.1)	(1 788)	-
	(4 194)	**(2 133)**
Finance costs, net	**20 500**	**19 576**

9.1 INTEREST EXPENSE

The growth in the caption interest expense is mainly because the group's debt is exposed to Euribor index rate renewal. In 2024 this index rate has accentuated its decrease from June 2024 onwards, therefore with limited impact in 2024 profit or loss as it only impacted the renewals of the second half of the year.

	2024	2023
Commercial paper	6 317	6 777
Lease liabilities	7 499	5 908
Bank loans	5 516	5 867
Bond loans	854	1 073
Other loans	1 210	388
	21 396	**20 013**
Capitalized interest	(204)	(390)
Total interest in the profit or loss	**21 192**	**19 623**

9.2 OTHER FINANCE EXPENSES

Other finance expenses include mainly expenses (other than interests) related with borrowings contracted by the group (set up and maintenance fees), recognized in the profit or loss applying the effective interest rate method.

9.3 DIVIDENDS

Dividends are received from financial assets measured at fair value through profit or loss. Dividends are recognized in the profit or loss in the item finance income when the right to receive is established. The amounts recognized by the Group were paid by the following investees:

	2024	2023
Explorer Growth Fund III, FCR	213	12
Explorer Growth Fund IV, FCR	211	-
Other	5	-
	429	**12**

9.4 GAINS IN THE DISPOSAL OF FINANCIAL ASSETS

In December 2024 and following the end of the PPP contract to manage the Hospital Beatriz Ângelo, the group completed the sale of its shareholding stake in HL-SGE (the entity responsible for the construction and management of the hospital facility) by an amount of €2.4 million, generating a gain of some €1.8 million.

10 INCOME TAX

[POLICY]

Income tax includes current and deferred tax. Income taxes are recognized in the statement of profit or loss, except when they are related to items recognized directly in equity, in which case they are also recorded in equity.

Current taxes are those that are expected to be paid based on the taxable income calculated in accordance with the tax rules in force and using the approved or substantially approved tax rate. Deferred taxes are calculated according to the liability method based on the reporting date, on temporary differences between the book values of the assets and liabilities, and their tax base, using the tax rates approved or substantially approved at the reporting date and that are expected to be applied when the temporary differences are reversed. Deferred tax assets are recognized only to the extent that it is expected that there will be taxable profits in the future, to use the temporary differences.

Since 1 January 2024, and in accordance with the Corporate Income Tax Code (CIRC), Luz Saúde has ended its own special tax regime for groups of companies (RETGS), and the majority of the subsidiaries that compose the group, entered Fidelidade's tax group, which includes all entities in which the parent company of the tax group participates, directly or indirectly, in at least 75% of the share capital.

Current taxes are determined based on the accounting results adjusted according to the tax law in force. In 2024, companies' resident in Portugal are subject to a corporate income tax rate of 21%, plus a municipal surcharge of up to a maximum of 1.5% of taxable profits, and a State surcharge of 3% of taxable profits between €1.5 million and €7.5 million and 5% on taxable profits between €7.5 million and €35 million, and 9% on taxable profits above €35 million. From 1 January 2025 onward, income tax rate changes from 21% to 20%, as such in the current year the Group company updated the impact of this change in terms of its deferred tax assets and liabilities.

The group offsets deferred tax assets and liabilities whenever: (i) the group has the legally enforceable right to offset current tax assets and current tax liabilities; (ii) deferred tax assets and liabilities relate to income taxes levied by the same tax authority and on the same taxable entity or on different taxable entities that intend to settle current tax liabilities and assets on a net basis, or realize the assets and settle liabilities simultaneously, in future periods when deferred taxes are expected to be settled or recovered.

[ESTIMATE]

The calculation of income tax and deferred tax amounts requires certain interpretations and estimates. There are several transactions and calculations for which the determination of the final amount of tax payable is uncertain during the normal business cycle. Other interpretations and estimates could result in a different level of taxes on profits, current and deferred, recognized in the period, of which we highlight:

- the recognition of deferred tax assets only to the extent that it is expected that there will be taxable profits in the future, sufficient to use the deductible temporary differences. At 31 December 2024, in addition to the amounts recorded in the consolidated balance sheet, in the item deferred tax assets, the group has tax losses in the approximate amount of €0.8 million (2023: €0.8 million) for which no deferred tax assets have been recognized.
- recognition of deferred tax assets in relation to tax credits arising from investment in research and development projects under SIFIDE tax incentives. Bearing in mind that the value of the tax credit for each year is only known in the following year, the group estimates

the value of the tax credit based on efforts made in the year and historical approval rates, weighted by a prudence coefficient. At 31 December 2024, the amount recorded based on an estimated basis amounts to approximately €2.2 million (2023: €1.8 million).

From 2024 onwards, in accordance with the current tax structure, where most of the Luz Saúde subsidiaries are part of Fidelidade tax group, the recoverability of deferred taxes is dependent on the ability of Fidelidade's tax group to generate taxable income that allows the recoverability of these assets.

The Tax Authorities are responsible for reviewing the calculation of the tax assessment made by the group over a period of four to ten years, in the event of carrying forward tax losses (five years for Social Security). It is possible that there may be corrections to the tax returns, mainly resulting from differences in the interpretation of tax law. However, the Board of Directors believes that there will be no significant corrections to taxes on profits recorded in the financial statements.

10.1 INCOME TAX ON THE STATEMENT OF PROFIT OR LOSS

The breakdown of the income tax at 31 December 2024 and 2023 can be analyzed as follows:

	2024	2023
Tax reported in the statement of profit or loss, is related with:		
Tax from continuing operations	(9 812)	(3 769)
Tax from discontinuing operations (note 14.4.5)	649	2 426
Total tax reported in the statement of profit or loss	**(9 163)**	**(1 343)**
Tax from continuing operations:		
Current tax	(17 997)	(9 778)
Tax from previous years	(747)	645
Deferred income tax (note 10.3)	8 932	5 364
Total of tax from continuing operations	**(9 812)**	**(3 769)**

10.2 RECONCILIATION OF THE EFFECTIVE TAX RATE OF INCOME TAX

The tax rate reconciliation can be analyzed as follows:

	2024	2023
Profit for the year from continuing operations	38 802	30 845
(Loss) / profit for the year from discontinuing operations	(273)	297
Income tax expense	9 163	1 343
Profit before income tax	**47 692**	**32 485**
Tax using the income tax rate of 21%	*21,00%	*21,00%
	(10 015)	(6 822)
Local and state surtax	(3 228)	(2 346)
Financing expenses above 30% EBITDA	(915)	-
Autonomous taxation	(788)	(674)
Tax from previous years	(747)	645
Tax rate change to 20% on deferred tax assets and liabilities	(539)	-
SIFIDE tax credit	3 900	7 043
Other credits from tax benefits	2 497	324
Non-taxable gain in the disposal of HL-SGE	376	-
Other effects	296	487
	(9 163)	**(1 343)**

10.3 DETAIL OF DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities at 31 December 2024 and 2023 can be presented as follows:

	2023	Recognized in the profit or loss	Used	Recognized in OCI	2024
Deferred tax assets					
Valuation of property, plant and equipment	667	(37)	-	-	630
Provisions and impairment losses	4 800	463	-	-	5 263
Tax losses carried forward (note 10.5)	2 697	5 378	(415)	-	7 660
Other deferred tax assets (note 10.3.1)	14 473	4 160	(75)	-	18 558
	22 637	**9 964**	**(490)**	-	**32 111**
Deferred tax liabilities					
Valuation of property, plant and equipment	(3 640)	116	-	-	(3 524)
Goodwill	(1 271)	(91)	-	-	(1 362)
Derivatives (note 14.2)	(218)	-	-	26	(192)
Other deferred tax liabilities (note 10.3.2)	(5 186)	(1 057)	-	-	(6 243)
	(10 315)	**(1 032)**	**-**	26	**(11 321)**
Deferred tax asset, net	**12 322**	**8 932**	**(490)**	**26**	**20 790**

	2022	Recognized in the profit or loss	Used	Recognized in OCI	2023
Deferred tax assets					
Valuation of property, plant and equipment	670	(3)	-	-	667
Provisions and impairment losses	3 939	861	-	-	4 800
Tax losses carried forward (note 10.5)	3 003	90	(396)	-	2 697
Other deferred tax assets (note 10.3.1)	10 547	5 773	(1 847)	-	14 473
	18 159	**6 721**	**(2 243)**	**-**	**22 637**
Deferred tax liabilities					
Valuation of property, plant and equipment	(4 268)	628		-	(3 640)
Goodwill	(1 111)	(160)	-		(1 271)
Derivatives (note 14.2)	(678)	-		460	(218)
Other deferred tax liabilities (note 10.3.2)	(3 361)	(1 825)	-	-	(5 186)
	(9 418)	**(1 357)**	**-**	**460**	**(10 315)**
Deferred tax asset, net	**8 741**	**5 364**	**(2 243)**	**460**	**12 322**

10.3.1 OTHER DEFERRED TAX ASSETS

Other deferred tax assets, refer mainly to tax credits obtained from tax incentives in place, which can be detailed as follows:

	2024	2023
SIFIDE tax credit	16 188	11 844
Conventional remuneration of share capital tax credit	295	468
CFEI II tax credit	371	417
Other	1 704	1 744
Other deferred tax assets	**18 558**	**14 473**

In terms of maturity, SIFIDE tax credits have the following maturity in terms of its use:

Year of reference	Maturity	Amount
2016	2024	186
2017	2025	198
2018	2026	223
2019	2027	458
2020	2030	1 654
2021	2031	3 672
2022	2030	5 114
2023	2031	3 579
2024	2032	1 104
	Total	**16 188**

The amounts with maturity until 2026, were recognized following a ruling of the arbitral tribunal from December 2024, which has attributed to the group the possibility to utilize these credits in the tax returns filed previously to 2018.

10.3.2 OTHER DEFERRED TAX LIABILITIES

This caption includes mainly an amount of €6.2 million (2023: €5.2 million) related with temporary differences in respect of adjustments and eliminations entries made in the consolidation process.

10.4 DEFERRED TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME (OCI)

Deferred tax liability recognized directly in OCI refers to the tax effect related with the fair value of the hedged derivative contracts that the group recognizes directly in OCI (note 14.2).

10.5 DEFERRED TAX FROM TAX LOSSES CARRY FORWARD

At 31 December 2024, the group has tax losses carried forward of €38.3 million, composed by:

- €12.1 million (2023: €13.6 million), related with losses from prior years generated by three of the subsidiaries of the Group prior to its inclusion in the tax group;
- €25.6 million related with losses generated by subsidiaries of the group in 2024, which from 1 January 2024 onwards are part of Fidelidade tax group, and therefore its recoverability is dependent on the taxable income generated by the mentioned tax group. Until 31 December 2023 these losses were presented on the balance sheet (on the current income tax item) on a net basis together with the taxable income of the remainder of Luz Saúde subsidiaries. From 1 January 2024, the group presents tax losses and taxable income assessed on an individual basis, on separate line items in the balance sheet (under deferred tax asset and current income tax liability) as management of Luz Saúde does not control the moment in which these losses will be recovered; and
- €0.6 million, was generated by the subsidiaries that were not included in Fidelidade tax group, as they do not met the criteria of ownership to be enter the tax group.

10.6 OECD MODEL RULES – PILLAR TWO

Fidelidade group complies with the application requirements of European Directive 2022/2523 of 15 December 2022, usually referred to as Pillar Two. Consequently, the group is also obliged to comply with the requirements of said legislation.

The date of enactment of the legislation in Portugal is quite recent (Law number 41/2024 of 8 November 2024), and its adoption is still in progress by Fidelidade, a Partially-Owned Parent Entity (POPE") of Fosun group's operations in Portugal.

The adoption by Luz Saúde and its subsidiaries is dependent of the instructions of Fidelidade. Until the date of approval of these financial statement Luz Saúde has not received any instructions which could lead to any material impact on the preparation of these financial statements, and as such it has no known tax exposure related to this matter.

C FINANCIAL POSITION

11 WORKING CAPITAL

The group working capital on 31 December 2024 and 2023, can be presented as follows:

	2024	2023
Trade and other receivables (note 11.1)	108 928	120 134
Inventories (note 11.3)	14 402	14 968
Other current assets (note 11.2)	8 163	7 749
Trade and other payables (note 11.4)	(130 147)	(129 326)
Contract liabilities (note 11.5)	(9 330)	(9 749)
Current income tax receivable / (payable) (note 10.3)	(3 465)	1 885
Working Capital	**(11 449)**	**5 661**

The variation in working capital compared to 2023 is mainly due to a significant decrease in the average collection period.

11.1 TRADE AND OTHER RECEIVABLES

[POLICY]

Trade and other receivable are recognized at their fair value since they have no implicit interest and are classified as assets, and they are subsequently measured using the amortized cost method, which is estimated to be identical to its nominal amount, less impairment losses associated with them.

If collection is expected to occur within one year or less after the date of the reporting date, the assets are classified as current, otherwise, they are classified as a non-current.

A contract asset is a right to receive cash in exchange for goods or services transferred to the customer, which is conditional on the fulfillment of an additional performance conditions.

[ESTIMATE]

Impairment losses related to doubtful debts are based on the group's assessment of the probability of recovery of the receivable balance (note 15.1) and on the results of the expected credit loss provisioning model applied to credits of an operational nature. Both the valuation process and the expected credit loss simplified provisioning model vary depending on the time of default, the debtor's credit history, the nature of his activity and the deterioration of the debtors' credit situation. At 31 December 2024 the group had a provision level for impairment of receivables resulting from its commercial operations of 15.3% (2023: 13.0%). If the debtors' financial conditions deteriorate, impairment losses may be higher than expected.

	2024	2023
Trade receivables		
Trade receivables	57 626	63 242
Trade receivables - related parties (note 18.5)	21 945	21 455
Accrued income for clinical services to be invoiced (note 11.1.2)	19 265	23 358
Doubtful trade receivables	22 063	24 423
Impairment of trade receivables (note 15.1.3.3)	(18 531)	(17 239)
	102 368	**115 239**
Other receivables		
Other accrued income (note 11.1.2)	879	1 120
State and other public entities (note 11.1.3)	4 589	3 775
Other receivables	3 105	1 995
	8 573	**6 890**
	110 941	**122 129**
From which:		
Current	108 928	120 134
Non-current	2 013	1 995

11.1.1 TRADE RECEIVABLES

11.1.1.1 Classification as trade receivables

Trade receivables are amounts due for services rendered or sales made in the ordinary course of the group's business, and for which the group has no longer performance obligations to be fulfilled. They are generally due for settlement within 30 days and are therefore all classified as current.

11.1.1.2 Factoring

[POLICY]

Financial assets are derecognized when (i) the group's contractual rights to receive future cash flows expire, (ii) the group has substantially transferred all the risks and benefits associated with its ownership, or (iii) nevertheless retains part, but not substantially, of the risks and benefits associated with the ownership of the receivables and the group has transferred the control over its assets.

The group uses full factoring to anticipate the financial inflow associated with some of its receivables. Full factoring, to the extent that it substantially transfers the rights and risks over the financial assets to third parties (namely credit and default risk and cash flow risk from a contractual date), allows the group to derecognize these assets. At 31 December 2024, the amounts derecognized under full factoring amount to approximately €24.5 million (2023: €18.1 million).

11.1.1.3 Fair value of trade receivables

Due to the short maturity of the trade receivable balances, it is considered that their carrying amount has no relevant difference to their fair value.

11.1.1.4 Trade receivable impairment and credit risk

Information about trade receivable impairment and the group's exposure to credit risk is presented in note15.1. During the year, a net impairment loss of €1.3 million (2023: €2.1 million) was recognized in the statement of profit or loss under the item impairment, net of reversals (note 8.3).

11.1.2 ACCRUED INCOME

	2024	2023
Clinical services to be invoiced	19 265	23 358
Other accrued income	879	1 120
	20 144	**24 478**

Clinical services to be invoiced refers to services already rendered with no additional performance obligations to be fulfilled, waiting for the completion of the billing process. Despite the increase in group revenue, this heading decreased due to the efforts made by the group to reduce the balance of services to be invoiced.

11.1.3 STATE AND OTHER PUBLIC ENTITIES

This caption includes only recoverable value added tax (VAT) in respect of VAT deductible that entitles the group to demand for its reimbursements or that can be used to offset future VAT payable.

11.2 OTHER CURRENT AND NON-CURRENT ASSETS

	2024	2023
Deferred expenses	7 628	8 228
Advances to suppliers	2 505	1 549
	10 133	**9 777**
From which:		
Current	8 163	7 749
Non-current	1 970	2 028

11.3 INVENTORIES

[POLICY]

Inventories comprise materials to be used by healthcare units and goods for sale to third parties within the scope of the GLST subsidiary's activity. In both cases materials are valued at the lower between acquisition cost and net realizable value. The acquisition cost comprises the expenses incurred until the storage of the inventories, using the weighted average cost.

The net realizable value corresponds to the estimated selling price less estimated selling costs.

	2024	2023
Drugs	4 238	4 455
Clinical devices	9 928	10 573
Other	803	647
	14 969	15 675
Impairment of inventories	(567)	(707)
	14 402	**14 968**

11.3.1 AMOUNTS RECOGNIZED IN PROFIT OR LOSS

In note 5 are presented the details of inventories consumed and sold.

During 2024 the group reversed €0.1 million (2023: €0.4 million) of a previous period inventory write-down, as the stocks impaired have been sold during 2024. The reversal of the impairment was included in the profit or loss statement under impairment, net of reversals (note 8.3).

11.4 TRADE AND OTHER PAYABLES

[POLICY]

Trade and other payables include the liabilities related to the acquisition of goods or services by the group in the normal course of its activities. If payment is due within one year or less after the reporting date, they are classified as current liabilities, otherwise, they are classified as non-current liabilities.

Trade and other payables, considered as current liabilities, are initially recognized at their fair value less transaction costs incurred and are subsequently measured at amortized cost based on the effective rate method, which is estimated to be identical to its nominal value, ie, at cost.

	2024	2023
Trade payables		
Trade payables (note 11.4.1)	30 239	34 857
Trade payables - related parties (note 18.4)	37	132
Fixed asset suppliers	4 458	5 068
Trade payables total	**34 734**	**40 057**
Other payables		
Other payables - accrued expenses (note 11.4.2)		
Professional fees payable	40 192	38 040
Personnel related expenses	35 708	32 440
Accrued expenses LURs	549	548
Other accrued expenses	10 474	9 541
	86 923	**80 569**
Other payables - other creditors (note 11.4.3)		
State and other public entities (note 11.4.3.1)	6 659	5 904
Other creditors	1 831	2 796
	8 490	**8 700**
Other payables total	**95 413**	**89 269**
Trade and other payables total	**130 147**	**129 326**

11.4.1 TRADE PAYABLES

11.4.1.1 Classification as trade payables

Trade payables balances are amounts due for services or goods acquired in the normal course of the group's business. They are unsecured balances with a payment term between 30 to 90 days.

11.4.1.2 Fair value of trade payables

Due to the maturity associated with the balances presented above, it is considered that their carrying value has no material difference to their fair value.

11.4.2 OTHER PAYABLES - ACCRUED EXPENSES

The caption professional fees payable refers to the estimated liability to professionals without permanent labor contract with the group. This estimate is recorded based on the historical amounts, the agreements established with each service provider, its work time or number of clinical acts performed.

The caption personnel related expenses includes the liabilities for personnel's vacation leave, vacation allowance and variable remuneration.

Accrued expenses LURs (lifetime use rights) result from the recognition of the liability associated with lifetime use contracts for senior residences operated by the group.

Other accrued expenses refer mainly to the estimated liability incurred in the contracting of services related with the group operations.

11.4.3 OTHER PAYABLES – OTHER CREDITORS

11.4.3.1 State and other public entities

	2024	2023
Social security contributions	3 435	3 034
Personal income tax	1 934	1 899
Value added tax	1 290	971
	6 659	**5 904**

11.5 CONTRACT LIABILITIES

[POLICY]

Contract liability is an obligation to transfer goods or services to a customer, for which the group has already received the amount (or the amount is already due) from the customer. If the customer pays the amount before the group transfers the goods or services to him, the liability for the contract is recognized upon payment or the payment becomes due (whichever comes first). Contract liability is recognized as revenue when the group meets the performance obligation related with the contract.

The group recognized the following contract liabilities:

	2024	2023
Deferred income LRUs	3 092	2 722
Advances from clients	6 238	7 027
	9 330	**9 749**

Deferred income LRUs (lifetime rights of use) are related to the business of senior residences, the income from the sale of these rights is initially recorded in deferred income and is regularly recognized as revenue on a straight-line basis over the expected life of each client. These balances as well as the amount of advanced from clients meet the criteria to be considered as a contract liability.

12 FIXED ASSETS

The group's capital expenditure, for the years ended 31 December 2024 and 2023, can be presented as follows:

	2024	2023
Property, plant and equipment (note 12.1.1)	49 336	27 379
Right-of-use assets (note 12.2.1)	24 123	40 614
Intangible assets (note 12.3.1)	8 527	7 060
Capital expenditure	**81 986**	**75 053**

Approximately €23.5 million (2023: €35.1 million) refers to expansion investment. The remaining investment refers to the development of IT projects related to the digitalization of the operations (€8.3 million), refurbishment of healthcare unit facilities (amounted to some €10.5 million, invested in Torres de Lisboa, Setúbal and Oporto) and the acquisition of clinical equipment for several units of the group.

At 31 December 2024, the group had assumed investment commitments in the amount of €121.8 million (2023: €18.3 million) for which no assets or liabilities are recognized at 31 December 2024.

12.1 PROPERTY, PLANT AND EQUIPMENT

[POLICY]

Property, plant and equipment is valued at acquisition/ construction cost less accumulated depreciation and impairment losses. The acquisition/ construction cost includes the invoice price, transportation and assembly expenses, financial charges, and exchange rate differences on bank loans, incurred during the construction period, and any indirect costs attributable to it during the construction period.

Gains or losses arising from the disposal of property, plant and equipment are determined by the difference between the disposal amount less transaction costs and the carrying amount of the asset, this gain or loss is recorded in the statement of profit or loss under other operating income or other operating expenses.

Property, plant and equipment in progress represent the assets still in the construction phase and are recorded at acquisition cost. These assets are depreciated from the month in which they are fully available to be used for their intended purposes.

Land is not depreciated. Depreciation of the remaining property, plant and equipment assets is calculated using the straight-line method, starting from the month in which the assets are available for use. The depreciation rates used correspond, on average, to the following estimated useful lives:

	Years
Buildings	4 – 40
Basic equipment	2 – 20
Transport equipment	3 – 8
Office equipment	2 – 20
Other property, plant and equipment	3 – 20

Depreciation ceases when the assets are classified as held for sale.

When there is an indication that an asset may be impaired, its recoverable amount is estimated, and an impairment loss is recognized whenever the carried amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the profit or loss, in the item impairment, net of reversals.

[ESTIMATE]

Depreciation is calculated on the acquisition cost using the straight-line method, starting from the month in which the asset is available for use. The depreciation rates used reflect the best knowledge about the estimated useful life. The residual values of the assets and the respective useful lives are reviewed and adjusted, when necessary.

12.1.1 MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Basic and transport equipment	Office equipment	Other assets	In progress	Total
Acquisition cost						
At 1 January 2023	471 086	174 376	9 218	5 596	18 923	679 199
Additions	1 287	7 008	469	451	18 164	27 379
Disposals	(8)	(1 859)	(70)	(38)	(34)	(2 009)
Write-offs and adjustments	(176)	(261)	(80)	(4)	(659)	(1 180)
Transfers	7 501	1 704	61	57	(12 334)	(3 011)
At 31 December 2023	**479 690**	**180 968**	**9 598**	**6 062**	**24 060**	**700 378**
At 1 January 2024	479 690	180 968	9 598	6 062	24 060	700 378
Additions	2 676	5 320	428	503	40 409	49 336
Disposals	-	(2 001)	(87)	(26)	(2)	(2 116)
Write-offs and adjustments	(268)	(683)	(44)	(1)	(320)	(1 316)
Transfers	17 688	2 198	(7)	73	(3 119)	16 833
At 31 December 2024	**499 786**	**185 802**	**9 888**	**6 611**	**61 028**	**763 115**
Accumulated depreciation						
At 1 January 2023	166 104	147 933	8 156	4 431	-	326 624
Depreciation for the year (note 8.4)	8 417	8 205	508	296	-	17 426
Disposals	(8)	(1 838)	(70)	-	-	(1 916)
Write-offs and adjustments	4	(173)	(76)	(47)	-	(292)
At 31 December 2023	**174 517**	**154 127**	**8 518**	**4 680**	**-**	**341 842**
At 1 January 2024	174 517	154 127	8 518	4 680	-	341 842
Depreciation for the year (note 8.4)	10 162	8 468	550	338	-	19 518
Disposals	-	(1 926)	(87)	-	-	(2 013)
Write-offs and adjustments	238	(654)	(44)	(51)	-	(511)
Transfers	3 707	(2)	(5)	-	-	3 700
At 31 December 2024	**188 624**	**160 013**	**8 932**	**4 967**	**-**	**362 536**
					-	
Accumulated impairment losses						
At 1 January 2023	2 942	-	-	-	-	2 942
Impairment reversal	(16)					(16)
At 31 December 2023	**2 926**	**-**	**-**	**-**	**-**	**2 926**
At 1 January 2024	2 926	-	-	-	-	2 926
Impairment reversal (note 14.2)	(15)					(15)
At 31 December 2024	**2 911**	**-**	**-**	**-**	**-**	**2 911**
Net book value						
At 31 December 2023	**302 247**	**26 841**	**1 080**	**1 382**	**24 060**	**355 610**
At 31 December 2024	**308 251**	**25 789**	**956**	**1 644**	**61 028**	**397 668**

The transfers in the net amount of €13.1 million refer to the reclassification of assets that were previously recorded under the caption right-of-use of assets.

12.1.2 PROPERTY PLANT AND EQUIPMENT IN PROGRESS

At 31 December 2024, the property, plant and equipment in progress essentially include the investments made in the expansion of Hospital da Luz network, namely the expansion of Torres de Lisboa and the construction of new units in Santarém, Seixal, Figueira da Foz, Aveiro and Leiria.

12.1.3 PROPERTY, PLANT AND EQUIPMENT AS COLLATERAL

Some of the group's real estate properties, with a net book value on 31 December 2024 of approximately €63.1 million (2023: €64.6 million), are mortgaged as collateral to a bank to guarantee one of the group's finance line (note 13.6).

Additionally, the legal ownership of a set of properties held by the group with a net book value of approximately €262.9 million (2023: €240.6 million), is held by the financing banks, as part of the group's long-term financing activity. Under the terms of the contracts, the group has the right to repurchase the assets at the end of the contract, or at any moment of the contract, subject to the payment of a pre-agreed additional amount.

12.1.4 ACCUMULATED IMPAIRMENT LOSSES ON PROPERTY, PLANT AND EQUIPMENT

The impairment losses can be detailed as follows:

	2024	2023
Land at Av. Marechal Teixeira Rebelo in Lisbon	2 038	2 053
Santa Catarina clinic in Funchal	873	873
	2 911	**2 926**

12.2 RIGHT-OF-USE ASSETS

[POLICY]

Each lease agreement made by the group is assessed to determine whether it gives the right to control the use of an identifiable asset for a specified period in exchange for remuneration, whenever this happens (and beginning on 1 January 2019 onwards) the group recognizes in its non-current assets an asset for right-of-use and in liabilities the corresponding liability as a liability for lease, from the moment the asset becomes available for use.

The group enters to lease contracts to use assets in its operating activity such as real estate properties, clinical, medical and administrative equipment and vehicles. Typically lease contracts have a duration of periods of 4 to 10 years, except for real estate properties in which longer periods are considered and the duration of contracts may exceed 20 years, if the options provided for in the contract are exercised by the group. When applicable, the group allocates lease payments from the contract to lease components and other than leases, based on the value of each component, except for vehicle leases, in which it was decided not to separate the lease components and not lease, recognizing the two components together as if it were a single lease component.

Right-of-use assets are measured at cost, which comprises the initial measurement value of the lease liability, any lease payments made on or before the lease start date, less the lease incentives received, any initial direct costs (which includes all the necessary expenses to use the leased asset) and dismantling and replacement costs.

Some lease contracts have variable rents that are determined based on the level of utilization of the underlying assets. Since these contracts include minimum utilization commitments, the group believes that, for this minimum component, the conditions to consider these contracts as right-of-use assets are met.

Right-of-use assets are depreciated in the same way as property, plant and equipment assets, at the shorter of the assets' useful life and the lease term on a straight-line basis, except when the group

has a purchase option on the underlying asset and it is reasonably certain that that option will be exercised, the asset is depreciated over the underlying asset's useful life.

Additionally, the right-of-use asset is reduced by impairment losses, if any, and adjusted for any remeasurement of leasing liabilities.

12.2.1 RIGHT-OF-USE ASSETS - RECOGNIZED IN THE BALANCE SHEET

	2024			2023		
	Acquisition value	**Accumulated depreciation**	**Net book value**	**Acquisition value**	**Accumulated depreciation**	**Net book value**
Land and buildings	88 320	(24 763)	63 557	101 496	(23 850)	77 646
Basic equipment	134 148	(80 010)	54 138	119 175	(65 234)	53 941
Office equipment	476	(309)	167	423	(247)	176
Transport equipment	9 358	(5 564)	3 794	6 294	(4 370)	1 924
Other assets	245	(161)	84	243	(130)	113
	232 547	**(110 807)**	**121 740**	**227 631**	**(93 831)**	**133 800**

In the current year, the group recognized new contracts in the amount of €24.1 million (2023: €40.6 million), that includes a remeasurement of the actual contracts amounting to €1.0 million (2023: €1.5 million). Due to its materiality, it is important to highlight the contracts established in respect to the new facilities for the Corporate Center segment in Torres de Lisboa (€7.0 million).

The group has call options on the assets inherent to the above contracts, which at the reporting date have a carrying amount of approximately €54.4 million (2023: €53.3 million). These call options have a low value, and as such it is probable that the group will exercise these options when they reach the end of the lease period.

12.2.2 RIGHT-OF-USE ASSETS RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

	2024	2023
Depreciation of right-of-use assets (note 8.4)		
Buildings	3 803	5 256
Basic equipment	15 315	15 962
Transport equipment	1 221	899
Office equipment	62	65
Other assets	31	30
	20 432	**22 212**
Financial expenses (note 9)		
Interest expense on lease agreements	7 499	5 908
	7 499	**5 908**
Rents (note 6)		
Short term leases	288	312
Low-value leases	154	63
Variable payment leases	88	73
Lease agreements for intangible assets	707	874
	1 237	**1 322**

In the year 2024, payments made on lease liabilities contracts amounted to approximately €23.4 million (2023: €29.7 million), these payments included interests.

Lease liabilities are presented in note 13.6.3.

12.3 INTANGIBLE ASSETS

[POLICY]

Intangible assets are recognized at acquisition cost, less accumulated amortization and impairment losses, when applicable. Intangible assets are only recognized when it is probable that they will result in future economic benefits for the group and that they can be reliably measured.

Intangible assets with defined useful lives are amortized using the straight-line method, starting from the month in which they are available for use. The amortization rates used correspond, on average, to the following estimated useful lives:

	Years
Software	3 – 5
Property rights	3 – 10

Intangible assets with an indefinite useful life (goodwill) are not subject to amortization, being subject to impairment tests in the last quarter of each financial year or at the moment that there is an indication that they may be impaired.

[ESTIMATE]

The group annually tests for impairment of goodwill recognized as an intangible asset. For this purpose, the group estimates the recoverable amount of cash-generating units to which goodwill is allocated. The recoverable amount is determined based on the value in use, which results from discounting the estimated future cash flows, using a discount rate that reflects the risk associated with the asset valued. If the future cash flows considered are lower than those estimated, there may be a need to recognize an impairment loss of a significant amount.

12.3.1 MOVEMENTS OF INTANGIBLE ASSETS

	Goodwill	Software	Property rights	In progress	Total
Acquisition costs					
At 1 January 2023	147 677	23 279	87	3 792	174 835
Additions	-	143	-	6 917	7 060
Adjustments	-	(28)	-	(1)	(29)
Transfers	-	2 372	-	(2 372)	-
At 31 December 2023	**147 677**	**25 766**	**87**	**8 336**	**181 866**
At 1 January 2024	147 677	25 766	87	8 336	181 866
Additions	-	225	-	8 302	8 527
Adjustments	-	70	-	(413)	(343)
Transfers	-	4 033	(87)	(3 946)	-
At 31 December 2024	**147 677**	**30 094**	**-**	**12 279**	**190 050**
Accumulated amortization					
At 1 January 2023	-	16 058	80	-	16 138
Amortizations for the year (note 8.4)	-	2 637	-	-	2 637
Adjustments / Write-offs	-	(72)	-	-	(72)
At 31 December 2023	**-**	**18 623**	**80**	**-**	**18 703**
At 1 January 2024	-	18 623	80	-	18 703
Amortizations for the year (note 8.4)	-	2 902	-	-	2 902
Adjustments / Write-offs	-	(46)	-	-	(46)
Transfer and adjustments	-	80	(80)	-	-
At 31 December 2024	**-**	**21 559**	**-**	**-**	**21 559**
Net book value					
At 31 December 2023	**147 677**	**7 143**	**7**	**8 336**	**163 163**
At 31 December 2024	**147 677**	**8 535**	**-**	**12 279**	**168 491**

12.3.2 GOODWILL

Goodwill results from operations of business combinations, namely acquisitions of healthcare business.

The goodwill in the balance sheet can be presented as follows:

	Goodwill	
	2024	**2023**
HOSPOR	89 944	89 944
HLC	26 684	26 684
HLG	14 665	14 665
HLTL	8 721	8 721
HLA	3 611	3 611
HLF	3 126	3 126
Other acquisitions	926	926
Total goodwill	**147 677**	**147 677**

12.3.2.1 Goodwill impairment

The recoverable amount of goodwill is tested annually in the last quarter of each financial year, or whenever there is an indication of a possible loss in value. As mentioned, the recoverable amount is determined based on the value in use of the assets, which is calculated using methodologies based on discounted cash flow techniques (DCF), considering the historical performance, market conditions, future development expectations, time value and risks for each business.

For the purposes of the tests, carried out in the last quarter of 2024 and 2023, the group defined a set of assumptions to determine the recoverable amount of the investments made, of which the highlight the following:

Year	Calculation method	Projection period	Pre-tax discount rate	Perpetuity growth rate
2024	DCF	5 years	6.50%	2.0%
2024	DCF	5 years	4.95%	1.8%

The following should be noted:

- Projected cash flows are based on the budgets prepared by the companies and approved by their respective Board of Directors, which represents the first year of cash flows for the period under analysis;
- Medium and long-term projected cash flows are based on historical performance and business plans and are extended in perpetuity;
- The assumptions used in projecting cash flows for each of the cash-generating units are those to which the recoverable amount of the unit is most sensitive;
- The key assumptions used reflect past experience and external sources of information; and,
- The growth rate used is in accordance with the average long-term growth rate for the market in which the unit operates.

The impairment test includes a sensitivity analysis to some of the key assumptions used, namely regarding the following variables: (i) growth rate in perpetuity (0.5 pp) and (ii) discount rate (0.5 pp). The result of the sensitivity analysis did not trigger any indications of impairment.

As a result of these impairment tests carried out, the group concluded that on 31 December 2024 there was no need to recognize additional goodwill impairment losses.

12.3.3 SOFTWARE

Expenses related to maintaining software programs are recognized as an expense in the profit or loss when incurred. Development expenses that are directly attributable to the design, development and testing of identifiable and unique software controlled by the group are recognized as intangible assets where the following criteria are met:

- technical feasibility to complete the project;
- intention to complete the software and use;
- it can be demonstrated how the software will generate probable future economic benefits; and
- the expenditure attributable to the software during its development can be reliably measured.

Costs capitalized as part of the software include mainly outsourcing costs with external entities.

12.3.4 INTANGIBLE ASSETS IN PROGRESS

Assets in progress essentially refer to projects for the development/ implementation of new IT solutions related to the digitalization process of the group.

13 FINANCING OF OPERATIONS

13.1 CAPITAL MANAGEMENT

13.1.1 RISK MANAGEMENT

The group aims to maintain an adequate level of equity to allow it, to not only ensure the continuity and development of its activity, but also to provide adequate remuneration for its shareholders and the optimization of its cost of capital.

Capital structure is monitored based on financial leverage ratios, namely: net debt / invested capital (gearing), and net debt / EBITDA.

Targets for both ratios are a Gearing level below 60% and a Net Debt / EBITDA ratio between 3 and 4.

These ratios, on 31 December 2024 and 2023, as monitored by the group, are as follows:

	2024	2023
Net debt (note 13.6)	343 548	368 062
Total shareholders' equity	364 457	325 980
Invested capital	**708 005**	**694 042**
EBITDA (note 3.3)	111 966	96 465
Gearing (Net debt / Invested capital)	**48,5%**	**53,0%**
Net debt/EBITDA	**3,1**	**3,8**

Both ratios are within the adequate levels, as considered by the group for its internal management.

13.1.2 LOAN COVENANTS

For several loans, with a total carrying amount of €131.2 million at 31 December 2024 (2023: €151.1 million), the group is required to comply with the financial covenants presented below (being the ratios presented the most demanding in terms of the several contract that the group has in place):

- equity to assets ratio higher than 25%;
- debt to equity ratio less than 4; and
- net debt to EBITDA ratio less than 5.

The group has complied with these covenants at 31 December 2024, presenting the following outcomes in respect of each covenant (the results presented are only for indicative purpose, as the active contracts may have small differences in the way that the covenants are determined).

- equity to assets ratio of 39.6% (2023: 36.4%);
- debt to equity ratio of 1.05 (2023: 1.24); and
- net debt to EBITDA ratio of 3.1 (2023: 3.8).

There are no indications that the group may have difficulties complying with the covenants when they will be next tested as at the 31 December 2025.

13.2 EQUITY

13.2.1 SHARE CAPITAL

[POLICY]

Capital refers to the nominal value of the common shares issued. Share premium is recognized when the share issue value exceeds its nominal value. The costs of issuing new shares are recognized directly in this heading, net of the respective tax.

Own shares are valued at their acquisition price and recorded as a decrease to equity. When these shares are sold, the amount received, less any direct transaction costs and respective tax, is recognized directly in equity.

Luz Saúde's share capital is composed of 95 542 254 ordinary registered shares with a par value of one euro (31 December 2023: 95 542 254 shares), they entitle the holders to participate in dividend distribution, and to share the proceeds of winding up the company in proportion to the number of shares held. Ordinary shares also gives to their holders one vote per share in the company's shareholders meeting.

On the shareholders meeting held on 22 December 2023, shareholders approved, among other, the following resolutions:

(i) a share capital increase up to a maximum nominal amount of €23 885 563 through the issue of 23 885 563 new ordinary shares with a nominal value of one euro to be paid in cash through an offer of shares for private subscription;

(ii) the admission to trade in the regulated market managed by Euronext Lisboa of all the shares of the company's capital, including the shares to be issued.

These resolutions were dependent among other of the listing of the Companies shares in the Lisbon Stock Exchange, as the referred listing has not occurred, the resolutions have not been implemented.

13.2.2 SHARE PREMIUM

Share premium in the amount of €61.8 million can only be used to increase share capital or to cover losses generated in the company's operations.

13.2.3 RESERVES AND RETAINED EARNINGS

At 31 December 2024, and 2023, the balance of reserves and retained earnings (including comprehensive income for the year) can be presented as follows:

	2024	2023
Legal reserve	8 449	7 477
Unrestricted reserves	158 756	140 305
Retained earnings and other reserves	805	(9 272)
Comprehensive income for the year attributable to the owners of the company	38 815	29 540
	206 825	**168 050**

13.2.3.1 Non-distributable reserves

Non-distributable reserves include mainly the legal reserve created by the allocation of the net profit from the parent company until the 2023 financial year.

13.2.3.2 Unrestricted reserves and retained earnings and other reserves

Unrestricted reserves includes the allocation of profit from the parent company in previous years.

Retained earnings and other reserves includes essentially the results obtained by the group in previous years which are not available for immediate distribution to Shareholders.

Distributable reserves

Given that the distribution of earnings to shareholders must be carried out in accordance with the individual financial statements of Luz Saúde, part of the results generated by the group may have limitations in terms of distribution to shareholders, so it is recommended that these consolidated financial statements are read together with the individual financial statements of Luz Saúde, to have a better understanding about this matter.

Appropriation of results

According to the proposals presented and approved at the Shareholders Meetings held on 4 April 2024 and 26 May 2023, the individual profit of Luz Saúde, for the years of 2023 and 2022, had the following application:

	2023	2022
Legal reserve	971	821
Unrestricted reserves	18 451	15 607
Statutory profit allocation	**19 422**	**16 428**

13.3 EARNINGS PER SHARE

[POLICY]

Basic earnings per share is calculated by dividing the net profit/ loss attributable to the company's Shareholders by the weighted average number of ordinary shares outstanding during the period, excluding the average number of own shares held.

For the calculation of diluted earnings per share, the weighted average number of outstanding ordinary shares is adjusted to reflect the effect of all potential diluting common shares, such as those resulting from convertible debt or options on own shares granted to employees. The dilution effect translates into a decrease in earnings per share, resulting from the assumption that convertible instruments are converted or that the options granted are exercised.

	2024	2023
Profit from continuing operations attributable to equity holders of the company	39 140	30 973
Profit/(loss) from discontinued operations attributable to equity holders of the company	(273)	297
Average number of shares	95 542	95 542
Basic earnings per share from continuing operations	**0,410**	**0,324**
Basic earnings per share from discontinued operations	**(0,003)**	**0,003**
Total basic earnings per share	**0,407**	**0,327**

On the date of authorization for issue of these financial statements the group does not have financial instruments, with a diluting effect, so there is no difference between the basic and diluted earnings per share.

13.4 NON-CONTROLLING INTERESTS

The detail of non-controlling interests by subsidiary could be presented as follows:

	2024	2023
HLA	476	382
RML	1 261	1 277
SGHL	(5)	(44)
HLF	(1 438)	(1 023)
	294	**592**

13.4.1 MOVEMENT IN THE YEAR

	2024	2023
At 1 January	**592**	**1 007**
Loss of the year attributable to non-controlling interests	**(338)**	**(127)**
Dividends paid to non-controlling interests	-	(285)
Other	40	(3)
Transactions with non-controlling interests	**40**	**(288)**
At 31 December	**294**	**592**

The acquisition of non-controlling interests, in 2024, refers to the dilution of non-controlling interests in the subsidiary SGHL, following a share capital increase in the subsidiary.

Dividends paid in 2023, refers to the dividend distribution performed by the subsidiary HLA.

13.4.2 FINANCIAL INFORMATION OF SUBSIDIARIES WITH NON-CONTROLLING INTERESTS

The summary of financial information as at 31 December 2024 and 2023 for the main subsidiaries with non-controlling interests can be presented as follows:

	2024	2023	2024	2023	2024	2023
	HLA	HLA	RML	RML	HLF	HLF
Summarized net assets						
Current assets	7 292	10 039	70	92	3 180	3 129
Current liabilities	(6 979)	(6 405)	(4)	(1)	(4 291)	(3 278)
Current net assets/(liabilities)	**313**	**3 634**	**66**	**91**	**(1 111)**	**(149)**
Non-current assets	17 675	13 544	5 546	5 551	13 425	11 602
Shareholder loans	-	-	-	-	(18 071)	(15 536)
Non-current liabilities	(7 178)	(8 663)	-	-	(1 863)	(1 221)
Net assets/(liabilities)	**10 810**	**8 515**	**5 612**	**5 642**	**(7 620)**	**(5 304)**
Summarized results						
Total revenue	27 869	25 677	-	-	9 140	7 537
Profit before income tax	2 683	1 715	(41)	(25)	(3 367)	(2 375)
Income tax	(404)	(379)	9	5	1 051	527
Net profit	**2 279**	**1 336**	**(32)**	**(20)**	**(2 316)**	**(1 848)**
Summarized cash flows						
Operating cash flow	3 244	2 437	(20)	(46)	(1 501)	(1 405)
Investment cash flow	(1 869)	7 421	-	(6)	(407)	(1 195)
Financing cash flow	(1 458)	(9 581)	-	-	1 853	2 669
Change in cash and cash equivalents	**(83)**	**277**	**(20)**	**(52)**	**(55)**	**69**

13.5 CASH AND CASH EQUIVALENTS

[POLICY]

The amounts included in cash and cash equivalents correspond to the amounts of cash in hand, bank deposits, short term deposits and other, maturing in or less than three months and with an insignificant risk of change in value.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the amounts recorded in the balance sheet with a maturity of less than three months, which includes cash in hand, bank deposits and bank overdrafts.

	2024	2023
Cash in hand	1 173	1 212
Bank deposits	37 268	36 506
	38 441	**37 718**

Due to the maturity associated to the balances presented above, it is considered that their carried value have no material difference to their fair value.

13.5.1 RECONCILIATION OF CASH AND CASH EQUIVALENTS WITH THE STATEMENT OF CASH FLOW

For the purposes of preparing the statement of cash flow statement, cash and cash equivalents is composed as follows:

	2024	2023
Cash and cash equivalents as stated above	38 441	37 718
Bank overdrafts	(9 962)	(12 137)
Cash and cash equivalents stated in assets from discontinued operations (note 14.4.4)	25	22
Balance as stated in the statement of cash flow	**28 504**	**25 603**

13.6 NET DEBT

[POLICY]

Borrowings are recorded initially at fair value less transaction costs incurred and subsequently at amortized cost, based on the effective interest rate method.

They are classified as current or non-current liabilities depending on their maturity. If the debt matures less than one year after the reporting date, it is classified as a current liability, if it matures more than one year after the reporting date and its renewal is contractually guaranteed for more than 12 months after the reporting date, it is classified as a non-current liability. Its derecognition occurs when the obligations arising from the contracts end, namely at the time of settlement.

Financial costs are calculated according to the effective interest rate method and recorded in the statement of profit or loss, on an accrual basis.

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Secured						
Commercial paper	13 323	25 700	39 023	13 502	39 150	52 652
Bank loans	8 318	78 820	87 138	7 055	70 469	77 524
Leases	23 365	101 326	124 691	19 114	98 732	117 846
Factoring	622	-	622	455	-	455
Total secured debt	**45 628**	**205 846**	**251 474**	**40 126**	**208 351**	**248 477**
Unsecured						
Commercial paper	24 915	50 018	74 933	25 444	52 504	77 948
Bank loans	14 083	3 238	17 321	11 234	19 160	30 394
Bond loans	8 453	19 500	27 953	8 218	28 050	36 268
Other borrowings	10 197	111	10 308	12 361	332	12 693
Total unsecured debt	**57 648**	**72 867**	**130 515**	**57 257**	**100 046**	**157 303**
Total debt	**103 276**	**278 713**	**381 989**	**97 383**	**308 397**	**405 780**
Cash and cash equivalents			**(38 441)**			**(37 718)**
Net debt			**343 548**			**368 062**

13.6.1 MOVEMENT IN FINANCIAL DEBT

	Commercial paper	Bank loans	Leases	Bond loans	Other borrowings	Total
Opening balance	130 600	107 918	117 846	36 268	13 148	**405 780**
Additions						
Financing proceeds	1 022 150	-	-	-	-	**1 022 150**
Non-cash new contracts	-	14 530	23 104	-	-	**37 634**
Modifications to lease contracts	-	-	1 019	-	-	**1 019**
Financial expenses, net in the profit or loss	5 301	6 191	7 499	989	1 413	**21 393**
Decreases						
Loan payments	(1 038 350)	(19 312)	-	(8 400)	(141)	**(1 066 203)**
Lease payments	-	-	(15 923)	-	-	**(15 923)**
Financial expenses, net in the cash flow statement	(5 345)	(5 644)	(7 499)	(989)	(1 315)	**(20 792)**
Other	(400)	776	(1 355)	85	(2 175)	**(3 069)**
End balance	**113 956**	**104 459**	**124 691**	**27 953**	**10 930**	**381 989**

- The item of net financial expenses in the income statement includes interest on loans (€21.2 million), charges for expenses and losses on loans (€1.8 million) deducted from interest obtained from derivative financial instrument (€1.6 million);
- Total lease contract payments throughout 2024 amounted to €23.4 million, divided between financial charges and capital amortization, in the amounts of €7.5 million and €15.9 million, respectively.
- The item of net financial expenses in the cash flow statement includes payments of interest and similar expenses related to loans (€13.3 million) and interest and charges related to lease contracts (€7.5 millions);
- Other variations in the column of other loans include the variation of bank overdrafts in the amount of €2.2 million (note 5.3).

13.6.2 BORROWINGS

Borrowings include bank loans, commercial paper programs and bond loans. Based on active finance contracts and Euribor index at 31 December 2024, the group's average financing rate in terms of borrowing facilities is 3.8% (2023: 4.3%).

13.6.2.1 Commercial paper

The commercial paper finance lines available are as follows:

Start date	End date	Subscription underwriting	Program amount	2024	2023
10/02/2011	28/12/2026	Yes	39 150	39 150	52 750
18/05/2016	30/12/2027	Yes	40 000	40 000	40 000
05/05/2020	05/05/2025	Yes	20 000	20 000	20 000
10/08/2018	10/02/2029	Yes	15 000	15 000	10 500
17/03/2017	17/03/2025	No	30 000	-	7 500
27/12/2023	27/12/2028	Yes	22 500	-	-
				114 150	**130 750**
		Accrued interest and other expenses, net		(194)	(150)
				113 956	**130 600**

13.6.2.2 Bank loans

Main bank loans can be presented as follows:

Start date	End date	Collateral	2024	2023
28/12/2021	25/12/2036	Yes	15 881	17 382
31/03/2022	31/03/2025	No	9 991	12 812
08/03/2024	03/03/2041	Yes	9 135	-
28/12/2021	20/11/2031	Yes	7 968	8 803
28/12/2021	15/09/2036	Yes	7 771	8 072
28/12/2021	15/09/2036	Yes	6 833	7 111
14/12/2022	14/12/2037	Yes	6 499	1 307
28/12/2021	15/09/2036	Yes	6 236	6 490
28/12/2021	25/12/2036	Yes	5 746	6 295
25/10/2023	30/09/2038	Yes	5 449	5 437
			81 509	**73 709**
		Other less than €5 million	22 950	34 209
			104 459	**107 918**

Bank loans include 24 (2023: 28) active contracts. 18 (2023: 16) contracts in the amount of €87.1 million (2023: €77.4 million), have as collateral a real estate property held by the bank (asset back loan). As the terms and conditions of these credit lines give the group control over the assets, as well as the capacity to retain all relevant related risks and rewards, these lines are considered by the group as bank loans.

13.6.2.3 Bond loans

Start date	End date		2024	2023
17/12/2020	17/12/2027		22 500	25 500
14/12/2022	14/12/2025		5 550	10 950
			28 050	**36 450**
		Accrued interest and other expenses, net	(97)	(182)
			27 953	**36 268**

13.6.2.4 Other borrowing

Other borrowing caption is composed mainly by the overdraft facility that the group has in use at the reporting date.

13.6.3 LEASE LIABILITIES

[POLICY]

From 1 January 2019 onwards, leasing contracts, began to be recognized both in assets (under right-of-use assets) and in liabilities (under lease liabilities) from the date the underlying asset became available for use by the company. The assets and liabilities arising from a lease are initially measured at the present value of the lease payments.

Lease liabilities include the current value of the following lease payments:

- fixed payments (including fixed payments in substance), less lease incentives;
- variable payments, based on an index or rate;
- expected payments for residual value guarantees;
- exercise value of a call option, when the group has reasonable certainty of exercising that option;
- payment of penalties for terminating contracts, as long as the group exercises this option; and
- payments to be made under contract extension options when the group is reasonably certain of exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be easily determined, the group's incremental financing rate is used, which is the rate that the lessee would have to pay for obtaining the funds necessary to obtain an asset of a similar value to the right-of-use asset for a similar period, in a similar economic environment, and with similar guarantees.

To determine the incremental financing rate, the group:

- whenever possible, uses the recent financing conditions obtained from third parties, adjusted to reflect changes in financing conditions since the financing was obtained, for contracts lasting up to 10 years;

- for contracts with a duration of more than 10 years, typically real estate lease contracts, the incremental rate was composed from the aggregation of the interest rate observable in the real estate market, adjusted by the group's financing rate differential for the market and for the rate of Portuguese Bonds for similar terms.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability value until they come into effect. Adjustments to lease payments based on an index or rate imply a revaluation of the lease liability against the increase in the asset under right-of-use.

Lease payments are separated in the settlement of the acquisition value and its financial component, in which the financial cost is recorded in the statement of profit or loss during the lease period, in order to produce an effective interest rate.

[ESTIMATE]

In determining the lease term, the group considers all the facts that contribute to the exercise or not of the option to extend the lease period.

Thus, extension options are only considered for the purpose of determining the term of the lease of a right-of-use asset if it is reasonably certain that the lease will be extended (or not terminated).

In the case of real estate and equipment leases, in order to assess the extension of a lease, factors such as those referred to below are usually the most relevant in terms of decision making:

- existence of significant penalties for non-termination (or non-extension) of the contract;
- if the improvements made to the asset under lease have a significant value on the date of the potential termination (or non-extension);
- the group's ability to find a similar asset that allows it to replace the asset underlying the lease.

The lease terms used reflect the best estimate of the life of each lease.

The reassessment of the term of each lease with an extension option, is carried out when the option is exercised (or not exercised) or the group is obliged to exercise the option (or not to exercise), or in the event of a significant event or a significant change in circumstances that affect the assessment initially carried out by Management. During the years of 2024 and 2023, there was no financial impact resulting from the revaluation of the exercise of an option to extend a lease.

The maturity of the lease agreements established by the group in accordance with its undiscounted value at 31 December 2024 is shown below:

	2024	2023
Less than 12 months	24 755	20 630
12-24 months	22 071	20 752
24-36 months	17 065	22 699
36-48 months	14 542	14 022
48-60 months	10 958	12 993
Over 60 months	85 364	83 389
	174 755	**174 485**

The maturity of the lease agreements as presented in the balance sheet is disclosed in note 15.2.3.

13.6.4 FACTORING

Includes the amounts related to trade receivables assigned to full factoring which at 31 December 2024 according to the group's estimates did not meet the criteria for derecognition.

13.6.5 COLLATERALS

13.6.5.1 Secured liabilities

One of the commercial paper lines and several of the bank loans presented in note 13.6.1 are guaranteed by the group's real estate properties, either through mortgages (in the case of the commercial paper line), or through the legal ownership of the properties by the banks, in the case of the bank loans, with the group having options to repurchase them at any moment in time. The value of the guarantees is higher than the amount of the contracted credit lines.

In lease contracts, the rights over the underlying assets revert to the lessors in case of default since the legal possession of the assets belongs to the lessors over the contract period.

Factoring amounts include customer balances assigned to factoring in the non-recourse form and which at 31 December 2024 according to group estimates did not meet the criteria to be derecognized.

13.6.5.2 Other guarantees

Most of the financing lines contain non-financial constraints, the most frequent being:

- negative pledge provisions;
- restrictions on the use of capital resources, acquisitions and disposal of assets;
- *Pari passu* obligations;
- situations of non-compliance, which include cross-default clauses for companies that are under control or in a group relationship with the respective borrower;
- change of control provisions that require the controlling Shareholder (Fosun group) to maintain a controlling direct or indirect position in the company;
- limitations on dividend distribution.

13.6.6 FINANCIAL COVENANTS

In terms of financial covenants, the group is obliged to comply with financial ratios set forth in the financing agreements in force on this date which are analyzed in note 13.1.2.

13.6.7 FAIR VALUE

The financing lines contracted by the group are subject to market rates (Euribor), with a periodic adjustment of the rates occurring between 1 and 12 months after the reporting date. Consequently, considering the short term of the lines and to the fact that they bear interests at current market rate, it is understood that the existing differences between the carried amount and the fair value of the liabilities are not materially relevant.

14 OTHER ASSETS AND LIABILITIES

14.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

[POLICY]

Financial assets at fair value through profit or loss include equity instruments held by the group related to entities over which it has no control or significant influence. Financial assets at fair value through profit or loss are investments which are not held with a long-time strategic purpose and as such the group choose not to recognize its gains and losses through other comprehensive income.

Financial assets at fair value through profit or loss, include the following:

	2024	2023
Iberis Bluetech Fund III, FCR	1 982	1 972
FCR C2 R&D Growth XI	1 977	2 000
FCR Capital Criativo IV	1 427	1 630
Iberis Bluetech Fund II FCR	1 416	1 428
FCT - Fundo de Compensação do Trabalho	1 375	1 418
Explorer Growth Fund IV, FCR	1 202	1 435
UpHill SA	1 167	697
Iberis Bluetech Fund, FCR, EuVECA	1 071	996
FCR C2 R&D Growth VI	981	966
Explorer Growth Fund V, FCR	978	987
Explorer Growth Fund III, FCR	766	970
C2 R&D Growth V	470	467
HL-Sociedade Gestora do Edifício, SA	-	612
Other financial assets	78	83
	14 890	**15 661**

The portfolio of assets at fair value through profit or loss is composed mainly by the investments made in Venture Capital Funds dedicated investing in research & development (R&D).

14.1.1 CLASSIFICATION AS FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The group recognize the following financial assets at fair value through profit or loss:

- investments that do not qualify to be measured at amortized cost;
- financial investments held for trading; and
- financial investments for which the entity has not chosen to recognize fair value gains and losses through other comprehensive income.

14.1.2 MOVEMENTS IN THE YEAR

Apart from the fair value changes in 2024, the movements occurred in the year are related to the disposal of HL-SGE (note 9.4) and the investment made in UpHill, SA of €0.5 million.

14.1.3 AMOUNTS RECOGNIZED IN PROFIT OR LOSS

The financial assets impacted the profit or loss of 2024, in the following manners:

(i) fair value gains and losses of €0.2 million (2023: €0.3 million) and €0.5 million (2023: €0.5 million) were recognized, respectively, in finance income and finance costs (note 9) items in the profit or loss statement;

(ii) dividends received in the amount of €0.4 million (2023: €12 thousand) (note 9.3);

(iii) a gain of €1.8 million generated in the disposal of the shares held in HL-SGE.

14.1.4 FAIR VALUE MEASUREMENT

For information about the methods and assumptions used in determining fair value see note 15.4.

14.2 DERIVATIVE FINANCIAL INSTRUMENTS

[POLICY]

Derivative financial instruments are recognized on the contract date at their fair value, which is assumed to be equal to their acquisition cost on the contract date. Subsequently, the fair value of derivative financial instruments is remeasured on each reporting date, with the gains or losses resulting from this remeasurement being recorded directly in the statement of profit or loss, except with respect to the effects relating to cash flow hedging derivatives.

The group uses financial instruments to hedge the interest rate risk resulting from its financing activity. Derivatives that do not qualify as hedging within the scope of IFRS 9 are recorded as trading. Cash flow hedging derivatives are recorded at fair value and insofar as changes in fair value are effective for hedging purposes, they are recognized in the statement of other comprehensive income. Changes in fair value that are not considered to be hedging, as they are considered inefficient in whole or in part, are immediately recognized in the statement of profit or loss. The amounts accumulated in reserves are reclassified to the profit or loss in the periods when the hedged item affects results.

In assessing the existence of an economic relationship between the hedged instruments and the hedging instruments, the group assumes that the interest rate benchmark (Euribor) will not be changed following the reform of the interest rate benchmarks as permitted by the changes to IAS 39, IFRS 7 and IFRS 9 related to the reform of the interest rate benchmarks.

The fair value of the hedging derivative is classified as a non-current asset or liability when the maturity of the hedged operation is greater than 12 months, and as a current asset or liability when the maturity of the hedged operation is less than 12 months.

The policy is applicable to all hedging relationships designated as of 31 December 2024.

The group will cease to apply the above policy when:

(i) the uncertainty regarding the reform of the interest rate benchmarks with respect to Euribor ceasing; or

(ii) the respective hedging relationship is discontinued.

14.2.1 DERIVATIVE CLASSIFICATION

In 2015, the group started using derivative financial instruments to hedge interest rate risks that affect the value of expected future cash flows. The hedged risk is the change in the Euribor index that the floating rates incorporate, being applicable to the group's credit lines.

The derivative financial instruments that are contracted for the purpose of hedging interest rate risk on interests bearing liabilities are referred to as cash flow hedging. However, when financial instruments do not meet the criteria to be recognized as hedging instruments, they are classified as held for trading and the change in their fair value is recognized in the profit or loss.

The group, in its interest rates exposure management, hedges cash flows. These transactions are recorded in the balance sheet at fair value and, as far as they are considered effective hedges, changes in fair value are initially recorded in other comprehensive income for the period. If the hedge transactions are found to be not effective, the resulting profit or loss is recorded directly in the statement of profit or loss. Amounts accumulated in equity are transferred to profit or loss when the hedged item affects the income statement, for example, when the future hedged liabilities mature. The profit or loss corresponding to the effective component of interest rate swaps hedging is recognized in finance income or finance costs item (note 9).

14.2.2 FAIR VALUE OF FINANCIAL DERIVATIVES

The fair value of the financial derivatives recorded can be presented as follows:

	2024	2023
Interest rate swap contracts - cash flow hedges	874	2 140
Interest rate swap contracts - held for trading	-	-
Total	**874**	**2 140**

The detail of the fair value per contract can be presented as follows:

Year	Covered instrument	Notional	Beginning date	Ending date	Fair value
2024	Commercial paper	39 150	25/11/2015	28/12/2026	874
2023	Commercial paper	52 750	25/11/2015	28/12/2026	2 140

14.2.3 AMOUNTS RECOGNIZED IN PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The notional interest rate swap contract outstanding on 31 December 2024 amounted to €39.2 million (2023: €52.8 million), all of which are considered as cash flow hedges.

The contract gives rise to the recognition of a change in fair value net of income tax in group's statement of other comprehensive income in 2024 arising from the part considered as efficient for hedging purposes of approximately €52 thousand, negative (2023: €1.7 million, negative).

In respect of the changes in fair value, considered not to be effective for hedging purposes, in the current year €1.2 million impacted the statement of profit or loss in the finance costs item (2023: no value impacted) (note 9).

Regarding the interests in 2024, it was recognized a gain on the profit or loss in the finance income item of €1.6 million (note 9) (2023: €1.8 million, recognized in the finance income item).

14.3 PROVISIONS

[POLICY]

Provisions are recognized when (i) the group has a present obligation, due to past events (legal or constructive), (ii) it is likely that a cash outflow will be required and (iii) when the amount of the obligation can be reliably estimated. When one of these requisites is not met, the group discloses the event as a contingent liability, unless the possibility of an outflow of funds is remote.

The amount of the provision corresponds to the present value of the obligation, with the financial discount being recorded as a finance cost in the caption fair value losses in financial assets.

Provision balance is reviewed on the reporting date being adjusted to reflect the best estimate on that date.

A provision is recognized for litigation in progress when the potential expenses to be incurred due to legal proceedings filed by third parties can be reliably estimated. The estimate considers the assessment of the likelihood of having a cash outflow, based on the information of the group's legal advisors, the impact of insurance policies in place and the history in case of similar situations.

[ESTIMATE]

The group exercises considerable judgment in recognizing and measuring provisions. Judgment is essential to assess the probability that a given litigation process will be successful. Provisions are set up when the group expects, with respect to ongoing proceedings, that the loss is probable, that an outflow of funds is plausible, and the outflow can be reasonably estimated. Due to the uncertainties inherent in the valuation process, actual losses may be different from the estimated losses in the provision. These estimates are subject to change as new information about each matter emerges. The provisions set up by the group are essentially related to tax situations and contractual penalties related to the group operational activity. Changes to the estimates of these losses may affect future earnings.

14.3.1 MOVEMENTS IN PROVISIONS

The movement in provisions in 2024 and 2023 can be presented as follows:

	Litigation	Tax disputes	Legal risk	Other risks	Total
Provisions					
At 1 January 2023	616	397	7 010	2 062	10 085
With impact in profit or loss					
Charges	409	183	3 297	-	3 889
Reversals	(5)	-	-	-	(5)
	404	**183**	**3 297**	**-**	**3 884**
With no impact in profit or loss					
Transfer		250			250
Used	(71)		-	(114)	(185)
	(71)	**250**	**-**	**(114)**	**65**
At 31 December 2023	**949**	**830**	**10 307**	**1 948**	**14 034**
At 1 January 2024	949	830	10 307	1 948	14 034
With impact in profit or loss					
Charges	211	88	3 362	-	3 661
Reversals	(208)	-	-	(5)	(213)
	3	**88**	**3 362**	**(5)**	**3 448**
With no impact in profit or loss					
Used	(78)	(44)	-	78	(44)
	(78)	**(44)**	**-**	**78**	**(44)**
At 31 December 2024	**874**	**874**	**13 669**	**2 021**	**17 438**

14.3.1.1 Litigation

In its operations, the group incurs in operational risks arising from the specificity of its activity, in particular clinical risks. To face these risks, the group contracted an insurance policy that partially mitigates these risks, with a provision being recognized for the estimate payments that the group may incur.

14.3.1.2 Tax disputes

The provision for tax disputes is intended to address disputes with PTA, as described in note 16.1.3.

14.3.1.3 Legal risk

Legal risk includes a provision of €13.7 million (2023: €10.3 million) for a risk associated with the group's scope structure. Despite the provision the group and its legal advisors consider that arguments exist that support the non-application of this measure to the group.

14.4 ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS

[POLICY]

A discontinued operation is a component of the group's business that incorporate operating units and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the group, and that:

(i) represent a business segment, a distinct line of business that is important to the group and operates in a different way from other operations or that represents an operating geographical area;

(ii) is an integral part of a single coordinated plan to discontinue that business or (distinct) geographic operating area;

(iii) or is a subsidiary acquired solely for the purpose of resale.

Classification as a discontinued operation or an asset held for sale occurs when the operation is disposed or ceases its operating activity or when it meets the criteria to be classified as held for sale, whichever is earlier.

When an operation is classified as a discontinued operation, the comparative income statement, statement of comprehensive income and cash flow statement are restated as if the operation had been discontinued from the beginning of the comparative year.

In the profit or loss, discontinued operations results are presented in a separate line item profit or loss from discontinued operations. In respect to the balance sheet, assets and liabilities are separated from the other assets and liabilities in the line items assets held for sale and from discontinued operations and liabilities from discontinued operations, respectively.

[ESTIMATE]

PPP receivables

The management contract of HBA that was in effect until 18 January 2022, provided that the billing of medical acts rendered was carried out monthly for an amount equivalent to 1/12 of 90% of the total agreed annual amount, the remaining being billed in the following year after the completion of the validation process between the parties. On the reporting date, although the managing contract has ended, part of the services recognized on the balance sheet in the item assets held for sale and from discontinued operations, are still not yet invoices since its validation by the contracting entity is not completed.

Despite the uncertainty that this represents, the Board of Directors assumed the best estimate for the amounts recorded and has assumed that the impact of closing accounts with the ARS-LVT, for the years 2012 to 2022, will have no significant effect on the financial statements. During 2023 and 2024, the validation process has advanced and the years of 2012, 2013, 2015 to 2019 are expected to be closed during 2025. The remaining years are still in discussion with ARS-LVT.

At 31 December 2024 the group net exposure to the ongoing validation process is recognized in the balance sheet under the items assets held for sale and from discontinued operations and liabilities from discontinued operations.

Rebalancing of the PPP

The group understands that, because of COVID-19 pandemic (and the acts that were determined in that context), the activity carried out within the scope of the Management Contract established between the Portuguese State and SGHL, for the HBA management under a PPP regime, was significantly affected, with a negative impact on the financial conditions for the development of said contract. This impact resulted in both a decrease in revenues and an increase in expenses.

The decrease in revenue was due, namely to the cancellation of HBA activity (maintaining, for long periods of time, only the activity considered by the administrative authorities to be urgent or priority), the increase in expenses not covered by the obligations or contractually assumed risks, that among other, were due to the extraordinary and unforeseen reinforcement of human resources, of the materials necessary to combat and/ or mitigate the spread of the SARS-CoV-2 virus, a situation that had a clear impact on activity and financial balance of the management contract.

Considering the constraints of different nature (social, sanitary, administrative, and legal) arising from the measures adopted to combat the COVID-19 pandemic unequivocally implied an increase in expenses as well as a significant reduction in revenue.

Consequently, the group understands that, in accordance with the terms of the Management Contract, there is a right to receive a compensation for the financial rebalancing of the agreement in relation to the operations carried out up to the reporting date.

Until now, an agreement with the ARS-LVT was not possible, regarding the right to receive this compensation, therefore the group chose not to register any revenue associated with it, having however triggered the mechanisms foreseen in the Management Contract to be reimbursed of the recognized losses.

14.4.1 DESCRIPTION OF THE OPERATIONS CLASSIFIED AS ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS

At 31 December 2024 the group classified the following operations assets held for sale and from discontinued operations:

- Discontinuing of the operations of the public segment, as the HBA management contract reached its end;
- Disposal process of the real estate project known as Tivoli Oporto.

14.4.2 DISCONTINUED OPERATION OF THE PUBLIC SEGMENT

On 18 January 2022, HBA Management Contract reached its end. On that date, the group, through its subsidiary SGHL, transferred the management of HBA, as well as all rights, obligations and employees assigned to the hospital, to the Public Contracting Entity – Administração Regional de Saúde de Lisboa e Vale do Tejo (ARS-LVT).

As from the date of HBA's transfer to the public scope, and given the extreme relevance to the group's activity, the operations, assets, and liabilities of this business segment are presented as a discontinued operation since they are no longer recovered through continued use.

14.4.3 DISPOSAL OF TIVOLI OPORTO

In the second half of 2022 and following a decision taken by the group to interrupt the licensing process for the project of a health care unit to be built in the property formerly known as Hotel Tivoli Oporto, the group decided to start an organized process to sell the referred project in its current state of use and conservation. Thus, the assets to be included in this process were reclassified to be presented in the balance sheet as assets held for sale and from discontinued operations line item.

The divestment process to dispose of the project has progressed in 2023 and 2024 and a promissory sale and purchase agreement has been established with a potential acquirer, establishing the goals to be met to complete the transaction, which is expected to be completed only during 2025. As the process is still in progress, and the group maintains its intention to close the transaction, the classification of the related asset as an asset held for sale has been maintained.

14.4.4 DETAIL OF ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS

The following table shows the net amounts of these items on the balance sheet:

	2024			2023		
	Total	**Tivoli**	**SGHL**	**Total**	**Tivoli**	**SGHL**
Property, plant and equipment	6 828	6 828	-	6 828	6 828	-
Deferred tax assets	5 372	-	5 372	5 442	-	5 442
Cash and cash equivalents	25	-	25	22	-	22
Other assets	6 350	928	5 422	13 005	928	12 077
Total assets	**18 575**	**7 756**	**10 819**	**25 297**	**7 756**	**17 541**
Provisions	(7 409)	-	(7 409)	(7 257)	-	(7 257)
Other liabilities	(2 710)	-	(2 710)	(2 344)	-	(2 344)
Total liabilities	**(10 119)**	**-**	**(10 119)**	**(9 601)**	**-**	**(9 601)**
Net assets	**8 456**	**7 756**	**700**	**15 696**	**7 756**	**7 940**

14.4.5 DETAIL OF PROFIT OR LOSS FROM DISCONTINUING OPERATIONS

	2024 SGHL	**2023 SGHL**
Revenue	122	871
Costs related to discontinued operations	(1 044)	(3 015)
	(922)	**(2 144)**
Depreciation and amortization	-	(7)
Loss from operations	**(922)**	**(2 151)**
Financial result	-	22
Loss before income tax	**(922)**	**(2 129)**
Income tax (note 10.1)	649	2 426
Profit / (Loss) for the year from discontinued operations	**(273)**	**297**

D FINANCIAL RISK MANAGEMENT

15 FINANCIAL RISK

In its operations, the group holds the following financial instruments:

	2024	2023
Financial assets		
At amortized cost		
Trade and other receivables (note 11.1)	106 352	118 354
Other assets – current and non-current (note 11.2)	2 505	1 549
Bank deposits (note 13.5)	37 268	36 506
At fair value through profit or loss		
Financial assets at fair value through profit or loss (note 14.1.1)	14 890	15 661
Derivative financial instruments		
Used for hedging (note 14.2.2)	874	2 140
	161 889	**174 210**
Financial liabilities		
At amortized cost		
Trade and other payables (note 11.4)	130 147	129 326
Borrowings and bank overdrafts (note 13.6)	257 298	287 934
Lease liabilities (note 13.6)	124 691	117 846
Advances from clients (note 11.5)	6 238	7 027
	518 374	**542 133**

The group's financial risk management is mainly controlled by DFA, thus within the scope of its activity DFA identifies, assesses, and manages the exposure to the different financial risks in close cooperation with the group's operating units which are supported by DSAF on its daily operations.

The Board of Directors provides the guiding principles for overall risk management, as well as the policies to be followed in specific areas, such as market risk, credit risk and liquidity risk.

This note provides information on the group's exposure to each of the risks, as well as the group's goals, procedures and practices for measuring and managing these risks. Further disclosures of a quantitative nature are presented throughout these financial statements.

The identified risks are reviewed regularly to remain adherent to the reality of market conditions and the group's activities.

15.1 CREDIT RISK

15.1.1 SCOPE

Credit risk arises from the possibility that financial losses may occur due to a debtor's default on contractual obligations with the group during its business.

The group's credit risk exposure essentially arises from accounts receivable from its business activities and from monetary funds managed under the group's treasury activity.

The following table presents the maximum exposure of the group to the credit risk:

	2024	2023
Trade and other receivables (note 11.1)	106 352	118 354
Advances from clients (note 11.5)	(6 238)	(7 027)
Bank deposits (note 13.5)	37 268	36 506
Other assets – current and non-current (note 11.2)	2 505	1 549
	139 887	**149 382**

15.1.2 RISK MANAGEMENT

To monitor credit risk arising from operational activity, management of each unit accompanies on a continuous basis its debtors' portfolio and their outstanding balances. This approach is complemented both by methodologies and tools for assessing and controlling risks associated with the customer acceptance phase, classifying them, and defining credit limits, as well as in terms of collection procedures and circuits.

The monitoring of the group's credit risk profile, namely regarding the evolution of credit exposures and the monitoring of uncollectible losses, is carried out regularly by DSAF together with the units, and DFA monitors the process at consolidated level. Compliance with approved credit limits is also subject to regular analysis at each unit.

The group has defined a credit procedure according to which any new customer is individually analyzed from the point of view of its credit risk prior to its acceptance as a customer. This review involves an analysis of external information and, when available, references from third parties regarding the entity.

15.1.3 ACCOUNTS RECEIVABLES, NET FROM ADVANCES FROM CLIENTS

At 31 December 2024 and 2023, the accounts receivables balance is detailed as follows:

	2024	2023
Trade receivables, net from advances from clients	76 865	84 854
Accrued income	20 144	24 478
Other receivables	3 105	1 995
	100 114	**111 327**

15.1.3.1 Maturity of trade receivables

The ageing of the trade receivables balance at the reporting date, is detailed as follows:

	2024	2023
0-3 months	61 788	64 341
3-6 months	6 874	8 408
6-12 months	6 310	8 855
12-24 months	5 770	5 239
Over 24 months	14 654	15 250
	95 396	**102 093**
Accumulated impairment	(18 531)	(17 239)
	76 865	**84 854**

15.1.3.2 Maturity of accrued income

Accrued income refers mainly to receivable balances for which the group has not issued the corresponding invoice, as the billing process is still in progress. As such, this receivable balance has no maturity, as per standard business conditions of the group, payment is usually only required 30 to 90 days after the invoice issuance.

15.1.3.3 Impairment of receivables

Impairment losses for receivables are estimated based on the estimated losses in the portfolio, based on an analysis of the outstanding balances at the reporting date and the matrix for calculating expected losses.

As of 31 December 2024, the group considers that the amount of bad debts from continuing commercial operations amounts to 18.2% (2023: 18.4%) of the customer balance for which it has a level of provision of 15.3% (2023: 13.0%). If the financial conditions of the debtors deteriorate, the impairment losses could be higher than expected.

The changes of impairment receivable on 31 December 2024 and 2023 can be presented as follows:

	2024	2023
At 1 January	17 239	15 649
With impact in profit or loss:		
Charge according to the estimated losses simplified model	1 686	2 292
Reversals	(382)	(198)
	1 304	**2 094**
With no impact in profit or loss:		
Transfers	-	(418)
Used	(12)	(86)
At 31 December	**18 531**	**17 239**

15.1.4 BANK DEPOSITS

The breakdown of bank deposits, according to the rating of the financial institutions where the assets were deposited on 31 December 2024, can be presented as follows (based on Moody's rating):

	2024	2023
A1	6 697	-
A2	8 018	12 677
A3	21 806	16 887
Baa2	607	6 731
Baa3	-	126
Outros	140	85
	37 268	**36 506**

As a guiding principle, the group aims to maintain an alignment between the financial entities where it deposits its funds, and the financial entities where it has financing lines used, to create a natural hedge for a potential credit event that may occur at the level of entity where the funds are deposited.

Therefore, if we consider the net position of the group's assets and liabilities with banking institutions, in 31 December 2024, we could assume that there is no relevant risk of realizing these assets (2023: no risk).

15.1.5 OTHER ASSETS

Other assets exposed the group to credit risk because of advance payments made to suppliers as part of its supply chain management. This asset has a low level of credit risk as it will be used by the group to pay for future supplies in the normal course of its business.

15.2 LIQUIDITY RISK

15.2.1 SCOPE

Liquidity risk arises from the potential inability to finance the group's assets, or from meeting the liabilities contracted on the maturity dates. Prudent liquidity risk management implies the maintenance of amounts in cash and cash equivalents and the availability of contracted credit lines that can be immediately used to meet obligations arising from financial liabilities to be overcome.

15.2.2 RELATIONSHIP BETWEEN CURRENT ASSETS AND CURRENT LIABILITIES

The Group presents a current liabilities (2024: €248.6 millions; 2023: €236.5 millions) higher than its current assets (2024: €172.4 millions and 2023: €182.5 millions). This situation arises from the Group's strategy of operating in an industry with high levels of investment, and the Group controlling its non-current assets.

Analyzing current liabilities excluding the impact of interest bearing liabilities (2024: €103.3 millions; 2023: 97.3 millions), it can be concluded that current assets exceed current liabilities, without the impact of interest bearing liabilities, by approximately €27.1 millions (2023: 43.3 millions).

The repayment of interest bearing liabilities will be carried out through the following options: (i) the use of available credit lines (€40.2 millions), (ii) the use of part of the cash flows generated by operations (which in 2024 amounted to approximately €113.6 millions); and (iii) the contracting of new financing lines (either by renewing existing lines or contracting new financing lines).

15.2.3 RISK MANAGEMENT

Liquidity management is centralized in DFA. The aim is to maintain a satisfactory level of cash and cash equivalents to meet the financial needs in the short, medium and long term. In order to assess the global exposure to this type of risk, reports are prepared that allow to identify the occasional treasury ruptures and to activate the measures that tend to cover them. At 31 December 2024, the group held deposits at call amounting to €34.3 million (2023: €36.5 million) and available credit lines amounting to €40.2 million (2023: €41.3 million).

Management monitors forecasts of the group's liquidity needs based on expected cash flows, which is generally carried out both at the group and at the level of the operating units. Group's liquidity

management involves projecting cash flows and considering the level of liquid assets necessary to meet these and maintaining debt financing plans.

15.2.4 MATURITY OF FINANCIAL LIABILITIES

The table below analyzes the group's financial liabilities in accordance with their contractual maturity. The amounts disclosed in the table are the contractual discounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	2024					2023
	Leases	**Bank, Bonds and Other Loans**	**Commercial paper**	**Other liabilities (*)**	**Total**	**Total**
Under 12 months	23 365	41 051	38 238	137 007	239 661	233 736
12 to 24 months	20 466	12 666	45 718	-	78 850	114 221
24 to 36 months	15 231	22 194	30 000	-	67 425	57 785
36 to 48 months	12 400	5 999	-	-	18 399	30 975
48 to 60 months	8 698	5 927	-	-	14 625	12 384
Over 60 months	44 531	54 883	-	-	99 414	93 032
	124 691	**142 720**	**113 956**	**137 007**	**518 374**	**542 133**

(*) Excludes non-financial liabilities

15.2.5 FINANCING ARRANGEMENTS

At 31 December 2024 the group has unused credit lines, in the form of bank overdrafts and commercial paper programs with underwrite subscription, in the amount of €40.2 million (2023: €41.3 million).

The bank overdraft facilities may be used at any moment and are renewed every 6 months therefore it may be possible to be terminated at each renewal date by the bank after notice.

15.3 MARKET RISK

15.3.1 SCOPE

Market risk refers to the group exposure to changes in market prices, such as foreign currency exchange rates (mainly in terms of acquisitions made to non-EU suppliers, which usually operate in USD), interest rates (mainly in terms of exposure to financing operations in terms of lease liabilities and borrowings) or the evolution of stock exchanges (no relevant exposure exist), may affect the group's results and its financial position.

15.3.2 CASH FLOW AND INTEREST RATE RISK

Interest rate risk arises from borrowings and leasing liabilities with variable rates, which expose the group to cash flow interest rate risk. Group policy is to maintain approximately 50% of its borrowings at a fixed rate, using hedging instruments to achieve this when necessary. Generally, the group enters long-term borrowings at floating rates, and whenever considers relevant swaps them into fixed rates in accordance with market conditions.

During 2024 and 2023 due to market conditions no fixed interest rate debt or hedging instruments have been contracted.

The group's borrowings and receivables are carried at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

At 31 December 2024 and considering the level of effectiveness that the financial instruments to hedge the risk of interest rate variation contracted, the composition of the financial debt according to the interest rate type, is as follows:

	2024	% of Total Debt	2023	% of Total Debt
Variable interest rate debt	228 441	60%	223 768	55%
Fixed interest rate debt	76 619	20%	111 865	28%
Debt without interest rate exposure	76 929	20%	70 147	17%
	381 989	**100%**	**405 780**	**100%**

Considering that the group's net income is exposed to changes in market interest rates, and for illustrative purposes only, a 100 bp variation in reference rates and considering all other variables unchanged, would result an impact on net income before tax, on an annual basis, of approximately:

	2024	2023
Impact of interest rate variation by 100 b.p. in income before tax	2 284	2 237

A global reform of the main interest rate benchmarks is underway, which foresees the replacement of some benchmarks, including the Euribor, with risk-free alternative rates. The group presents exposures to Euribor variations in its financial instruments that will be impacted by this global reform. There is currently uncertainty about the timings and methods associated with transitioning interest rate benchmarks. The group, to date, does not expect a significant impact on its risk management policies and on the effects of hedge accounting.

The group will assess and analyze the impacts of the potential change in Euribor when the timings and the respective change methods are implemented and, in particular, the designated interest rate risk hedging relationships.

15.3.3 FOREIGN EXCHANGE RISK

The group is exposed to foreign exchange risk, resulting from its purchasing activity in international markets, operations mainly carried out in US dollars.

The main objective defined in terms of foreign exchange risk management focus essentially on monitoring the foreign exchange rates that influence the financial liabilities to which the group is exposed, both in terms of the commitments already made and the relevance of this exposure in terms of the group's distribution chain. The group's currency exposure at 31 December amounted to €0.1 million (2023: €0.1 million).

15.4 FAIR VALUE HIERARCHY

The group's assets and liabilities measured at fair value are presented in the following table, according to the fair value hierarchy:

31-dec-24	Total	Level 1	Level 2	Level 3
Fair value of assets				
Financial assets at fair value through profit or loss	14 890	-	-	14 890
Derivatives	874	-	874	-
Total assets	**15 764**	**-**	**874**	**14 890**

31-dec-23	Total	Level 1	Level 2	Level 3
Fair value of assets				
Financial assets at fair value through profit or loss	15 661	-	-	15 661
Derivatives	2 140	-	2 140	-
Total assets	**17 801**	**-**	**2 140**	**15 661**

The hierarchy for the purposes of assessing fair value has the following levels and bases of measurement:

- Level 1 - quotes from active liquid markets and to which the group has access at the reporting date;
- Level 2 - generally accepted valuation models based on observable market inputs;
- Level 3 - valuation models, that the main inputs are not observable in the market.

Regarding the group's financial instruments classified as level 2 (note 14.2), the fair value was determined by bank entities based on inputs observable in the market and used in generally accepted valuation models and techniques.

Regarding financial instruments classified as level 3 (note 14.1), the fair value in the case of Investment funds (which represent more than 80% of the financial assets at fair value through profit or loss line item) was determined based on the valuation of PU's disclosed by the management entities of the funds in the latest financial statements available. For this purpose, investments made by these investment funds held for less than 12 months are measured at their acquisition cost (which is assumed to be similar to fair value), and in the case of investments held for more than 12 months at its fair value determined by the rules defined by CMVM, with valuations depending on factors such as investment profitability, market financing conditions, growth projections or multiples of similar transactions. Regarding participation in equity instruments from non-regulated entities, the estimated value is given by their acquisition value.

E OTHER INFORMATION

16 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

16.1 CONTINGENT LIABILITIES

The group at 31 December 2024 had contingent liabilities in progress. The most relevant matters are described below:

16.1.1 COMMERCIAL LITIGATION

- In December 2018, several units of the group received a formal communication from their client ADSE regarding the need to credit part of the billing made and paid by ADSE, relating to services rendered in the years of 2015 and 2016, in a total amount of €13.6 million. The entities were notified in prior hearing, where they requested the closure of this procedure. In January 2025, there were informal contacts initiated by ADSE related to possible adjustments for the mentioned years and subsequent years. The group, supported by its legal advisors, maintains its assessment that the adjustments formally communicated by ADSE are not properly justified and, as such, they are not due, therefore these financial statements do not consider the possible impact that the situation described could have.
- Regarding the lawsuit filed by the Competition Authority (AdC) against the Portuguese Private Hospitalization Association (APHP) and some of its members, including Luz Saúde, SA, the Competition, Regulation, and Supervision Court issued a ruling on April 16, 2024, declaring the regulator's decision concerning most of the targeted members null, including Luz Saúde, SA, fully acquitting them.

16.1.2 OPERATIONAL LITIGATION

- The group, through its subsidiaries, is a party to medical liability claims, arising from events during the course of rendering medical services, in the amount of €14.7 million (2023: €12.3 million). The compensation for damages that may arise from most of the lawsuits is mostly covered by the civil liability insurance contracted by the group, and as such Management believes that from these situations there should be no material loss for the group. The group recognized a provision to address this risk.

16.1.3 TAX LITIGATION

- Following an inspection, PTA questioned the tax acceptance of an expense associated with a debt recovery process in one of the group's subsidiaries, in the amount of €2.9 million. The receivable in question refers to operations carried out by the subsidiary in a period before its entry into the consolidation perimeter. Although the subsidiary has taken several actions to collect these receivables, no positive outcome has been obtained. To solve the matter, an agreement was established with the previous shareholders of the subsidiary to obtain a

compensation for the non-collectability of said receivables. The expenses questioned by the PTA, were the necessary costs incurred to obtain a compensation for the group for the non-collection of the receivable. The subsidiary's Management, together with its legal advisors, are taking the necessary steps to challenge this matter.

- Following an inspection, PTA questioned the calculation of the tax benefits considered by two subsidiaries for the years 2013 and 2014 and identified corrections in the amounts of €0.3 million and €0.5 million, respectively. Subsequently, Luz Saúde received a tax assessment of a tax act from the PTA revoking the corrections made. On 31 December 2024 the amount in dispute regarding these processes amounts to c.a. €0.4 million. Management, based on the understanding of its legal and tax consultants, understands that the amounts considered are in accordance with what is prescribed by law and consequently maintained the challenge regarding all the corrections made by the PTA.

16.1.4 OTHER CONTINGENT LIABILITIES

- In the company's Shareholders General Meeting held on 22 January 2014 and considering the continuous management positions held for nearly 15 years by Isabel Maria Pereira Aníbal Vaz, in addition to her role in the promotion of the group's business development, an award of €0.9 million to the latter was approved in recognition of professional services rendered to the group. This amount will be paid in one lump sum at the time Isabel Maria Pereira Aníbal Vaz terminates her role as member of the company's Board of Directors, for any reason outside her responsibility. The payment of the proposed award is autonomous and is not intended to substitute any monetary compensations that may be legally or contractually due because of the termination of corporate management positions by Isabel Maria Pereira Aníbal Vaz, including in the company, whatever the cause and the moment of termination thereof.
- A physician hired under a provision of services through a company has taken legal action against the Group to be reclassified as an employee of one of its subsidiaries, claiming an amount of €0.9 million. This matter has been ruled by the court with a decision favorable to Luz Saúde. The physician has presented appeal from the court decision. The subsidiary's Management, together with its legal advisors, maintain its assessment that the claim will be ruled in favour of the group and therefore no provision was recognized.

16.2 CONTINGENT ASSETS

16.2.1 FINANCIAL REBALANCING OF HBA

As a result of the COVID-19 pandemic (and the acts that were determined in this context), the activity carried out within the scope of the Management Contract celebrated between the Portuguese State and for the management of Hospital Beatriz Ângelo under a PPP regime, was significantly affected, with a negative impact on the financial conditions for the development of the contract.

This impact resulted in a decrease in revenues and an increase in expenses. The decrease in revenues was due, amongst other reasons, to the cancelation of the clinical activity in HBA (for a long period of time the only activity was the one considered by the administrative authorities as urgent or of priority), the increase in expenses not covered by the obligations or risks contractually assumed by SGHL under the Management Contract with a clear impact on its activity and on its financial balance was due, for example and in addition to other relevant causes in this context, to the extraordinary and unforeseen reinforcement of the human resources and materials necessary to combat and/ or mitigate the spread of the SARS-CoV-2 virus.

Consequently, the group understands that, under the terms of the Management Contract, there is a right to receive a compensation for the financial rebalancing of the contract related to the operations carried out over the years 2020, 2021 and 2022 (during the term of the Management Contract).

As there is still no convergence of positions with the ARS-LVT regarding the right to receive a compensation, the group chose not to record any revenue associated with it, having however triggered the foreseen mechanisms in the Management Contract to have its right recognized, demanding a compensation in an amount of around €51.4 million.

17 GUARANTEES PROVIDED

At 31 December 2024, the detail of bank guarantees provided to third parties were as follows:

Company	Beneficiary	2024	2023
Luz Saúde	PTA	409	409
HME	SCM Évora	300	300
HAG	Bank BPI	-	1 138
HL-CCA	Bank BPI	-	853
Other lower than €0.2 million	-	330	384
		1 039	**3 084**

Additionally, to guarantee financing lines, there are real guarantees (mortgages) granted to financial entities or in the cases in which financing was celebrated through operations of assets back loans, the legal possession of the assets was transmitted to the financial institutions, with the group having repurchase options. This situation is better described in note 12.1.3.

18 RELATED PARTIES

18.1 SHAREHOLDER STRUCTURE

Luz Saúde is controlled by Fidelidade with an ownership of 99.86%

Fidelidade is held at 84.99% by Millennium Gain Limited, based on Hong Kong. Millennium Gain Limited is 100% owned by Fosun Financial Holdings Limited (Hong Kong), which is 100% owned by Fosun International Limited, a company listed on the Hong Kong Stock Exchange (00656.HK). Fosun International Limited is held at 72.76% by Fosun Holdings Limited, which is owned by Fosun International Holdings, Ltd. at 100%, whose ultimate beneficial owner is Mr. Guo Guangchang.

18.2 SUBSIDIARIES

The interests of the group in its subsidiaries are shown in note 1.2.1.

18.3 KEY MANAGEMENT COMPENSATION

Key management refers to members of the company's management and supervisory bodies, as well as any other individuals who, while not members of these bodies, (i) have the authority and responsibility for planning, directing, and controlling the company's activities, either directly or indirectly; and/or (ii) are high-level officials with regular access to privileged information and the power to make management decisions that affect the company's future development and prospects.

Key management personnel of the Group include 45 persons, which earned remunerations in 2024 of some €9.2 million.

18.4 TRANSACTIONS WITH RELATED PARTIES

	2024		2023	
	Shareholders	**Other related parties**	**Shareholders**	**Other related parties**
Revenue from services rendered	40 534	112 391	30 957	101 845
Cost of services and materials	(1 728)	-	(1 380)	-
Personnel expenses	(5 738)	(21)	(4 797)	(20)
Finance costs	-	(9 762)	-	(9 346)
Finance income	-	1 612	-	1 819
	33 068	**104 220**	**24 780**	**94 298**

18.5 BALANCES WITH RELATED PARTIES

	2024		2023	
	Shareholders	**Other related parties**	**Shareholders**	**Other related parties**
Trade and other receivables	8 051	13 894	6 048	15 407
Bank deposits	-	16 043	-	16 080
Trade payables	(5)	(32)	(62)	(70)
Borrowings and lease liabilities	-	(141 436)	-	(161 846)
	8 046	**(111 531)**	**5 986**	**(130 429)**

18.6 DESCRIPTION, TERMS AND CONDITIONS OF THE TRANSACTIONS

The amounts presented under revenue from services rendered refer mostly to the rendering of healthcare services by Luz Saúde units, namely to insurance companies, at normal market prices.

The amounts recorded in expenses refer to the normal activity of the group, related to insurance and other services used by Luz Saúde and its subsidiaries, which are acquired at market prices on an arm's length basis.

19 MAIN ACCOUNTING POLICIES

The most significant accounting policies are described in the notes to these financial statements. The accounting policies presented were applied consistently in all periods covered by these financial statements.

19.1 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a going concern basis from the books and accounting records of the companies included in the consolidation (note 1.2.1) based on historical cost, in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union (EU) at 31 December 2024, modified by the application of the fair value to derivative financial instruments and financial assets at fair value through profit or loss.

These standards include both the IFRS issued by the International Accounting Standards Board ("IASB") and the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC") and their respective interpretations – IFRIC and SIC, respectively issued by the International Financial Reporting Interpretations Committee ("IFRIC") and the Standing Interpretations Committee ("SIC"). These standards and interpretations are together known as IFRS.

These financial statements are presented in thousands of euros, rounded to the nearest thousand, unless otherwise stated. The euro is the functional and presentation currency.

19.1.1 CHANGES IN ACCOUNTING POLICIES

During 2024, accounting standards and interpretations were approved and published in the Official Journal of the European Union, with application in subsequent years, although their early adoption is permitted. Below, we briefly present the standards or amendments adopted by the group in the preparation of its financial statements, as well as the standards not early adopted.

19.1.1.1 New standards, amendments or interpretations applicable to years beginning on or after 1 January 2024

As a result of the European Union (EU) endorsement, the following issues, revisions, amendments and improvements to the standards and Interpretations occurred, among others, with effect from 1 January 2024, which, when applicable, were adopted by the group:

Issued (IASB)	IASB Standard or IFRIC Interpretation	Mandatory application in the financial years beginning on or after
January and July 2020 and October 2022	IAS 1: Presentation of financial statements - Classification of liabilities as current or non-current; Classification of liabilities as current or non-current - deferral of effective date; Non-current liabilities with covenants (amendments)	1 January 2024
September 2022	IFRS 16: Leases – Lease Liability in a sale and leaseback (amendments)	1 January 2024
May 2023	IAS 7: Statement of Cash Flows and IFRS 7 Financial Instruments - Disclosures: Supplier Finance Arrangements (amendments)	1 January 2024

The adoption of these amendments to the standards had no significant impact on the group's financial statements.

19.1.1.2 New standards, amendments and interpretations issued by the IASB, endorsed by the European Union (EU), with application for periods beginning after 1 January 2024

At the date of the approval of these financial statements, the following amendment to the standards and interpretations, issued by the IASB, was already endorsed by the EU, however their application is only mandatory for years beginning after 1 January 2024.

Issued (IASB)	IASB Standard or IFRIC Interpretation	Mandatory application in the financial years beginning on or after
August 2023	IAS 21: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability (amendments)	1 January 2025

The group did not carry out the early adoption of the amendment and does not expect significant impacts on the financial statements resulting from its adoption.

19.1.1.3 New standards, amendments and interpretations issued by the IASB, which were not endorsed by the European Union (EU) until 31 December 2024

As the date of approval of these financial statements, the following standards, revisions, amendments and improvements to the standards and interpretations, issued by the IASB, were still in the process of approval by the EU:

Issued (IASB)	IASB Standard or IFRIC Interpretation	Mandatory application in the financial years beginning on or after
May 2024	IFRS19: Subsidiaries without public accountability – Disclosures	1 January 2027
May 2024	IFRS 9 e IFRS 7: Classification and measurement of financial instruments (amendments)	1 January 2026
July 2024	Annual improvements: Volume 11	1 January 2026
December 2024	IFRS 9 e IFRS 7: Contracts referencing nature-dependent electricity (amendments)	1 January 2026
April 2024	IFRS18: Presentation and disclosure in financial statements	1 January 2027

The impact of the adoption of these changes is being analyzed by the group, however no significant impacts on the financial statements are expected resulting from the adoption of these standards.

19.2 ESTIMATES AND JUDGMENTS USED IN THE PREPARATION OF FINANCIAL STATEMENTS

IFRS establish a series of accounting treatments and require the Board of Directors to make judgments, estimates and decide which accounting treatment is most appropriate for the group's operations, thus, the main accounting estimates and judgments used in the preparation of these financial statements are presented throughout the notes of these financial statements.

Considering that in many situations there are alternatives to the accounting treatment adopted by the Board of Directors, the financial position and results reported by the group could be different if a different treatment was adopted. The Board of Directors considers that the choices made are appropriate and that the financial statements present a fair view of the group's financial position, results and cash flows from its operations in all materially aspects.

19.3 COMPARABILITY

The financial statements are comparable in all material respects to the comparatives with the previous year information.

19.4 BASIS OF CONSOLIDATION

These consolidated financial statements include the assets, liabilities, equity, results and cash flows of Luz Saúde and its subsidiaries, and the profit or loss attributable to the group from the interests in associated companies.

The accounting policies have been applied consistently by all companies of the group, for all periods covered by these consolidated financial statements.

19.4.1 SUBSIDIARIES

Companies over which the group has control are classified as subsidiaries. Control is normally assumed when the group is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to influence those returns through its power over the entity, even if the percentage it holds is less than 50%.

Subsidiary companies are full consolidated from the moment the group takes control over its activities until the moment when that control ceases.

In accordance with the full consolidation method, assets, liabilities, income, expenses and cash flows of the group companies are consolidated, internal transactions, balances, unrealized gains on transactions and dividends distributed between group companies are eliminated in the consolidation process. Unrealized losses are also eliminated unless the transaction reveals evidence of impairment of the transacted asset.

Equity and net income of the companies included in the consolidation corresponding to the participation of third parties are disclosed, respectively in a separate line, in the consolidated balance sheet in equity, and in the consolidated statement of profit or loss under the heading non-controlling interests.

The group uses the acquisition method to account for business acquisitions. The acquisition value of a subsidiary is given by the fair value of the assets delivered, liabilities assumed with the previous holders of the business and equity issued by the group. The acquisition value includes the fair value of any assets and liabilities that result from any contingent agreements. The identifiable assets and liabilities acquired, and the contingent liabilities assumed in the acquisition of a business are measured at fair value on the acquisition date.

In transactions for the acquisition of additional interests in associated companies resulting in the taking of control, the associate becomes consolidated, and the fair value of the interest previously held is considered as part of the purchase price. The difference between the book value of the interest in the associate and its fair value, is recorded in the statement of profit or loss on the date of the acquisition of control. At the time of a partial sale, which results in the loss of control over a subsidiary, any remaining interest is remeasured at market value on the date of the sale and the gain or loss resulting from that revaluation is recorded against results.

Expenses directly attributable to a business acquisition transaction are recognized in the statement of profit or loss when incurred.

19.4.2 GOODWILL

Goodwill resulting from acquisitions until 1 January 2005 is recorded in intangible assets in the consolidated balance sheet, by the amount determined on the date of transition to IFRS in accordance with previous accounting policies, according to the option permitted by IFRS 1, adopted by the group on the date of transition to IFRS.

After 1 January 2005 the group started to account for its acquisitions of subsidiaries and associates according to the acquisition method.

Goodwill represents the difference between the acquisition value and the fair value of the group's portion of the identifiable assets and liabilities acquired. If the acquisition cost is less than the fair value of the acquired subsidiary's net assets (negative goodwill), the difference is recognized as a gain in the statement of profit or loss.

Goodwill is recorded in assets at cost and is not amortized. In the case of investments in associates, goodwill is included in the respective amount in the balance sheet determined based on the equity method.

The recoverable amount of goodwill recorded in assets is reviewed annually, in the last quarter, regardless of the existence of indications of impairment. The determined impairment losses are recognized in the statement of profit or loss, and they cannot be subsequent reversed.

Impairment losses are calculated by comparing the goodwill carried amount with the recoverable amount, which is the highest value between value in use and fair value, net of selling costs.

In the analysis of goodwill impairment, goodwill to be tested is added to the unit or cash-generating units to which it relates. The value in use is determined by discounting the estimated future cash flows of the cash generating unit. The recoverable amount of the cash-generating units to which goodwill is allocated is determined based on the value in use of the assets, being calculated using valuation methodologies, supported by discounted cash flow techniques, considering market conditions, the time value and business risks. The discount rate used to discount cash flows reflects the Weighted Average Cost of Capital (WACC) pre-tax of the group for the business segment to which the cash-generating unit belongs.

The gain or loss on the sale of a business includes the carrying amount of goodwill, except when the business to which that goodwill is associated continues to generate benefits for the group.

19.4.3 NON-CONTROLLING INTERESTS

The interests of non-controlling shareholders are disclosed by the respective proportion of the book value of the identified assets and liabilities. Accumulated losses are attributed to non-controlling interests in the proportion held, which may imply the recognition of negative non-controlling interests.

Transactions with non-controlling interests that do not result in the loss of control are accounted for as equity transactions, that is, as transactions with owners in their capacity as owners. The difference between the fair value of any amount paid and the relevant portion acquired from the book value of the subsidiary's net assets is recorded in equity. Gains or losses on disposals to non-controlling interests are recorded in equity.

19.4.4 BALANCES AND TRANSACTIONS ELIMINATED ON CONSOLIDATION

Balances, transactions, and cash flows between group companies, as well as unrealized gains and losses resulting from these transactions, are eliminated in the preparation of the consolidated financial statements. Unrealized gains and losses on transactions with associates and jointly controlled entities are eliminated in proportion to the group's interest in these entities.

19.4.5 ASSOCIATES

All companies over which the group has significant influence over its financial and operating policies and does not have control or joint control are classified as associates. It is normally assumed that the group has significant influence when it holds between 20% and 50% of voting rights of the associate. Even when voting rights are less than 20%, the group may have significant influence through participation in the management of the associate or in the composition of the Boards of Directors with executive powers. Investments in associates are consolidated using the equity method, from the moment the group acquires significant influence until the moment it ends.

In accordance with this method, financial investments in associated companies are initially recognized in the balance sheet at cost and are subsequently and periodically adjusted by the amount corresponding to the participation in their net results, with a corresponding entry to gains and losses recorded directly in the statement of profit or loss. In addition, financial investments may also be adjusted by recognizing impairment losses.

Dividends attributed by associated entities are recorded as a decrease to financial investments, at the time they are attributed.

When the amount of accumulated losses incurred by an associate and attributable to the group equals or exceeds the book value of the interest and any other medium and long-term interests in that associate, the equity method is discontinued, unless the group has a constructive obligation to recognize these losses or made payments on behalf of the associate.

19.5 PROPERTY, PLANT AND EQUIPMENT

19.5.1 RECOGNITION AND MEASUREMENT

The group property, plant and equipment is valued at cost less the respective accumulated depreciations and impairment losses. On the date of transition to IFRS, the group elected to consider the revalued amount of its property, plant and equipment as cost according to the previous accounting policies, this was generally equivalent to the depreciated cost measured according to IFRS, adjusted to reflect changes in the general price index.

Acquisition/ construction costs include the invoice price, transport and installation costs, financing costs and exchange rate differences in bank loans, occurring during the construction period, as well as indirect costs attributable to it during the construction period.

Subsequent costs with property, plant and equipment are only recognized if the group is likely to obtain economic benefits therefrom in the future. All ongoing maintenance and repair expenses are recognized in the consolidated profit and loss when incurred, on an accrual basis.

When there are indications that an asset may be impaired, IAS 36 requires its recoverable amount to be estimated and an impairment loss should be recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the profit and loss. The recoverable amount is the higher of the asset's sale value less any cost of disposal and its value in use. The value in use is calculated based on the discounted value of the future estimated cash flows that can be expected from the asset's continued use and its disposal at the end of its useful life.

Gains or losses arising from the write-off or disposal of property, plant and equipment are measured as the difference between the asset's sale price, less transaction costs, and the asset's carrying amount. They are recorded in the consolidated profit and loss under the caption other operating income or other operating expenses.

Property, plant and equipment in progress represent tangible assets that are still being constructed or installed and are recorded at acquisition cost. Depreciation of these assets starts in the month they become available for use on their intended purpose.

19.5.2 DEPRECIATION

Land is not depreciated. Depreciation of the remaining tangible assets is calculated using the straight-line method, starting from the month in which the assets are available for use. The depreciation rates used correspond, on average, to the following estimated useful lives:

	Years
Buildings	4 – 40
Basic equipment	2 – 20
Transport equipment	3 – 8
Office equipment	2 – 20
Other property, plant and equipment	3 – 20

Depreciation ceases when assets are classified as held for sale.

19.6 INTANGIBLE ASSETS

19.6.1 RECOGNITION AND MEASUREMENT

Intangible assets are recognized at the acquisition cost less accumulated amortization and impairment losses, if any. Intangible assets are recognized only when it is likely the group will obtain economic benefits therefrom in the future that can be reliably measured.

19.6.2 AMORTIZATION

Intangible assets with a definite useful life are amortized using the straight-line method from the month they become available for use and over the life of the agreement. Intangible assets with indefinite useful lives (goodwill) are not amortized but are tested for impairment in the last quarter of each financial year or whenever there is an indicator of impairment.

19.7 FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized in the consolidated balance sheet when the group becomes part of the corresponding contractual provisions. A financial asset is any asset that is cash, a contractual right to receive cash or an equity instrument from another entity. A financial liability is a liability that is embodied in a contractual obligation to deliver money.

As financial assets, the group presents in the consolidated balance sheet the captions trade receivables and other receivables, financial assets at fair value through profit or loss, derivative financial instruments, other assets and bank deposits. The group's financial liabilities are presented under trade payables, loans, lease liabilities and other payables.

19.7.1 FINANCIAL ASSETS

19.7.1.1 Recognition and measurement

The group initially measures a financial asset at its fair value plus transaction costs, the other receivables and trade receivables are measured at the transaction price determined under IFRS 15, that is similar to the fair value at the transaction date.

19.7.1.2 Subsequent measurement

The subsequent measurement of financial assets depends on their classification, the following categories are being used:

(i) Financial assets at amortized cost;

(ii) Financial assets at fair value through profit or loss;

(iii) Financial assets at fair value through other comprehensive income.

The group financial assets include financial assets at amortized cost (trade receivables, other receivables, other assets and cash) and financial assets at fair value through profit or loss. The group doesn't hold any financial assets at fair value through other comprehensive income.

Financial assets at amortized cost

A financial asset is measured at amortized cost, when both of the following criteria are met (i) the asset is held under a business model with the objective of holding financial instruments to obtain contractual cash flows, and (ii) the asset has cash flows that are 'only capital repayments and interest payments' ("Solely Payments of Principal and Interest" or "SPPI") over the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate method and are subject to impairment tests. Gains or losses are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through profit or loss

The group classifies the following financial assets at fair value through profit or loss:

(i) financial instruments to obtain cash flows that do not qualify to be measured at amortized cost;

(ii) capital instruments held for trading purposes;

(iii) equity instruments for which the group has decided not to record fair value through other comprehensive income.

Classification is determined on an instrument-by-instrument basis.

Financial assets at fair value through other comprehensive income

The group measures the following financial assets at fair value through other comprehensive income:

(i) equity instruments held for purposes other than trading, being considered by the group at the time of acquisition as strategic investments;

(ii) debt instruments with cash flows that are only capital repayments and interest payments on the principal amount outstanding and for which the group's objective is to obtain their contractual and sales cash flows.

The group does not hold any financial assets in this category.

19.7.1.3 Derecognition

Financial assets are derecognized when: (i) the group's contractual rights to receive their cash flows expire; (ii) the group has substantially transferred all the risks and rewards of ownership; or (iii) although it retains a portion but not substantially all the risks and rewards of ownership, the group has transferred control over the assets.

19.7.2 FINANCIAL LIABILITIES

19.7.2.1 Initial recognition

All financial liabilities are initially recognized at fair value and, in the case of loans, financing and accounts payable, net of directly attributable transaction costs.

The group's financial liabilities include suppliers and other accounts payable, loans, including bank overdrafts and lease liabilities.

19.7.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the short term. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

ii. Financial liabilities at amortized cost

After initial recognition, trade and other creditors, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method.

19.7.3 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognized on the contract date at their fair value, which is assumed to be equal to their acquisition cost on the contract date. Subsequently, the fair value of derivative financial instruments is remeasured on each reporting date, with the gains or losses resulting from this remeasurement being recorded directly in the statement of profit or loss, except for the effects related to cash flow hedging derivatives, when they are effective, in which case they are recorded in other comprehensive income.

The fair value of derivative financial instruments corresponds to their market value, if available, or determined by external entities based on valuation techniques accepted by the market.

The group uses financial instruments to hedge the interest rate risk resulting from its financing activity. Derivatives that do not qualify as hedging within the scope of IFRS 9 are recorded as trading.

A hedging relationship exists when:

- at the date of inception there is formal documentation of the hedging relationship;
- the hedge is expected to be highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting period;
- in relation to the hedge of a future transaction, the transaction must be highly probable and must present an exposure to variations in cash flows that could ultimately affect net profit or loss.

Cash flow hedging derivatives are recorded at fair value and insofar as changes in fair value are effective, they are recognized in other comprehensive income. Changes in fair value that are not considered to be hedging, as they are considered inefficient in whole or in part, are immediately recognized in the statement of profit or loss. The amounts accumulated in reserves are reclassified to results in the periods when the hedged item affects results.

In the case of the discontinuation of a hedging relationship for a future transaction, the changes in the derivative's fair value recorded in reserves remain recognized there until the future transaction occurs. When the future transaction is no longer expected to occur, the accumulated gains or losses recorded in reserves are immediately recognized in the statement of profit or loss.

19.8 IMPAIRMENT

19.8.1 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS, EXCEPT GOODWILL

The group performs impairment tests on its property, plant and equipment and intangible fixed assets whenever there is an event or change that indicates that the amount for which the asset is registered may not be recovered. Should such indicators exist, the group determines the recoverable amount of the asset in order to determine the possible extent of the impairment loss.

When it is impossible to determine the recoverable amount of a given asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

The recoverable amount of the asset or the cash-generating unit is the greater of (i) its nets sale price and (ii) its value in use. The net sale price is the amount that would be obtained from the disposal of the asset in a transaction between independent and knowledgeable parties, less the direct disposal costs. The value in use is derived from the asset's future estimated discounted cash flows during its expected useful life. The discount rate used to update discounted cash flows reflects the time value of money and the specific risk of the asset.

Whenever the carrying amount of the asset or cash-generating unit is higher than its recoverable amount, an impairment loss is recognized. The impairment loss is recorded in the profit and loss under the caption other operating expenses.

When an impairment loss is subsequently reversed, the carrying value of the asset is remeasured to its estimated value and is recognized in the consolidated profit and loss as a deduction under the caption other operating costs. However, the reversal of the impairment loss is limited to the amount that would have been recognized (net of amortization or depreciation) had the impairment loss not been recognized in previous periods.

19.8.2 IMPAIRMENT OF FINANCIAL ASSETS

The group recognizes impairments for expected credit losses on financial assets not held at fair value through profit or loss. Losses are estimated based on the difference between the net book value of the financial instruments and the cash flows the group expects to receive, discounted according to the original effective interest rate estimate.

Losses are estimated using two different approaches, which are described below:

(i) the credit risk associated with credits for which there is no significant increase in credit risk compared to initial recognition, is estimated based on a calculation model, which takes into account the debtor's credit profile, life of the asset on each reporting date and the average expected payment terms for each debtor based on its credit profile. In carrying out the assessment of the provision for losses, the group takes into account the experience with historical credit losses and specific prospective factors of debtors and the economic environment.

(ii) credits with increased credit risk compared to initial recognition are provisioned based on the economic analysis carried out by the management of each subsidiary, taking into account the credit situation of the debtor, the market in which it operates and its known default history. According to this criterion, the provision for credit risk is constituted on an economic basis taking into account the age of the credit, the internal and external information available about each debtor;

19.9 LEASES

The group enters to lease contracts to use assets in its operating activities such as buildings, medical and administrative equipment and vehicles.

Typically, lease contracts have a duration of 4 to 10 years, except in the case of buildings, where longer periods are considered, and the duration of the contracts may exceed 20 years, if the options provided for in the contract are exercised by the group. When applicable, the group allocates lease payments from the contract to lease components and other than leases, based on the value of each component, except for vehicle leases, in which the group has chosen not to separate the lease components and non-lease, considering the two components together as if it were a single lease component.

From 1 January 2019, leasing contracts started to be recognized in assets (in right-of-use assets) and in liabilities from the date the underlying asset became available for use by the group. The assets and liabilities arising from a lease are initially measured at present value.

Lease liabilities include the current value of the following lease payments:

- fixed payments (including fixed payments in substance), less leasing incentives;
- variable payments, based on an index or rate;
- expected payments for residual value guarantees;
- exercise value of a call option, when the group has reasonable certainty of exercising that option;
- payment of penalties for terminating contracts, provided that the group exercises this option; and
- payments to be made under contract extension options when the group is reasonably sure of exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be easily determined, as is the case with leases between group companies, the group's incremental financing rate is used, which is the rate that the lessee would have to pay for obtaining the necessary funds to purchase an asset of a similar value, to the asset under right of use for a similar period, in a similar economic environment, and with similar guarantees.

To determine the incremental financing rate, the group:

- whenever possible, it uses the recent financing conditions obtained from third parties, adjusted to reflect changes in financing conditions since the financing was obtained, for contracts lasting up to 10 years;
- for contracts with a duration of more than 10 years, typically building lease contracts, the incremental rate was composed by aggregating the interest rate without observable risk in the real estate market, adjusted by the group's financing rate differential for the market and for the rate of portuguese bonds for similar terms.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the value of the lease liability until they come into force. Adjustments to lease payments based on an index or rate imply a revaluation of the lease liability against the increase in the right-of-use assets.

Some lease contracts have variable rentals that are determined based on the level of utilization of the underlying assets. Considering the fact that these contracts include minimum utilization commitments, the group believes that for this minimum component, the conditions are met to consider these contracts as assets under use rights. The lease payments are separated by the settlement of the acquisition value and its financial component, in which the financial cost is recorded in the statement of profit or loss during the lease period, in order to produce an effective interest rate.

Assets under right of use are initially measured at cost, which comprises:

- the value of the initial measurement of the lease liability;
- any lease payments made on or before the lease start date, less the rental incentives received;
- any initial direct costs; and
- dismantling and replacement costs.

Assets under right-of-use are generally depreciated by the minimums, between the useful life of the asset and the lease term, except when the group has a call option on the underlying asset and it is reasonably certain that this option will be exercised.

Payments associated with short-term leases (term less than 12 months) for equipment and vehicles and contracts for the lease of low-value assets are recognized on a straight-line basis in the statement of profit or loss over the term of this contract.

When the lease contracts have a sublease agreement associated with it, the group recognizes a financial liability for all lease payments updated at the incremental rate, and for right-of-use assets to the extent of the agreed sublease.

19.10 INVENTORIES

The inventories comprise goods and the subsidiary and consumer materials and are valued at the lower of the acquisition cost and the net realizable value. The acquisition cost comprises the expenses incurred until the storage of inventories, using the weighted average cost as a costing method.

The net realizable value corresponds to the estimated selling price less estimated selling costs.

The differences between the acquisition cost and the net realizable value, if lower, are recorded in other operating expenses and losses in the statement of profit or loss.

19.11 REVENUE

Revenue or income is recognized whenever economic benefits are likely to flow to the group and can be reliably estimated, being measured at the fair value of the consideration received or receivable, net of discounts granted and taxes. The revenue associated with the transaction is recognized with reference to the stage of completion of the transaction at the reporting date.

19.11.1 REVENUE FROM HEALTHCARE SERVICES

In the case of the activity developed within the scope of healthcare service rendered in the private segment, revenue is recognized based on the activity produced in the period, because it is understood that in most activities the fulfillment of the performance obligation is substantially completed at the time of the medical act, duly valued by the price lists defined for each act of the provision, regardless of its actual billing.

19.11.2 REVENUE FROM SENIOR RESIDENCIES

Within the scope of the activity developed by the senior residences, revenue is recognized based on the Lifetime Use Rights (LUR's). This recognition is made according to the characteristics of each type of contract:

- In LUR's without the right to transfer titleholder, or with the right to only one transfer, the contract value is initially accounted for in deferred income, with income from the member's entry into the Club being imputed for a period that takes into account the age of the member (or of the transferee, if this is possible) at the date of entry, taking into account the average life expectancy defined by the GRF95 tables;
- In LUR's with the right to unlimited transmissions, the contract value is immediately recognized as revenue, with an increase in costs being recorded against sales costs, corresponding to the unit's peril in the total cost of buildings, which is subsequently recognized in the profit or loss in the same period as the depreciation period of the corresponding tangible fixed assets.

19.11.3 REVENUE FROM TRAINING SERVICES

The revenue associated with the training services rendered are recognized, at its value net of taxes and discounts, on the date of the realization of training events contracted with customers (ie on the date on which the significant risks and benefits are transferred to the customer), thus, the amounts billed and charged until the date of the event are deferred in the balance sheet.

19.11.4 REVENUE FROM THE SALES OF GOODS

In the sale of goods made by the group, there is only one performance obligation, so revenue is recognized when the goods are transferred to the customer's possession.

19.11.5 ACCOUNTS RECEIVABLE AND CONTRACT ASSETS AND LIABILITIES

Accounts receivable represent rights to amounts for which there is no performance obligation to be fulfilled.

In accordance with IFRS 15, in cases where there are performance obligation to be complied with, balances receivable from customers (recognized in accounts receivable from customers and accrued income) or balances already received (as advances or deferred income), results to contract assets and contract liabilities, respectively.

19.12 ACCRUAL BASIS

The group companies record their income and expenses in accordance with the accrual accounting regime, whereby income and expenses are recognized when they occur regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding expenses and income are recorded under the captions other accounts receivable or other accounts payable, respectively.

19.13 FINANCE COSTS AND INCOME

Finance income include interest and financial discounts obtained from third parties, being recognized in the period to which they relate. Dividends are also recognized when the obligation to distribute dividends is constituted in the reporting company.

Financial costs include interest paid and other bank costs and are also recognized in the period to which they relate.

19.14 INCOME TAX

Income tax is recognized according to IAS 12 – Income Taxes and includes both current and deferred tax. Taxes on profits are recognized in the consolidated profit and loss, except when related to items directly recognized in equity, in which case they are also reported in equity.

Current taxes are those that are expected to be paid based on the taxable income calculated in accordance with the tax rules in force and using the approved or substantially approved tax rate.

Deferred taxes are calculated by using the balance sheet liability method on temporary differences between the carrying values of assets and liabilities and their tax base, using the tax rates approved or substantially approved as at the reporting date and which are expected to be applied when the temporary differences are reversed.

Deferred tax liabilities are recognized for all temporary taxable differences with the exception of non-deductible goodwill for tax purposes, for differences arising from the initial recognition of assets and liabilities that affect neither accounting nor taxable profits, and for differences related to investments in subsidiaries to the extent they are unlikely to be reversed in the future. Deferred tax assets are recognized only to the extent it is likely that future taxable profit will be able to use the temporary deductible differences.

The group is taxed according to the special tax regime for corporate groups, which covers all the companies in which the parent company of the tax group directly or indirectly holds at least 75% of the share capital and as long as these companies meet the requirements established in the Corporate Income Tax Code. The remaining subsidiaries that do not fall under the group's special tax regime are taxed individually, according to their respective taxable income and applicable tax rates.

From 1 January 2024, onwards, Luz Saúde has ended its special tax regime for groups of companies (RETGS), and the majority of the subsidiaries that compose the group, entered Fidelidade's tax group.

The companies of the group that assess taxable income, classify and present this liability in the balance sheet in the line item current income tax payable, however the companies that assess a tax loss, and due to the fact that the Group has no information to estimate the moment where the tax credit will be used, this tax loss is classified and presented under the line item deferred tax asset in the balance sheet.

Current taxes are determined based on the accounting results adjusted according to the tax law in force. Currently, companies' resident in Portugal are subject to a corporate income tax rate of 21%, plus a municipal surcharge of up to a maximum of 1.5% of taxable profits, and a State surcharge of 3% of taxable profits between €1.5 million and €7.5 million, 5% on taxable profits between €7.5 million and €35 million, and 9% on taxable profits above €35 million. From 1 January 2025 onward income tax rate changes from 21% to 20%, as such in the current year the Group has updated the impact of this change in terms of its deferred tax asset and liabilities.

The payment of income tax is made based on self-assessment declarations that are subject to inspections and eventual adjustment by the tax authorities during the period of four years from the year to which they relate. Tax losses for a given year, which are also subject to inspection and adjustment for a period of four to ten years, and can be used against tax profits of future fiscal years, without time limit. From 2014 until 31 December 2022, the deduction of taxable losses is capped at 70% of the taxable profit assessed in the tax year in which the taxable losses are used. This limit was increased by 10 p.p. for tax losses in the 2020 and 2021 tax periods. From the tax periods beginning on or after 1 January 2023, the annual limit for the deduction of tax losses was reduced to 65%. This change applies to the deduction of losses from taxable profits for tax periods beginning on or after January 1, 2023, as well as to tax losses from tax periods prior to 1 January 2023, for which the deduction period is still in progress.

Pursuant to IAS 12, the group offsets deferred tax assets and liabilities whenever: (i) the respective company has a legally enforceable right to offset current tax assets and liabilities; (ii) the deferred tax assets and liabilities relate to income taxes levied by the same tax authority and on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously in future periods in which deferred taxes are expected to the settled or recovered.

19.15 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions are recognized when (i) the group has a present obligation, due to past events (legal or constructive), (ii) it is likely that a cash outflow will be required and (iii) when the amount of the obligation can be reliably estimated.

When one of these requisites is not met, the group discloses the event as a contingent liability, unless the possibility of an outflow of funds is highly unlikely.

The amount of the provisions corresponds to the present value of the obligation, with the financial update being recognized in the profit or loss the caption finance cost.

Provisions are revised on the reporting date and are adjusted to reflect the best estimate on that date.

Contingent assets are not recognized in the consolidated financial statements but are disclosed when it is likely they will generate a future economic benefit.

19.16 SEGMENT REPORTING

Pursuant to IFRS 8, an operating segment is a component of the group: (i) that engages in business activities from which it may earn revenue and incur expenses; (ii) whose operating results are regularly reviewed by the group's chief operating decision-maker for the purpose of making decisions about allocating resources to the segment and assessing its performance; and (iii) for which separate financial information is available.

Segment information is reported consistently with the internal management information model used by the group. For reporting purposes, exist three operating segments: private healthcare, other activities and corporate center.

19.17 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to the company shareholders by the weighted average number of ordinary shares outstanding during the period, excluding the average number of treasury shares held.

To calculate diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted to reflect the impact of all potential diluting effects, such as those resulting from convertible debt or options over own shares granted to employees. The dilution results in lower earnings per share, due to the assumption that convertible instruments are converted or the granted options are exercised.

19.18 DIVIDEND DISTRIBUTION

The distribution of dividends is recognized as a liability from the time they are approved by the company's General Shareholders Meeting until they are paid to shareholders.

19.19 CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows is prepared using the direct method, through which cash inflows and outflows in operating, investing and financing activities are disclosed.

19.20 SUBSEQUENT EVENTS

Events that occur after the closing date, up to the date of approval of the consolidated financial statements by the Board of Directors, and that provide additional information on conditions that existed at the closing date of accounts are reflected in the financial statements. Events occurring after the closing date that are indicative of conditions that arose after the date of the financial report are disclosed in the notes to the consolidated financial statements, when considered relevant.

19.21 EMPLOYEE BENEFITS

Pursuant to Portuguese legislation, employees are currently entitled to one-month holiday leave and one-month holiday allowance. This right is earned in the year prior to the year payment is made.

Under the performance assessment system in place, employees may come to earn a bonus should they achieve certain objectives. This right is usually earned in the year prior to the year payment is made.

Liabilities are recognized in the consolidated profit or loss in the period in which the employees earn the referred right, regardless of the date of payment. The obligation is recognized under liabilities in the caption other payables.

THE CERTIFIED ACCOUNTANT

(Sónia Amoedo Matos)

THE BOARD OF DIRECTORS

(Jorge Manuel Baptista Magalhães Correia)

(Isabel Maria Pereira Aníbal Vaz)

(Artur Aires Rodrigues de Morais Vaz)

(Fang Yao)

(Ivo Joaquim Antão)

(João Paulo da Cunha Leite de Abreu Novais)

(Lingjiang Xu)

(Maria Isabel Toucedo Lage)

(Rogério Miguel Antunes Campos Henriques)

(Teresa Alexandra Pires Marques Leitão Abecasis)

(Tomás Leitão Branquinho da Fonseca)

(Vítor Manuel Lopes Fernandes)

20 GLOSSARY

ACE	Luz Saúde – Serviços, A.C.E.
ADSE	Instituto de Proteção e Assistência na Doença, I.P.
ARS-LVT	Administração Regional de Saúde de Lisboa e Vale do Tejo
CASAS	Casas da Cidade – Residências Sénior, S.A.
Casas de Carnaxide	Casas da Cidade – Residência Sénior de Carnaxide, S.A.
CCHCI II	Capital Criativo Health Care Investment II, SA
CFEI II	Extraordinary tax credit to investment
CIRC	Corporate income tax code
CIT	Corporate income tax
CMVM	Comissão do Mercado de Valores Mobiliários
CRB	Clube Residencial da Boavista, S.A.
DCF	Discounted Cash-Flows
DFA	Finance and audit department
DSAF	Financial and administrative services department
EBITDA	Earnings Before Interest Tax Depreciation and Amortization
EU	European Union
FCR	Venture capital funds
FCT	Fundo de Compensação de Trabalho
Fidelidade	Fidelidade Companhia de Seguros, S.A.
Fosun International	Fosun International Limited
GENOMED	Genomed - Diagnósticos de Medicina Molecular, S.A.
GLSLH	GLSMED Learning Health, S.A.
GLST	GLSMED Trade, S.A.
HAG	Hospital da Luz Arrábida, S.A.
HBA	Hospital Beatriz Ângelo
HLA	Hospital da Luz Aveiro, S.A.
HLC	Hospital da Luz Coimbra, S.A.
HL-CCA	Hospital da Luz – Centro Clínico da Amadora, S.A.
HLF	Hospital da Luz Funchal, S.A.
HLG	Hospital da Luz Guimarães, S.A.
HLL	Hospital da Luz, S.A.
HLO	Hospital da Luz – Oeiras, S.A.
HLR	Hospital da Luz Ribatejo, Sociedade Unipessoal, Lda.
HL-SGE	HL-Sociedade Gestora do Edifício, SA
HME	HME – Gestão Hospitalar, S.A.
HOSPOR	Hospor – Hospitais Portugueses, S.A.

HRM	Hospital Residencial do Mar, S.A.
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IASC	International Accounting Standards Committee
IFRIC	IFRS Interpretation Committee
IFRS	International Financial Reporting Standards
IMI	Property tax
Invested Capital	Sum of net debt and shareholders equity
LURs	Lifetime use rights
Luz Saúde	Luz Saúde, S.A.
Multicare	Multicare – Seguros de Saúde, S.A.
Net debt	Total financial debt net of cash and cash equivalents
OCI	Other comprehensive income
OECD	Organisation for Economic Co-operation and Development
PCA	Portuguese competition authority
PPP	Public-Private Partnership
PTA	Portuguese tax authority
PU	Participation units
RETGS	Special regime of group taxation
RML	RML – Residência Medicalizada de Loures, SGPS, SA
SGHL	SGHL – Sociedade Gestora do Hospital de Loures, S.A.
SIC	Standing Interpretation Committee
SIFIDE	Tax benefits scheme for research and development
SURGICARE	SURGICARE – Unidades de Saúde, SA
USATI	Luz Saúde Unidades de Saúde e de Apoio à Terceira Idade, S.A.
VAT	Valued added tax
VLUSITANO	Vila Lusitano - Unidades de Saúde, S.A.
WACC	Weighted average cost of capital

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STATUTORY AUDITORS' REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Luz Saúde, S.A.** (the Group), which comprise the consolidated balance sheet as at 31 December 2024 (showing a total of 919,374 thousand euros and total equity of 364,457 thousand euros, including a profit for the year of 38,529 thousand euros), and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of **Luz Saúde, S.A.** as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the consolidated Financial Statements" section below. We are independent of the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Matriculada na Conservatória do registo Comercial de Lisboa sob o N.º PT 502 161 078

Other matters

The consolidated financial statements for the year ended 31 December 2023, presented for comparative purposes, were audited by another statutory auditor, who issued a Statutory Auditors' Report, without qualifications or emphasis of matter, dated 19 March 2024. We were engaged on 15 April 2024 to perform an audit to the financial statements for the year ended 31 December 2024.

Responsibilities of management and the supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's consolidated financial position, financial performance and the consolidated cash flows, in accordance with the International Financial Reporting Standards as adopted by the European Union.;
- the preparation of the consolidated management report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and,
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditors' 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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;
- obtain 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and the events in a manner that achieves fair presentation;
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion; and,
- communicate with those charged with governance, including the supervisory body, 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.

Our responsibility also includes the verification that the information contained in the consolidated management report is consistent with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the consolidated management report

Pursuant to article 451, nr. 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the consolidated management report was prepared in accordance with the applicable legal and regulatory requirements, the information contained therein is coherent with the audited consolidated financial statements and, having regard to our knowledge and assessment of the Group, we have not identified any material misstatements.

24 March 2025

SIGNED ON THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with the no. 20161489)
represented by
António Marcos Tavares Pereira
(ROC no. 1953 and registered at CMVM with the no. 20210012)

LUZ SAÚDE, S.A.

SUPERVISORY BOARD REPORT AND OPINION

31 DECEMBER 2024

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version prevails)

As complement to the applicable laws, bylaws and the mandate that we were entrusted with, we present the report on the supervision activity and the opinion on the Annual Report, prepared by the Board of Directors under its responsibility.

During the year, we monitored the company's activity, taking all the necessary steps to fulfill the duties to which we are obliged, and we verify the regularity of the accounting records and the compliance with applicable laws and bylaws, having carried out the verifications deemed appropriate.

We obtained from the Board of Directors and the Company's services, with whom we met whenever deemed convenient, regular information and clarification about the activity of the Company and the progress of its business, particularly regarding the policies and strategies defined by the Board of Directors, compliance with laws, regulatory, and bylaws, the adequacy of policies, criteria, and accounting practices, and the process of preparing financial information.

We met with the Statutory Auditor, whenever deemed appropriate, with the purpose of analyzing and discussing several matters of the Company's activity and monitoring the development of audit procedures, namely the planning of the statutory audit and financial reporting, thus gathering useful elements for the development of their supervisory activities.

We appreciated the Annual Report, which includes the report on corporate governance, non-financial information, individual and consolidated financial statements, and the proposal for the individual profit allocation presented by the Board of Directors, as well as the Statutory Auditor's Report, with which we agree.

According with foregoing, the Supervisory Board issues the following:

OPINION

- That the Management Report and the consolidated and individual financial statements for the financial year be approved, as presented by the Board of Directors.

- That the proposal for profit allocation contained in the Management Report be approved.

- That a vote of praise and confidence be approved for the Board of Directors for the careful and effective way they managed the business of Luz Saúde, S.A..

The Supervisory Board thanks the Board of Directors for the collaboration received throughout the financial year.

Lisbon, 26 March 2025

THE SUPERVISORY BOARD

Patrícia Andrea Bastos Teixeira Lopes Couto Viana – Chairman

Carlos Fernando Tome da Silva Westerman - Member

Teresa Alexandra Rodrigues Marques Alves Maya Pinheiro – Member

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INDIVIDUAL BALANCE SHEET AT 31 DECEMBER 2024

Amounts expressed in thousands of euros

(free translation from the original version in Portuguese)

	Note	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	3.1	1 488	1 406
Right-of-use assets	3.2	176	363
Intangible assets	3.3	20 021	14 788
Deferred tax assets	15.4	6 832	5 199
Other non-current assets	4.3	1 072	1 149
Other receivables	4.1	2 013	1 995
Investments in subsidiaries	3.4	467 323	514 396
Derivative financial instruments	9	874	2 140
Financial assets at fair value through profit or loss	6.1	6 634	6 879
Total non-current assets		**506 433**	**548 315**
Current assets			
Other current assets	4.3	1 081	1 282
Trade and other receivables	4.1	18 286	27 657
Current income tax receivable	15.3	2 380	2 338
Cash and cash equivalents	5.3	5 227	1 900
Total current assets		**26 974**	**33 177**
Total assets		**533 407**	**581 492**
Equity			
Equity and reserves			
Share capital	5.2.1	95 542	95 542
Share premium	5.2.2	61 796	61 796
Reserves and retained earnings	5.2.3	194 833	167 692
Total shareholders' equity		**352 171**	**325 030**
Liabilities			
Non-current liabilities			
Borrowings	5.4	82 200	135 408
Lease liabilities	5.4	50	118
Deferred tax liabilities	15.4	192	218
Provisions	6.2	18	18
Total non-current liabilities		**82 460**	**135 762**
Current liabilities			
Trade and other payables	4.2	13 434	21 303
Borrowings and bank overdrafts	5.4	85 192	99 130
Lease liabilities	5.4	150	267
Total current liabilities		**98 776**	**120 700**
Total liabilities		**181 236**	**256 462**
Total equity and liabilities		**533 407**	**581 492**

The accompanying notes form an integral part of these individual financial statements

INDIVIDUAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

Amounts expressed in thousands of euros

(free translation from the original version in Portuguese)

	Notes	2024	2023
Revenue from services rendered	10	7 221	5 886
Other operating income		225	1
Total operational income		**7 446**	**5 887**
Costs of services and materials	11	(4 758)	(3 703)
Personnel expenses	12	(5 209)	(3 565)
Other operating expenses		(137)	(192)
Depreciation and amortization	3.1/3.2/3.3	(3 962)	(3 611)
Operating loss		**(6 620)**	**(5 184)**
Finance income	13	49 480	38 219
Finance costs	14	(11 233)	(10 881)
Impairment of investments in subsidiaries	3.4	(6 150)	(4 025)
Profit before income tax		**25 477**	**18 129**
Income tax	15.1	1 716	1 293
Profit for the year		**27 193**	**19 422**
Other comprehensive income:			
Items that maybe reclassified to profit or loss			
Cash flow hedges, net of tax	9	(52)	(1 729)
Other comprehensive income for the year		**(52)**	**(1 729)**
Comprehensive income for the year		**27 141**	**17 693**

The accompanying notes form an integral part of these individual financial statements

INDIVIDUAL STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

Amounts expressed in thousands of euros

(free translation from the original version in Portuguese)

	Note	2024	2023
Operating activities			
Receipts from customers	16.1	25 716	23 899
Payments to suppliers	16.2	(24 671)	(20 948)
Payments to employees		(2 274)	(1 344)
Cash flow generated from operations		(1 229)	1 607
Income tax received		-	2
Other receipts / (payments) related with operating activities, net		4 055	(1 803)
Net cash flow (used) /generated from operating activities		**2 826**	**(194)**
Investing activities			
Proceeds from:			
Disposal of property, plant and equipment		-	1 000
Equity instruments in investees	16.3	6 313	8 791
Loans to subsidiaries	3.4.2	48 230	23 600
Interest received		7 888	6 598
Dividends	13	36 334	28 264
Other financial assets		2 706	345
Payments related with:			
Property, plant and equipment and intangible assets		(10 624)	(10 315)
Equity instruments in investees	16.4	(500)	(11)
Loans to subsidiaries	3.4.2	(13 120)	(23 818)
Other financial assets	16.5	(470)	(147)
Net cash flow generated in investing activities		**76 757**	**34 307**
Financing activities			
Proceeds from:			
Borrowings	5.4 / 16.6	796 000	634 997
Financing receipts from related parties	5.4 / 16.7	320 650	275 400
Payments related with:			
Borrowings	5.4 / 16.6	(829 823)	(638 465)
Lease liabilities	5.4 / 3.2.1	(284)	(281)
Interest and other similar expenses	5.4	(8 755)	(10 435)
Financing payments from related parties	5.4 / 16.7	(351 870)	(307 900)
Net cash flow (used) / generated in financing activities		**(74 082)**	**(46 684)**
Change in cash and cash equivalents		**5 501**	**(12 571)**
Cash and cash equivalents at the beginning of the year	5.3	(10 066)	2 505
Cash and cash equivalents at the end of the year	5.3	**(4 565)**	**(10 066)**

The accompanying notes form an integral part of these individual financial statements

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

Amounts expressed in thousands of euros

(free translation from the original version in Portuguese)

	Note	Share capital	Share premium	Reserves and retained earnings	Total
At 1 January 2023		95 542	61 796	149 999	307 337
Profit for the year		-	-	19 422	19 422
Other comprehensive income for the year		-	-	(1 729)	(1 729)
Comprehensive income for the year		**-**	**-**	**17 693**	**17 693**
At 31 December 2023	5.2	**95 542**	**61 796**	**167 692**	**325 030**
At 1 January 2024		95 542	61 796	167 692	325 030
Profit for the year		-	-	27 193	27 193
Other comprehensive income for the year		-	-	(52)	(52)
Comprehensive income for the year		**-**	**-**	**27 141**	**27 141**
At 31 December 2024	5.2	**95 542**	**61 796**	**194 833**	**352 171**

The accompanying notes form an integral part of these individual financial statements

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

(free translation from the original version in Portuguese)

A ENTITY

1 REPORTING ENTITY

Luz Saúde, SA (hereinafter referred to as "Luz Saúde" or "company") is a limited liability company, with registered office in Lisbon, at Rua Carlos Alberto da Mota Pinto nº17 – 9º floor, registered at the Lisbon Commercial Registry Office with the number and tax ID 504 885 367, whose corporate purpose is the development and participation in healthcare businesses in a direct and indirect way.

Luz Saúde is controlled by Fosun International Holdings Ltd ("Fosun") through Fidelidade – Companhia de Seguros, SA ("Fidelidade").

2 FINANCIAL STATEMENTS APPROVAL

These individual financial statements were approved and authorized for issue by the Board of Directors on 14 March 2025. The General Shareholders' Meeting has the power to approve these individual financial statements in accordance with the commercial legislation in force in Portugal.

B FINANCIAL POSITION

3 INVESTMENTS

3.1 PROPERTY, PLANT AND EQUIPMENT

[POLICY]

Property, plant and equipment is valued at cost less accumulated depreciation and impairment losses. Subsequent expenses with tangible assets are recognized only if it is probable that they will result in future economic benefits for the company. All current maintenance and repair expenses are recognized as an expense in the profit or loss under the line item cost of services and materials.

Depreciation of property, plant and equipment is calculated using the straight-line method, starting from the month in which the assets are available for use. The depreciation rates used correspond, on average, to the following estimated useful lives:

	Years
Basic equipment	3-8
Other property, plant and equipment	3-8

Depreciation ceases when the assets are classified as held for sale.

When there is an indication that an asset may be impaired, its recoverable amount is estimated, an impairment loss is recognized whenever the carry amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

[ESTIMATE]

The depreciation rates used reflect the best knowledge about the estimated useful life. The residual values of the assets and the respective useful lives are reviewed and adjusted, when necessary.

The changes in property, plant and equipment can be presented as follows:

	Basic equipment	In progress	Total
Acquisition cost			
At 1 January 2023	5 740	306	6 046
Additions	440	-	440
Transfers	306	(306)	-
At 31 December 2023	**6 486**	**-**	**6 486**
At 1 January 2024	6 486	-	6 486
Additions	1 146	-	1 146
At 31 December 2024	**7 632**	**-**	**7 632**
Accumulated depreciation			
At 1 January 2023	4 099	-	4 099
Depreciation for the year	981	-	981
At 31 December 2023	**5 080**	**-**	**5 080**
At 1 January 2024	5 080	-	5 080
Depreciation for the year	1 064	-	1 064
At 31 December 2024	**6 144**	**-**	**6 144**
Net book value			
At 31 December 2023	**1 406**	**-**	**1 406**
At 31 December 2024	**1 488**	**-**	**1 488**

Fully depreciated tangible fixed assets amount to €5.0 million (2023: €3.3 million).

3.2 RIGHT-OF-USE ASSETS

[POLICY]

The company enters into lease contracts to use assets in its operating activity, such as buildings and vehicles. Typically, these lease contracts are made for periods of 4 to 10 years. When applicable, the company allocates contract lease payments to lease components, and non-lease payments are recognized based on the value of that component, except for vehicle leases, where the company has chosen not to separate lease and non-lease components, registering the two components together as if they were a single lease component.

From 1 January 2019 onwards, building and vehicle lease contracts started to be recognized in assets (right-of-use assets) and in liabilities, from the date the underlying asset became available for use by the company.

Right-of-use assets are measured at cost, which comprises:

- the value of the initial measurement of the lease liability;
- any lease payments made on or before the lease start date, less the rental incentives received;
- any initial direct costs; and
- dismantling and replacement costs.

Right-of-use assets are generally depreciated at the shorter of the assets' useful life and the lease period, except when the company has a purchase option on the underlying asset, and it is reasonably certain that this option will be exercised.

	Buildings	Transport equipment	Total
Acquisition cost			
At 1 January 2023	1 026	353	1 379
Additions	39	1	40
At 31 December 2023	**1 065**	**354**	**1 419**
At 1 January 2024	1 065	354	1 419
Additions	-	74	74
At 31 December 2024	**1 065**	**428**	**1 493**
Accumulated depreciation			
At 1 January 2023	550	240	790
Depreciation for the year	206	60	266
At 31 December 2023	**756**	**300**	**1 056**
At 1 January 2024	756	300	1 056
Depreciation for the year	206	55	261
At 31 December 2024	**962**	**355**	**1 317**
Net book value			
As at 31 December 2023	**309**	**54**	**363**
As at 31 December 2024	**103**	**73**	**176**

3.2.1 IMPACT ON THE STATEMENT OF PROFIT OR LOSS

	2024	2023
Depreciation of right-of-use assets		
Buildings	206	206
Transport equipment	55	60
	261	**266**
Financial expenses		
Financial expenses on lease contracts	10	11
	10	**11**
Rents		
Short-term leases	27	6
Low-value leases	3	1
	30	**7**

In 2024, payments made on lease contracts amounted to €0.3 million (2023: €0.3 million).

The lease liabilities are presented in note 5.4.7.

3.3 INTANGIBLE ASSETS

[POLICY]

Intangible assets are recorded at acquisition cost, less accumulated amortization and impairment losses, when applicable. Intangible assets are only recognized when it is probable that they will result in future economic benefits for the company and they can be measured reliably. Intangible assets with defined useful lives are amortized using the straight-line method, starting from the month in which they are available for use. The amortization rates used correspond, on average, to the following estimated useful lives.

	Years
Software	3-5

Intangible assets with undetermined useful lives are not subject to amortization, being subject to impairment tests in the last quarter of each financial year or when there is an indication that they may be impaired.

	Software	In progress	Total
Acquisition costs			
At 1 January 2023	14 445	3 793	18 238
Additions	-	6 974	6 974
Transfers	2 372	(2 372)	-
At 31 December 2023	**16 817**	**8 395**	**25 212**
At 1 January 2024	16 817	8 395	25 212
Additions	-	7 890	7 890
Adjustments	(31)	-	(31)
Transfers	3 941	(3 941)	-
At 31 December 2024	**20 727**	**12 344**	**33 071**
Accumulated amortization			
At 1 January 2023	8 060	-	8 060
Amortization for the year	2 364	-	2 364
At 31 December 202	**10 424**	**-**	**10 424**
At 1 January 2024	10 424	-	10 424
Amortization for the year	2 637	-	2 637
Adjustments	(11)	-	(11)
At 31 December 2024	**13 050**	**-**	**13 050**
Net book value			
At 31 December 2023	**6 393**	**8 395**	**14 788**
At 31 December 2024	**7 677**	**12 344**	**20 021**

Intangible assets in progress refer to IT projects that are being developed. The increase compared to the previous year can be explained by the development of a new software tool that will support the clinical and administrative operations of healthcare units.

Fully amortized intangible fixed assets amount to €7.4 million (2023: €5.4 million).

3.4 INVESTMENT IN SUBSIDIARIES

[POLICY]

Financial investments in equity interests and equity loans to subsidiaries are recognized at acquisition cost, less impairment losses when applicable.

Loans to subsidiaries are classified as non-current assets when they have a maturity over 12 months from the reporting date or when the payment term is less than 12 months and there is an intention of the company to renew the loan for a longer period. They are measured at amortized cost through the effective interest rate method. When there is evidence that they are impaired (i.e. when financial investments deteriorate significantly in terms of their financial position), the corresponding impairment loss is recorded in the statement of profit or loss.

[ESTIMATE]

A financial impairment is recognized when the book value of an investment exceeds the present value of future cash flows. The calculation of the present value of future cash flows and the decision to consider permanent impairment involves judgment and is dependent of the future projected for the subsidiaries. For the purposes of impairment testing, market prices, if available, or other valuation assumptions are based on information available from subsidiaries. In order to determine whether there is a permanent impairment, Luz Saúde considers the ability and intention to hold the investment for a reasonable period that is sufficient to recover the fair value up to (or above) the balance sheet value, including in the analysis factors such as the expected results of the subsidiary, the economic and regulatory environment, the status of the industry and the market in which they operate.

Investments in subsidiaries can be presented as follows:

	Shares	Equity loans	Loans	Accumulated impairment	Net book value
Acquisition cost					
At 1 January 2023	130 144	296 799	196 073	(96 044)	526 972
Additions	11	-	12 018	(4 025)	8 004
Decrease	-	(8 780)	(11 800)	-	(20 580)
At 31 December 2023	**130 155**	**288 019**	**196 291**	**(100 069)**	**514 396**
At 1 January 2024	130 155	288 019	196 291	(100 069)	514 396
Additions	174 406	-	7 925	(6 150)	176 181
Decrease	-	(113 879)	(109 375)	-	(223 254)
At 31 December 2024	**304 561**	**174 140**	**94 841**	**(106 219)**	**467 323**
Net book value					
As at 31 December 2023	**130 155**	**288 019**	**196 291**	**(100 069)**	**514 396**
As at 31 December 2024	**304 561**	**174 140**	**94 841**	**(106 219)**	**467 323**

3.4.1 INVESTMENTS IN SUBSIDIARIES BY ENTITY

	Registered office	% of shareholding	Equity interest	Equity loans	Loans	Accumulated impairment	Total 2024	Total 2023
Casas da Cidade - Residências Sénior, SA ("CASAS")	Lisbon	100,00%	200	490	-	-	690	690
Hospital da Luz Oeiras, SA ("HLO")	Oeiras	100,00%	2 250	-	-	-	2 250	2 250
GLSMED Learning Health, SA ("GLSLH")	Lisbon	100,00%	4 050	2 800	60	(3 465)	3 445	1 600
GLSMED Trade, SA ("GLST")	Lisbon	100,00%	2 050	-	-	-	2 050	2 050
HME - Gestão Hospitalar, SA ("HME")	Évora	100,00%	9 649	-	15 867	(20 222)	5 294	5 994
Hospital da Luz Arrábida, SA ("HAG")	V. N. Gaia	100,00%	8 240	-	11 000	-	19 240	15 240
Hospital da Luz Aveiro, SA ("HLA")	Aveiro	95,72%	4 807	-	-	-	4 807	4 807
Hospital da Luz - Centro Clínico da Amadora, SA ("HL-CCA")	Amadora	100,00%	2 100	11 200	890	(9 855)	4 335	3 595
Hospital da Luz Guimarães, SA ("HLG")	Lisbon	100,00%	10 988	2 750	-	-	13 738	15 738
Hospital da Luz, SA ("HLL")	Lisbon	100,00%	3 683	-	-	-	3 683	3 683
HOSPOR - Hospitais Portugueses, SA ("HOSPOR")	Póvoa de Varzim	100,00%	35 450	6 500	34 500	-	76 450	76 950
Luz Saúde - Unidades de Saúde e de Apoio à Terceira Idade, SA ("USATI")	Lisbon	70,00%	133 527	105 000	-	-	238 527	281 080
RML - Residência Medicalizada de Loures, SGPS, SA ("RML")	Lisbon	75,00%	5 362	-	-	-	5 362	5 362
SGHL - Sociedade Gestora do Hospital de Loures, SA ("SGHL")	Lisbon	99,99%	72 426	-	200	(67 537)	5 089	11 439
Surgicare - Unidades de Saúde, SA ("SURGICARE")	Lisbon	100,00%	6 087	19 300	450	-	25 837	25 837
Hospital da Luz Funchal, SA ("HLF")	Funchal	81,67%	3 142	-	18 071	(5 140)	16 073	17 038
Capital Criativo Health Care Investment II, SA ("CCHCI II") [1]	Lisbon	100,00%	50	26 100	13 303	-	39 453	41 043
Hospital da Luz Ribatejo, Sociedade unipessoal, Lda ("HLR")	Lisbon	100,00%	500	-	500	-	1 000	-
Total investments in subsidiaries			**304 561**	**174 140**	**94 841**	**(106 219)**	**467 323**	**514 396**

3.4.2 CHANGES IN INVESTMENTS IN SUBSIDIARIES

	Equity interest	Equity loans	Loans	Impairment	Total
At 1 January 2024	**130 155**	**288 019**	**196 291**	**(100 069)**	**514 396**
Equity interest addition					
HLR	500	-	-	-	**500**
	500	**-**	**-**	**-**	**500**
Reinforcement / (reimbursement) of loans					
USATI	-	(4 313)	-	-	**(4 313)**
HLG	-	(2 000)	-	-	**(2 000)**
USATI	-	-	(38 240)	-	**(38 240)**
SGHL	-	-	(6 350)	-	**(6 350)**
CCHCI II	-	-	(1 590)	-	**(1 590)**
HOSPOR	-	-	(500)	-	**(500)**
HAG	-	-	4 000	-	**4 000**
HLF	-	-	2 535	-	**2 535**
GLSLH	-	-	1 845	-	**1 845**
HME	-	-	1 800	-	**1 800**
HL-CCA	-	-	890	-	**890**
HLR	-	-	500	-	**500**
	-	**(6 313)**	**(35 110)**	**-**	**(41 423)**
Transfers					
USATI	91 727	(65 887)	(25 840)	-	-
SGHL	69 179	(38 179)	(31 000)	-	-
HME	7 500	-	(7 500)	-	-
HLG	3 500	(3 500)	-	-	-
GLSLH	2 000	-	(2 000)	-	-
	173 906	**(107 566)**	**(66 340)**	**-**	**-**
Impairment losses					
HLF	-	-	-	(3 500)	**(3 500)**
HME	-	-	-	(2 500)	**(2 500)**
HL-CCA	-	-	-	(150)	**(150)**
	-	**-**	**-**	**(6 150)**	**(6 150)**
At 31 December 2024	**304 561**	**174 140**	**94 841**	**(106 219)**	**467 323**

3.4.2.1 Equity interest additions

This caption includes the share capital payment of a new subsidiary (HLR) incorporated in 2024.

3.4.2.2 Reinforcement/reimbursement of loans

The payments and receipts of loans from subsidiaries made during the fiscal year 2024. The difference compared to the items of receipts and payments of loans from subsidiaries in the cash flow statement amounting to some €1.6 million refers to payment and receipt amounts with the same subsidiary, which in this table is presented at net value.

3.4.2.3 Transfers

- USATI: €91.7 million transferred to equity interest refers to: (i) a share capital increase of €25.8 million through the conversion of a shareholder loan, and (ii) the allocation of €65.9 million of equity loans to compensate prior year cumulated losses;
- SGHL €69.2 million transferred to equity interest refers to: (i) a share capital increase of €31.0 million through the conversion of a shareholder loan, and (ii) the allocation of €38.2 million of equity loans to compensate prior year cumulated losses;
- HME: €7.5 million transferred to equity interest refers to a share capital increase of €7.5 million through the conversion of a shareholder loan;
- HLG: €3.5 million transferred to equity interest refers to the allocation of €3.5 million of equity loans to compensate prior year cumulated losses;
- GLSLH: €2.0 million transferred to equity interest refers to a share capital increase of €2.0 million through the conversion of a shareholders loan.

3.4.3 IMPAIRMENT OF SUBSIDIARIES

The recoverable amount of investments in subsidiaries (financial instruments) and shareholder loans are tested annually in the last quarter of each financial year, or whenever there is an indication of a possible impairment. The recoverable amount is determined based on the higher between the carried amount of the assets in accordance with the financial information prepared by each subsidiary and its value in use.

The value in use is calculated using discounted cash flows (DCF), considering the historical performance of the business, the market conditions, the future expectations for the development of each business, the time value and the business risks.

For the purposes of the tests, carried out in the last quarter of 2024 and 2023, the company defined a set of assumptions to determine the recoverable amount of the investments made, of which we highlight the following:

Year	Calculation method	Projection period	Pre-tax discount rate	Perpetuity growth rate
2024	DCF	5 years	6.50%	2.0%
2023	DCF	5 years	4.95%	1.8%

The following should be noted:

- Projected cash flows are based on the budgets prepared by the subsidiaries which represent the first year of cash flows for the period under analysis;
- Medium and long-term projected cash flows are based on historical performance and business plans and are extended in perpetuity, whenever applicable;
- The assumptions used in projecting cash flows for each of the cash-generating units are those to which the recoverable amount of the unit is most sensitive;

- The key assumptions used, reflect the past experience and external sources of information; and,
- The growth rate used is in accordance with the long-term expected average growth rate for the market in which the unit operates.

Based on the tests carried out, the company increased its impairment allowance by €6.2 million. The details of impairment losses per subsidiary can be presented in the table below:

	2024	2023
SGHL	67 537	67 537
HME	20 222	17 722
HL-CCA	9 855	9 705
HLF	5 140	1 640
GLSLH	3 465	3 465
	106 219	**100 069**

3.4.4 SUMMARIZED FINANCIAL INFORMATION OF THE MAIN SUBSIDIARIES

Available financial information at 31 December 2024 in respect of the company's main subsidiaries can be presented as follows:

	HAG	HLL	HOSPOR
Summarized net assets			
Current assets	20 704	66 897	24 370
Shareholder loans	(7 000)	-	-
Current liabilities	(19 839)	(90 372)	(29 854)
Current net assets/(liabilities)	**(6 135)**	**(23 475)**	**(5 484)**
Non-current assets	44 892	244 605	156 053
Shareholder loans	(4 000)	-	(34 500)
Non-current liabilities	(10 213)	(186 759)	(29 510)
Net assets/(liabilities)	**24 544**	**34 371**	**86 559**
Summarized results			
Total revenue	85 832	316 381	124 146
Profit before income tax	15 082	34 385	3 101
Income tax expense	(3 854)	(7 856)	(964)
Net profit/(loss)	**11 228**	**26 529**	**2 137**
Summarized cash flows			
Operating cash flow	14 595	54 443	12 374
Investment cash flow	(2 087)	(32 369)	(7 019)
Financing cash flow	(12 621)	(27 815)	(5 898)
Change in cash and cash equivalents	**(113)**	**(5 741)**	**(543)**

4 WORKING CAPITAL

4.1 TRADE AND OTHER RECEIVABLES

[POLICY]

Trade and other receivables classified as current assets have no implicit interest and are presented using the amortized cost method, which attending to the maturity of these balances is similar to its book value, less the associated impairment losses. When collection is expected to occur within a year of the reporting date, they are classified as current assets. Impairment losses are recorded in the statement of profit or loss in accordance with the expectation of default or when there is objective evidence that the company will not collect all the amounts receivable and will be subsequently reversed through the statement of profit or loss, if in a later period there is a decrease in the estimated loss amount.

[ESTIMATE]

Impairment losses related to doubtful receivables are based on the company's assessment of the probability of recovering the receivable balances. This assessment is made based on the ageing of the receivable, the debtor's profile and the deterioration of the credit situation of the debtors. If the financial conditions of debtors deteriorate, impairment losses may be higher than expected.

Trade and other receivable include mainly amounts receivable from the company's subsidiaries in respect of the services rendering, the reimbursement of expenses supported by the company on behalf of the subsidiaries, and interest on shareholders loans granted. The balance can be presented as follows:

	2024	2023
Trade receivables		
Trade receivables	86	107
Trade receivables - related entities (note 4.1.1)	4 796	4 810
Impairment of trade receivables (note 4.1.2)	(84)	(89)
	4 798	**4 828**
Other receivables		
Tax group - related entities (note 4.1.1)	342	13 021
Other receivables - related entities (note 4.1.1)	9 660	7 884
State and other public entities (note 4.1.3)	2 312	1 237
Accrued income	1 089	556
Other debtors (note 4.1.4)	2 098	2 126
	15 501	**24 824**
Trade and other receivables	**20 299**	**29 652**
From which:		
Trade and other receivables – current	18 286	27 657
Other receivables - non-current	2 013	1 995

Considering the short maturities associated with the balances presented above as current, it is considered that their book value has no significant difference to its fair value.

4.1.1 TRADE AND OTHER RECEIVABLES FROM RELATED PARTIES

	2024				2023			
	Trade receivables	Other debtors (note 4.1.4)		Total	Trade receivables	Other debtors (note 4.1.4)		Total
		Tax group	Other debtors			Tax group	Other debtors	
USATI	1 302	-	3 364	4 666	1 157	-	3 413	4 570
HLL	303	-	-	303	454	6 778	-	7 232
HOSPOR	762	-	2 444	3 206	687	1 215	1 797	3 699
HAG	506	-	323	829	543	3 099	63	3 705
HLF	66	-	1 151	1 217	93	2	756	851
HME	76	-	1 524	1 600	80	11	1 083	1 174
HLC	238	-	-	238	313	325	-	638
CCHCI II	9	-	741	750	6	-	669	675
HLO	112	-	-	112	84	1 014	-	1 098
HLA	218	-	-	218	269	322	-	591
ACE	401	-	-	401	348	-	-	348
HLG	205	-	-	205	177	116	-	293
SURGICARE	198	-	20	218	274	-	2	276
GLSLH	60	-	47	107	75	26	12	113
SGHL	130	-	-	130	8	-	-	8
GLST	43	-	-	43	52	3	89	144
HL-CCA	60	-	46	106	98	3	-	101
CASAS	38	-	-	38	14	1	-	15
VLUSITANO	38	-	-	38	48	18	-	66
HRM	11	-	-	11	15	88	-	103
CRB	11	-	-	11	15	-	-	15
RML	9	-	-	9	-	-	-	-
	4 796	**-**	**9 660**	**14 456**	**4 810**	**13 021**	**7 884**	**25 715**
Other related parties								
FIDELIDADE	-	342	-	342	-	-	-	-
Total	**4 796**	**342**	**9 660**	**14 798**	**4 810**	**13 021**	**7 884**	**25 715**

Until 31 December 2023, Luz Saúde was the parent company of its own tax group, since 1 January 2024 the company and the majority of its subsidiaries entered the tax group lead by Fidelidade. Consequently at 31 December 2024 the balances related with the tax group income tax assessment are no longer presented in its balance sheet.

4.1.2 IMPAIRMENT OF RECEIVABLES

	2024	2023
At 1 January	89	89
With impact in profit or loss		
Reversal	(5)	-
At 31 December	**84**	**89**

4.1.3 STATE AND OTHER PUBLIC ENTITIES

This item mainly refers to VAT deductible that entitles the company to demand for its reimbursements or that can be used to offset future VAT payable.

4.1.4 OTHER DEBTORS

This item refers mainly to the present value of the financial grant given to Universidade Católica Portuguesa on the amount of €2.0 million.

4.2 TRADE AND OTHER PAYABLES

[POLICY]

Trade and other payables include the liabilities regarding the purchase of services in the normal course of the company's operations. If payment is due within a year or less, they are classified as current liabilities, otherwise, they are classified as non-current liabilities. Trade and other payables are initially recognized at their fair value and subsequently measured at amortized cost using the effective interest rate method, which attending to the short maturities of these liabilities are equal to its book value. Gains or losses are recognized in profit or loss when liabilities are derecognized, as well as through the amortization process at the effective interest rate.

	2024	2023
Trade payables		
Trade payables – current	4 174	5 882
	4 174	**5 882**
Other payables		
State and other public entities	153	94
Personnel (note 4.2.1)	3 562	3 197
Other accruals	946	1 072
Other payables	65	13
Tax group - related entities (note 4.2.2)	-	11 018
Other payables - related entities (note 19.4)	4 534	27
	9 260	**15 421**
Total trade and other payables	**13 434**	**21 303**

Attending to the maturities associated with the balances presented above, it is considered that its book value has no material difference to its fair value.

4.2.1 PERSONNEL

The caption of personnel includes the liability for vacation leave, vacation allowance and variable remuneration of the Board of Directors executive members and employees.

4.2.2 TAX GROUP – RELATED ENTITIES

In 2023, the caption tax group – related parties refers to the income tax liability generated in the that year, by the company's subsidiaries that were part of the tax group led by Luz Saúde (which ended in 31 December 2023). From 1 January 2024 onwards the company and the majority of its subsidiaries entered the tax group lead by Fidelidade, and as such at 31 December 2024 the balances related with the tax group income tax assessment are no longer presented in its balance sheet.

4.3 OTHER CURRENT AND NON-CURRENT ASSETS

	2024	2023
Deferred expenses	1 666	2 240
Advances to suppliers	487	191
	2 153	**2 431**
From which:		
Current	1 081	1 282
Non-current	1 072	1 149

5 FINANCING

5.1 CAPITAL MANAGEMENT

In the scope of its regular activity, the company manages the group's corporate debt, with the main business units having independent operational treasury management. Company's objectives in relation to capital management are:

- Safeguard of the company's ability to continue operating and thus provide returns for shareholders and benefits for other stakeholders;
- Maintain a solid capital structure to support the development of its activity and of the group it leads;
- Maintain an optimal capital structure that allows the company to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company can, among other, adjust the amount of dividends payable to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Capital ratios are usually measured based on the company's consolidated financial statements.

5.2 EQUITY

5.2.1 SHARE CAPITAL

Luz Saúde's share capital is represented by 95 542 254 ordinary shares with a nominal value of €1 (31 December 2023: 95 542 254 shares).

5.2.2 SHARE PREMIUM

Share premium in the amount of €61.8 million, is related to the share capital increases undertaken by the company in 2004, 2005 and 2006 in the amounts of €12.5 million, €7.5 million and €61.6 million, respectively. During the 2011 financial year, these funds were partially used in the amount of €33.9 million, following a Shareholders Meeting resolution, to cover losses carried forward, leaving a balance of €47.7 million.

In addition, the share capital increase that took place in February 2014, €15.5 million was recorded as share premiums from which €1.4 million were deduced in respect of transaction costs with the share capital increase.

5.2.3 RESERVES AND RETAINED EARNINGS

At 31 December 2024 and 2023, the amount in reserves and retained earnings (which also include the comprehensive income for the year) can be presented as follows:

	2024	2023
Non-distributable reserves		
Legal reserve	8 449	7 477
Other reserves	158 756	140 305
Retained earnings	487	2 217
Comprehensive income for the year	27 141	17 693
	194 833	**167 692**

5.2.3.1 Non-distributable reserves

The non-distributable reserves include the legal reserve created by allocation of the profit of each financial year.

5.2.3.2 Other reserves

Other reserves relate to the unrestricted reserves created by the allocation of the profit from previous years, available to be distributed to shareholders.

5.2.3.3 Profit allocation

According to the proposal presented and approved at the Shareholders General Meetings held on 4 April 2024 and 26 May 2023, the profit of Luz Saúde, for the years 2023 and 2022, respectivelly, had the following allocation:

	2023 Year-end	2022 Year-end
Legal reserve	971	821
Unrestricted reserves	18 451	15 607
Statutory profit allocation	**19 422**	**16 428**

5.2.3.4 Retained earnings

Retained earnings includes, among other, the effectiveness of derivative financial instruments and the result generated in previous years from the purchase and sale of treasury shares held under the stock compensation plan already ended.

5.3 CASH AND CASH EQUIVALENTS

[POLICY]

The amounts included in cash and cash equivalents correspond to the amounts of cash, bank deposits, term deposits and other, maturing in or less than three months of the reporting date and which can be immediately mobilized and with an insignificant risk of change in value. Bank overdrafts are presented as current loans in liabilities.

	2024	2023
Cash on hand	1	1
Bank deposits	5 226	1 899
	5 227	**1 900**

Considering the short maturities associated with the balances presented above, it is considered that its book value has no material difference to the fair value.

For the purposes of preparing the cash flow statement, cash and cash equivalents is detailed as follows

	2024	2023
Cash and cash equivalents as presented above	5 227	1 900
Bank overdrafts (note 5.4)	(9 792)	(11 966)
Cash and cash equivalents in the statement of cash flow	**(4 565)**	**(10 066)**

5.4 INTEREST-BEARING LIABILITIES

[POLICY]

Interest-bearing liabilities include mainly the company's credit lines, whether in the form of bank loans, bond loans or commercial paper programs, as well as lease liabilities. These liabilities are

recognized at fair value and are subsequently measured at amortized cost, calculated using the effective interest rate method. They are classified in the balance sheet as current or non-current liabilities depending on their maturity, thus, if the debt matures in less than a year, it will be classified as a current liability, if it is more than a year it will be classified as a non-current liability. Derecognition occurs when the obligations arising from the contracts end, namely at the time of settlement. Financial charges are calculated according to the effective interest rate and recorded in the statement of profit or loss, on an accrual basis.

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Secured						
Commercial paper	13 323	25 700	39 023	13 600	39 150	52 750
Leases	150	50	200	267	118	385
Total secured debt	**13 473**	**25 750**	**39 223**	**13 867**	**39 268**	**53 135**
Unsecured						
Commercial paper	40 438	35 000	75 438	55 400	52 500	107 900
Bank loans	13 186	2 000	15 186	9 946	15 708	25 654
Bond loans	8 453	19 500	27 953	8 218	28 050	36 268
Bank overdraft	9 792	-	9 792	11 966	-	11 966
Total unsecured debt	**71 869**	**56 500**	**128 369**	**85 530**	**96 258**	**181 788**
Interest-bearing liabilities	**85 342**	**82 250**	**167 592**	**99 397**	**135 526**	**234 923**
Cash and cash equivalents			**(5 227)**			**(1 900)**
Net debt			**162 365**			**233 023**

At 31 December 2024, the company has unused credit lines amounting to €40.2 million decomposed in bank overdraft, amounting to €17.7 million and commercial paper program, amounting to €22.5 million.

5.4.1 DEBT MOVEMENT

	Commercial paper	Bank loans	Leases	Bond loans	Other borrowings	Total
Opening balance	160 650	25 654	385	36 268	11 966	**234 923**
Additions						
Financing proceeds	1 116 650	-	-	-	-	**1 116 650**
Non-cash new contracts	-	-	82	-	-	**82**
Financial expenses, net in the profit or loss	6 547	677	17	989	204	**8 434**
Decreases						
Loan payments	(1 162 750)	(10 543)	-	(8 400)	-	**(1 181 693)**
Lease payments	-	-	(267)	-	-	**(267)**
Financial expenses, net in the cash flow statement	(6 911)	(581)	(17)	(989)	(275)	**(8 773)**
Other	275	(21)	-	85	(2 103)	**(1 764)**
End balance	**114 461**	**15 186**	**200**	**27 953**	**9 792**	**167 592**

- The item of net financial expenses in the income statement includes interest on loans (€9.1 million), charges for expenses and losses on loans (€1.0 million) deducted from interest obtained from derivative financial instrument (€1.6 million);

- The item of net financial expenses in the cash flow statement includes payments of interest and similar expenses related to loans (€8.8 million) and interest and charges related to lease contracts (€17 thousand);
- Other variations in the column of other loans include the variation of bank overdrafts in the amount of €2.2 million (note 5.3).

5.4.2 COMMERCIAL PAPER

[POLICY]

Commercial paper programs that do not have underwriting conditions are classified in current liabilities, although it is expected that the bank responsible for the organization of the program will be able to renew the current balance. Commercial paper programs with a maturity of more than 12 months after the reporting date are classified as non-current, whenever the group has the capacity to control the renewal of current emissions until the maturity of the programs as these have underwritten commitment by the organizer.

The commercial paper financing lines that the company has are the following:

Start date	End date	Subscription underwriting	Program Amount	2024	2023
10/02/2011	28/12/2026	Yes	39 150	39 150	52 750
05/05/2020	05/05/2025	Yes	20 000	20 000	20 000
18/05/2016	30/12/2027	Yes	40 000	40 000	40 000
06/11/2021	06/11/2025	No	30 000	15 500	30 000
10/08/2018	10/02/2029	Yes	15 000	-	10 500
17/03/2017	17/03/2025	No	30 000	-	7 500
27/12/2023	27/12/2028	Yes	22 500	-	-
				114 650	**160 750**
		Accrued interest and other expenses, net		(189)	(100)
				114 461	**160 650**

The commercial paper program due in 2026 (amounting €39.2 million) is secured by the mortgage of part of the building of Hospital da Luz in Lisbon.

Of the amount used in December 2024, the amount of €15.5 million, relates to balances with Hospital da Luz Aveiro (€4.5 million), CRB (€ 2.5 million), Vila Lusitano (€2.0 million), Hospital da Luz Oeiras (€6.0 million) and Casas da Cidade (€0.5 million).

5.4.3 BANK LOANS

Start date	End date		2024	2023
31/03/2022	31/03/2025		10 000	12 778
21/11/2019	21/11/2026		4 000	6 000
23/11/2018	23/05/2025		1 160	3 434
22/04/2019	22/10/2024		-	3 369
			15 160	**25 581**
		Accrued interest and other expenses, net	26	73
			15 186	**25 654**

5.4.4 BOND LOANS

Start date	End date		2024	2023
17/12/2020	17/12/2027		22 500	25 500
14/12/2022	14/12/2025		5 550	10 950
			28 050	**36 450**
		Interests and other related expenses, net	(97)	(182)
			27 953	**36 268**

5.4.5 MATURITY OF THE INTEREST-BEARING LOANS

At 31 December 2024 and 2023, the commercial paper, bond loans, bank loans and bank overdrafts presented the following maturities based on the contracted maturity date:

	2024				2023			
	Commercial paper	Bank loans	Bond loans	Other loans	Commercial paper	Bank loans	Bond loans	Other loans
Up to 12 months	53 761	13 186	8 453	9 792	69 000	9 946	8 218	11 966
12-24 months	30 700	2 000	3 000	-	65 950	13 708	8 550	-
24-36 months	30 000	-	16 500	-	25 700	2 000	3 000	-
36-48 months	-	-	-	-	-	-	16 500	-
More than 48 months	-	-	-	-	-	-	-	-
	114 461	**15 186**	**27 953**	**9 792**	**160 650**	**25 654**	**36 268**	**11 966**

5.4.6 GUARANTEES

Most of the aforementioned financing lines contain financial constraints / covenants that are common in financing agreements. Typical non-financial constraints included:

- negative pledge provisions, in relation to the lines with the highest value and maturity;
- restrictions on the use of capital resources, acquisitions and disposal of assets;
- *Pari passu* obligations:

- conditions of non-compliance with responsibilities, which include cross-default clauses in relation to companies that are under control or in a group relationship with the respective borrower;
- Change of control provisions that requires that the Fosun group maintains control, direct or indirect, in the company; and,
- Dividend distribution limits.

In terms of real estate guarantees, one of the commercial paper line disclosed above is secured by a mortgage on one of the group's real estate property. The collateral amount is higher than the amount of the contracted line.

5.4.7 FINANCIAL COVENANTS

The company is obliged to comply with financial ratios, established in the financing agreements in force on this date, calculated on the basis of its consolidated accounts, namely:

- Net debt / EBITDA
- Equity to assets
- Debt to equity

At 31 December 2024, the company was not in breach of the contracted covenants. These financial statements should be read together with the consolidated financial statements which disclose the ratios and the indicative values, as calculated by the company.

5.4.8 LEASES

[POLICY]

From 1 January 2019 onwards, leasing contracts, began to be recognized both in assets (under right-of-use assets) and in liabilities from the date the underlying asset became available for use by the company. The assets and liabilities arising from a lease are initially measured at the present value of the lease payments.

Lease liabilities include the current value of the following lease payments:

- fixed payments (including fixed payments in substance), less leasing incentives;
- variable payments, based on an index or rate;
- expected payments for residual value guarantees;
- exercise value of a purchase option, when the company has reasonable certainty of exercising that option;
- payment of penalties for terminating contracts, as long as the company exercises this option; and

- payments to be made under contract extension options when the company is reasonably certain of exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be easily determined, the company 's incremental financing rate is used, which is the rate that the lessee would have to pay for obtaining the funds necessary to obtain an asset of a similar value to the right-of-use asset for a similar period, in a similar economic environment, and with similar guarantees.

To determine the incremental financing rate, the company whenever possible, uses the recent financing conditions obtained from third parties, adjusted to reflect changes in financing conditions since the financing was obtained, for contracts lasting up to 10 years.

The company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability value until they come into effect. Adjustments to lease payments based on an index or rate imply a revaluation of the lease liability against the increase in the right-of-use assets.

The lease payments are separated into its acquisition value and its financial component, in which the financial cost is recorded in the statement of profit or loss during the lease period, in order to produce an effective interest rate.

Lease liabilities have the following maturities:

	2024	2023
Less than a year	150	267
Between one to five years	50	118
More than five years	-	-
	200	**385**

6 OTHER ASSETS AND LIABILITIES

6.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

[POLICY]

This note includes the equity instruments held by the company related to companies on which has no control or significant influence. These financial assets are measured at fair value through profit or loss when the company holds them without a long-term strategic purpose.

	2024	2023
FCR Capital Criativo IV	1 427	1 630
Uphill, SA	1 167	697
Iberis Bluetch Fund, FCR, EuVECA	1 071	996
Iberis Bluetech Fund III	991	972
FCR C2 R&D Growth VI	981	966
Explorer Growth Fund V	978	987
HL-Sociedade Gestora do Edifício, SA	-	612
FCT - Fundo compensação do trabalho	19	19
	6 634	**6 879**

In December 2024, and following the end of the PPP contract to manage the Hospital Beatriz Ângelo, the company completed the sale of its shareholding stake in HL-SGE (the entity responsible for the construction and management of the hospital facility) by an amount of €2.4 million, generating a gain of some €1.8 million (note 13).

6.2 PROVISIONS

[POLICY]

Provisions are recognized when the company (i) has a present, legal or constructive obligation, (ii) it is probable that its payment will be required and (iii) when a reliable estimate of the value of that obligation can be made. When one of these requirements is not met, the company discloses the events as a contingent liability, unless the possibility of an outflow of funds is not remote. Provisions are reviewed at the reporting date and are adjusted to reflect the best estimate at that date. Contingent assets are not recognized in the financial statements but are disclosed when a future economic benefit is probable.

[ESTIMATE]

The company exercises considerable judgment in recognizing and measuring provisions. Judgment is essential to assess the probability that a given process will be successful. Due to the uncertainties inherent in the valuation process, the actual losses may be different from the estimated losses in the provision. These estimates are subject to change as new information about the processes is known. Revisions to the estimates of these losses may affect future earnings.

The provisions caption did not register any movement in 2024.

C FINANCIAL RISK MANAGEMENT

7 FINANCIAL INSTRUMENTS BY CATEGORY

	2024	2023
Financial assets		
At amortized cost		
Loans to subsidiaries (note 3.4)	94 841	196 291
Trade and other receivables (note 4.1)	17 987	28 415
Bank deposits (note 5.3)	5 226	1 899
Derivative financial instruments		
Used for hedging (note 9)	874	2 140
At fair value through profit or loss		
Financial assets at fair value through profit or loss (note 6.1)	6 634	6 879
	125 562	**235 624**
Financial liabilities		
At amortized cost		
Trade and other payables (note 4.2)	13 434	21 303
Borrowings and bank overdrafts (note 5.4)	167 392	234 538
Lease liabilities (note 5.4)	200	385
	181 026	**256 226**

The hierarchy for the purposes of assessing fair value has the following levels and bases of measurement:

- Level 1 - quotes from active liquid markets and to which the group has access at the reporting date;
- Level 2 - generally accepted valuation models based on observable market inputs;
- Level 3 - valuation models, that the main inputs are not observable in the market.

Regarding the group's financial instruments classified as level 2 (note 9), the fair value was determined by bank entities based on inputs observable in the market and used in generally accepted valuation models and techniques.

Regarding financial instruments classified as level 3 (note 6.1), the fair value in the case of Investment funds (which represent more than 80% of the caption financial assets at fair value through profit or loss) was determined based on the valuation of PU's disclosed by the management entities of the funds in the latest financial statements available. For this purpose, investments made by these investment funds held for less than 12 months are measured at their acquisition cost (which is assumed to be similar to fair value), and in the case of investments held for more than 12 months at its fair value determined by the rules defined by CMVM, with valuations depending on factors such as investment profitability, market financing conditions, growth projections or multiples of similar transactions. Regarding participation in equity instruments from non-regulated entities, the estimated value is given by their acquisition value.

8 FINANCIAL RISK

Luz Saúde main activity is the development and participation in healthcare businesses, the company is largely dependent on the financial structure of its subsidiaries and their ability to generate sufficient cash flow to carry out distribution of dividends, payment of interest, repayment of loans made and payment of the services rendered/ paid by the company.

- The company is exposed to the following types of risk as a result of its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

This note provides information on the company's exposure to each of the aforementioned risks, as well as its goals, procedures and practices for measuring and managing these risks. Further disclosures of a quantitative nature are presented throughout these financial statements.

The identified risks are reviewed regularly to ensure they reflect real market conditions and are consistent with the company's activities.

8.1 CREDIT RISK

Credit risk arises from the possibility that financial losses may occur due to a client's default on contractual obligations with Luz Saúde during its business.

The company's exposure to credit risk is essentially related to the balances receivable from its subsidiaries arising from the company's operating and investment activity, as well as from the liquidity managed within the company's treasury activity.

The following table presents the maximum exposure of the company to credit risk:

	2024	2023
Investments in subsidiaries - loans (note 3.4.1)	94 841	196 291
Trade and other receivables (note 4.1)	15 889	26 288
Other debtors (note 4.1)	2 098	2 126
Receivables	**112 828**	**224 705**
Bank deposits	1 939	1 653
Bank deposits - related entities	3 287	246
Bank deposits (note 5.3)	**5 226**	**1 899**
	118 054	**226 604**

8.1.1 TRADE RECEIVABLES

Relevant credit risk is limited to transactions with related parties of the company, monitoring the activity of the subsidiaries by the company's management enables a detailed monitoring of this risk.

8.1.2 BANK DEPOSITS

The breakdown of bank deposits, according to the rating of the financial institutions where the cash is deposited, can be presented as follows (taking as based on Moody's rating observable in the market at 31 December 2024):

	2024	2023
A3	3 483	312
A1	832	-
A2	563	362
Baa2	208	1 017
Outros	140	208
	5 226	**1 899**

As guideline, the company tries to maintain an alignment between the financial institutions where deposits its cash equivalents, and the financial institutions with credit lines to finance its operations, in order to create a natural hedge to prevent the risk of a potential credit event that may occur at the level of counterparty where the funds are deposited.

8.2 LIQUIDITY RISK

Liquidity risk arises from the possible inability to finance the company's assets or from meeting the liability contract on the maturity date. The aim is to maintain a satisfactory level of cash flow to meet the financial needs, in the short, medium and long term. To assess overall exposure to this risk, reports are prepared to enable the company to identify occasional treasury shortfalls and activate the measures intended to cover them.

8.2.1 RELATIONSHIP BETWEEN CURRENT ASSETS AND CURRENT LIABILITIES

The company presents a current liabilities (2024: €98.8 millions; 2023: €120.7 millions) higher than its current assets (2024: €27.0 millions and 2023: €33.2 millions). This situation arises from the company's strategy of operating in an industry with high levels of investment, and the Group controlling its non-current assets.

Analyzing current liabilities excluding the impact of interest bearing liabilities (2024: €13.4 millions; 2023: 21.3 millions), it can be concluded that current assets exceed current liabilities, without the impact of interest bearing liabilities, by approximately €13.6 millions (2023: 11.9 millions).

The repayment of interest bearing liabilities will be carried out through the following options: (i) the use of available credit lines (€40.2 millions), (ii) the use of part of the cash flows generated from investing activities (which in 2024 amounted to approximately €76.8 millions); and (iii) the contracting of new financing lines (either by renewing existing lines or contracting new financing lines).

8.2.2 FINANCING ARRANGEMENTS

At 31 December 2024 the company has unused credit lines, in the form of bank overdrafts and commercial paper programs with underwrite subscription, in the amount of €40.2 million (2023: €40.5 million).

The bank overdraft facilities may be used at any moment and are renewed every 6 months therefore it may be possible to be terminated at each renewal date by the bank after notice.

8.2.3 MATURITY OF FINANCIAL LIABILITIES

The maturity of the financial liabilities will give rise to the following monetary out-flows, excluding interest, based on the remaining period until maturity on the balance sheet date:

	2024						2023
	Bank Loans	**Commercial paper**	**Bond loans**	**Other loans**	**Other liabilities (*)**	**Total**	**Total**
Under 12 months	13 186	53 761	8 453	9 792	13 634	98 826	120 818
12 to 24 months	2 000	30 700	3 000	-	-	35 700	88 208
24 to 36 months	-	30 000	16 500	-	-	46 500	30 700
36 to 48 months	-	-	-	-	-	-	16 500
48 to 60 months	-	-	-	-	-	-	-
Over 60 months		-	-	-	-	-	-
	15 186	**114 461**	**27 953**	**9 792**	**13 634**	**181 026**	**256 226**

(*) Excludes non-financial liabilities, namely provision and deferred tax liabilities among other

8.3 MARKET RISK

Market risk refers to the company exposure to changes in market prices, such as foreign exchange rates, interest rates or developments in the capital markets which may affect the company's results and financial position. As the company is not exposed to foreign exchange or capital market risks, the goal of its market risk management policies focus mainly on monitoring changes in interest rates that affect interest-bearing liabilities with floating interest rates.

Part of credit lines contracted by the company are exposed to floating interest rates, given by the market index contracted plus a spread.

In previous years in order to balance the exposure to changes in interest rates, the company has contracted hedging instruments to mitigate the cash flow risk, in order to fix the interest rates of some of the credit lines in use.

Considering the level of financial debt that the company has at 31 December 2024 and considering the effectiveness that these instruments may have (considering the actual level of interest rates), the company will have about 45% of its financial debt exposed to variable interest rate (2023: 40%).

Considering that the company's result is exposed to variations in market interest rates, and for illustrative purposes only, a variation of 100 b.p. in the reference rates and holding all other variables constant would result in an impact on the result before tax, on an annual basis, of approximately:

	2024	2023
Impact of interest rate variation by 100 b.p. in income before tax	754	933

An overall reform of the main interest rate benchmarks is underway, which will replace some benchmarks, including Euribor, for alternative risk-free rates. The company presents exposures to Euribor variations in its financial instruments that will be impacted by this reform. There is currently uncertainty about the timing and methods associated with the transition of interest rate benchmarks. The company, presently, does not expect a significant impact on its risk management policies and on the effects of hedge accounting.

The company will assess and analyze the potential impacts of the potential change from Euribor when the timings and the respective methods of change become effective, and particularly the designated interest rate risk hedging relationships.

9 DERIVATIVE FINANCIAL INSTRUMENTS

[POLICY]

Derivative financial instruments are recognized on the contract date at their fair value, which is assumed to be equal to their acquisition cost on the contract date. Subsequently, the fair value of derivative financial instruments is remeasured on each reporting date, with the gains or losses resulting from this remeasurement being recorded directly in the statement of profit or loss, except with respect to the effects relating to cash flow hedging derivatives.

The company uses financial instruments to hedge the interest rate risk resulting from its financing activity. Derivatives that do not qualify as hedging within the scope of IFRS 9 are recorded as trading. Cash flow hedging derivatives are recorded at fair value and insofar as changes in fair value are effective for hedging purposes, they are recognized in the statement of other comprehensive income. Changes in fair value that are not considered to be hedging, as they are considered inefficient in whole or in part, are immediately recognized in the statement of profit or loss. The amounts accumulated in reserves are reclassified to results in the periods when the hedged item affects results.

In assessing the existence of an economic relationship between the hedged instruments and the hedging instruments, the company assumes that the interest rate benchmark (Euribor) will not be changed following the reform of the interest rate benchmarks as permitted by the changes to IAS 39, IFRS 7 and IFRS 9 related to the reform of the interest rate benchmarks.

The fair value of the hedging derivative is classified as a non-current asset or liability when the maturity of the hedged operation is greater than 12 months, and as a current asset or liability when the maturity of the hedged operation is less than 12 months.

The aforementioned policy is applicable to all hedging relationships designated as of 31 December 2024.

The company will cease to apply the above policy when:

(i) the uncertainty regarding the reform of the interest rate benchmarks with respect to Euribor ceasing; or

(ii) the respective hedging relationship is discontinued.

The company uses derivative financial instruments to hedge interest rate risks affecting the value of the expected future cash flows. The hedged risk is the change in the index that the floating rate incorporates, being applicable to all the company's credit lines.

The fair value of these instruments have been determined by banking entities based on observable inputs on the market and used in valuation models generally accepted (Level 2), can be presented as follows:

	2024	2023
Interest rate swap contracts - cash flow hedges	874	2 140
Interest rate swap contracts - held for trading	-	-
Total	**874**	**2 140**

The detail of fair value per contract can be presented as follows:

Year	Covered instrument	Notional	Begin	End	Fair value
2024	Commercial paper	39 150	25/11/2015	28/12/2026	874
2023	Commercial paper	52 750	25/11/2015	28/12/2026	2 140

Trading derivatives are classified in current assets or current liabilities according to their fair value at the reporting date.

The notional interest rate swap contract outstanding on 31 December 2024 amounted to €39.2 million (2023: €52.8 million), all of which are considered as cash flow hedges.

The contract gives rise to the recognition of a change in fair value net of income tax in the company's statement of other comprehensive income in 2024 arising from the part considered as efficient for hedging purposes of approximately €52 thousand, negative (2023: €1.7 million, negative).

In respect of the changes in fair value, considered not to be effective for hedging purposes, in the current year €1.2 million impacted the statement of profit or loss in the finance costs item (2023: no value impacted) (note 14).

Regarding the interests in 2024, it was recognized a gain on the profit or loss in the finance income item of €1.6 million (note 13) (2023: €1.8 million, recognized in the finance income item).

D PERFORMANCE IN 2024

10 REVENUE FROM SERVICES RENDERED

[POLICY]

Revenue or income is recognized whenever economic benefits are likely to flow to the company and can be estimated reliably, being recorded with reference to the stage of completion of the transaction at the reporting date, based on the activity produced in the period, valued according to the established agreements, regardless of the time of their actual billing.

The amount of revenue for services rendered comes entirely from services rendered direct and indirectly to Luz Saúde's subsidiaries, in the areas of marketing, financial, tax, legal and business and strategy development, according to the group business segments:

	2024	2023
Revenue from services rendered to related entities		
Private segment	6 212	5 048
Corporate center segment	677	639
Other activities segment	219	162
Discontinued operations	113	23
	7 221	**5 872**
Revenue from services rendered to non-related entities		
Other services	-	14
	7 221	**5 886**
Revenue based on timing of recognition		
At a point in time	-	-
Over time	7 221	5 872
	7 221	**5 886**

The increase in revenue from the private segment, results from the increase in services provided in terms of the use of software owned by the company.

11 SERVICES AND MATERIALS CONSUMED

	2024	2023
Specialized work	3 074	1 854
Marketing	754	820
Professional fees	441	226
Maintenance and repair	97	127
Other materials and services consumed	392	676
	4 758	**3 703**

The increase in this caption is mainly due to the increase in specialized work, explained by the increase in consultancy.

12 PERSONNEL EXPENSES

[POLICY]

Personnel expenses are recognized in the statement of profit or loss in the period in which employees acquire the rights, regardless of the date of their payment. The responsibility is recognized in liabilities under the caption other accounts payable, namely:

- Vacation leave and vacation allowance: According to the Portuguese legislation, employees are entitled to one month of vacation leave and one month of vacation allowance, a right acquired in the year prior to their payment;
- Variable remuneration: Through the performance evaluation system in place, employees may receive a bonus if they meet certain objectives on an individual and collective basis, a right usually acquired in the year prior to their payment.

[ESTIMATE]

The company recognizes on a monthly basis, an estimate for bonuses that considers the objectives agreed with employees and executive members of the Board of Directors, the achievement of those objectives and the overall status of the company's activity. Current expense estimate is recorded under other payable in the balance sheet, being prepared based on management's best estimate, based on the performance of the current year. Final value to be paid is only known in the following year.

Personnel expenses can be presented as follows:

	2024	2023
Corporate body remunerations	2 068	2 085
Personnel wages and salaries	2 147	998
Payroll related expenses	659	409
Other personnel expenses	335	73
	5 209	**3 565**

The average number of company employees in 2024 was 22 (2023: 9).

The Statutory Auditor's fees for the year 2024, can be presented as follows:

	2024	2023
Statutory audit	61	353
Other services different from statutory audit	93	210
	154	**563**

The amounts presented refer to the operations contracted with the statutory auditor in place in each of the years. In addition to the amounts presented above, the former auditor in 2024 invoiced other assurance services in the amount of €0.4 million.

13 FINANCE INCOME

[POLICY]

The company classifies dividends received, interest and financial discounts obtained from third parties as finance income, being these revenues recognized in the year to which they relate.

Finance income is recognized in the statement of profit or loss on an accrual basis during the period to which they relate. Dividends are recognized when the right to receive is established.

	2024	2023
Dividends (note 13.1)	36 334	28 264
Interest from loans to subsidiaries (note 13.2)	9 660	7 885
Gains from the disposal of financial assets (note 6.1)	1 788	-
Interest from derivative financial instruments (note 9)	1 608	1 819
Other interests	90	251
	49 480	**38 219**

13.1 DIVIDENDS

The amount of dividends received has the following detail:

	2024	2023
HLL	21 731	12 168
HAG	11 691	7 966
HLO	2 912	1 350
HLA	-	6 366
GLST	-	414
	36 334	**28 264**

13.2 INTEREST FROM LOANS TO SUBSIDIARIES

The amount of interest from loans to subsidiaries can be detailed as follows:

	2024	2023
USATI	3 364	3 414
HOSPOR	2 444	1 797
HME	1 524	1 083
HLF	1 151	756
CCHCI II	741	669
HAG	323	63
GLST	47	89
HL-CCA	46	-
SURGICARE	20	2
GLSLE	-	12
	9 660	**7 885**

14 FINANCE COST

[POLICY]

Finance costs include interest incurred and other bank expenses and are recognized in the year to which they relate, using the amortized interest cost method, thus the initial costs of assembly, commissions and stamp tax incurred with medium and long-term loans are deferred over the expected term of the loans and recognized based on the capital utilization. Finance costs are recognized in the statement of profit or loss on an accrual basis during the period to which they relate.

	2024	2023
Interest from commercial paper	7 563	7 886
Interest from loans	631	874
Interest from bond loans	854	1 073
Loss on derivative financial instruments (note 9)	1 192	-
Other finance expenses	993	1 048
	11 233	**10 881**

Interest from commercial paper, from bond loans and other finance expenses includes an amount of €5.7 million (2023: €5.9 million) related to interest paid to related parties (note 19).

Other finance expenses mainly include costs incurred with financing agreements entered by the company.

15 INCOME TAX

[POLICY]

Income tax for the financial period is recognized according to IAS 12 – Income Taxes and includes both current and deferred tax. Taxes on profits are recognized in the statement of profit or loss, except when related to items directly recognized in equity, in which case they are also reported in equity.

Current taxes are those expected to be paid based on taxable income, calculated according to the tax laws in force and the tax rate approved or substantially approved.

Deferred taxes are calculated according to the liability method based on the reporting date, on temporary differences between the book values of the assets and liabilities, and their tax base, using the tax rates approved or substantially approved at the reporting date and that are expected to be applied when the temporary differences are reversed.

Deferred tax assets are recognized only to the extent that it is expected that there will be taxable profits in the future, to use the temporary differences.

Since 1 January 2024, and in accordance with the Corporate Income Tax Code (CIRC), Luz Saúde has ended its own special tax regime for groups of companies (RETGS), and the majority of the subsidiaries that compose the group, entered Fidelidade's tax group, which includes all entities in

which the parent company of the tax group participates, directly or indirectly, in at least 75% of the share capital.

Current tax is determined based on the accounting profit adjusted in accordance with the tax legislation in force. Currently, entities resident in mainland Portugal are subject to Income Tax at a rate of 21%, plus a municipal surcharge of up to a maximum of 1.5% on taxable profit, and a state surcharge of 3% applicable to taxable profit between €1.5 million and €7.5 million, 5% applicable to taxable profit between €7.5 million and €35.0 million, and 9% applicable to taxable profit in excess of €35.0 million. From 1 January 2025 onward, income tax rate changes from 21% to 20%, as such in the current year the group company updated the impact of this change in terms of its deferred tax asset and liabilities.

The payment of income tax is made on the basis of self-assessment returns that are subject to inspections and eventual adjustment by the tax authorities during the period of four years from the year to which they relate.

Tax losses for a given year, which are also subject to inspection and adjustment for a period of four to ten years, and can be used against tax profits of future fiscal years, without time limitation. From 2014 until 31 December 2022, the deduction of taxable losses is capped at 70% of the taxable profit assessed in the tax year in which the taxable losses are used. Said cap is increased by 10b.p. on taxable losses assessed in the years of 2020 and 2021. For tax periods beginning on or after 1 January 2023, the annual limit for the deduction of tax losses was reduced to 65%. This change applies to the deduction of losses from taxable profits for tax periods beginning on or after 1 January 2023, as well as to tax losses from tax periods prior to 1 January 2023, for which the deduction period is still in progress.

[ESTIMATE]

The calculation of income tax and deferred tax amounts requires certain interpretations and estimates. There are several transactions and calculations for which the determination of the final amount of income tax payable is uncertain during the normal business cycle. Other interpretations and estimates could result in a different level of income tax recognized in the period.

Additionally, the Portuguese Tax Authorities are responsible for reviewing the calculation of the taxable income made by the company over a period of four, to ten years in the event of reportable tax losses (five years for Social Security). Thus, it is possible that may be adjustments to the tax returns, mainly resulting from differences in the interpretation of tax legislation. However, the Board of Directors believes that there will be no significant adjustments to income tax recorded in the financial statements.

15.1 CORPORATE INCOME TAX IN THE STATEMENT OF PROFIT OR LOSS

The income tax in the statement of comprehensive income can be presented as follows:

	2024	2023
Current tax	(46)	1 131
Tax from previous years	128	106
Deferred tax	1 634	56
Total income tax in the statement of profit or loss	**1 716**	**1 293**

15.2 RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	2024	2023
Profit for the year	27 193	19 422
Income tax	(1 716)	(1 293)
Profit before income tax	**25 477**	**18 129**
Tax rate	21,00%	21,00%
	(5 350)	(3 807)
Change in corporate income tax rate to 20%	134	-
Tax incentives	318	-
Untaxed dividends	7 630	5 935
Gain on the disposal of HL-SGE	375	-
Tax from previous years	128	106
Impairment from financial investments	(1 292)	(845)
Autonomous taxes	(61)	(51)
Other less relevant items, net	(166)	(45)
	1 716	**1 293**

15.3 RECONCILIATION OF THE INCOME TAX IN THE BALANCE SHEET

	2024	2023
Current tax on the statement of profit or loss of the company	(46)	1 131
Current income tax to receive from the previous year	1 740	1 029
Liability in respect of companies that are part of the tax group	-	(508)
Payments on account and withholding tax	686	686
Current income tax on the balance sheet	**2 380**	**2 338**

15.4 MOVEMENT IN DEFERRED TAX

	2023	Recognized in the profit and loss	Used	Recognized in OCI	2024
Deferred tax assets					
Impairment on financial investments	2 195	(105)	-	-	2 090
Tax losses carried forward	-	1 668	-	-	1 668
Other	3 004	70	-	-	3 074
	5 199	**1 633**	**-**	**-**	**6 832**
Deferred tax liabilities					
Derivatives	(218)	-	-	26	(192)
	(218)	**-**	**-**	**26**	**(192)**
	4 981	**1 633**	**-**	**26**	**6 640**

	2022	Recognized in the profit and loss	Used	Recognized in OCI	2023
Deferred tax assets					
Impairment on financial investments	2 195	-	-		2 195
Tax losses carried forward	-	1 182	(1 182)		-
Other	2 948	56	-		3 004
	5 143	**1 238**	**(1 182)**	**-**	**5 199**
Deferred tax liabilities					
Derivatives	(678)	-		460	(218)
	(678)	-	-	**460**	**(218)**
	4 465	**1 238**	**(1 182)**	**460**	**4 981**

15.5 OECD MODEL RULES – PILLAR TWO

Fidelidade group complies with the application requirements of European Directive 2022/2523 of 15 December 2022, usually referred to as Pillar Two. Consequently, the company is also obliged to comply with the requirements of said legislation.

The date of enactment of the legislation in Portugal is quite recent (Law number 41/2024 of 8 November 2024), and its adoption is still in progress by Fidelidade, a Partially-Owned Parent Entity (POPE) of Fosun group's operations in Portugal.

The adoption by Luz Saúde is dependent of the instructions of Fidelidade. Until the date of approval of these financial statement Luz Saúde has not received any instructions which could lead to any material impact on the preparation of these financial statements, and as such it has no known tax exposure related to this matter.

16 CASH FLOW ADDITIONAL INFORMATION

16.1 RECEIPTS FROM COSTUMERS

This caption in addition to the amounts received for the services rendered by the company, includes also the amounts of recharged expenses invoiced by the company to its subsidiaries for expenses incurred on their behalf (2024: €13.8 million; 2023: €15.3 million).

16.2 PAYMENTS TO SUPPLIERS

This caption includes the amounts paid for services rendered to the company in the course of its regular operation and the amounts to be reimbursed by its subsidiaries for expenses incurred on their behalf.

16.3 OTHER RECEIPTS / (PAYMENTS) OPERATING, NET,

Mainly include the company's and employees' contributions to social security, the withholding of personal income tax, as well as payments and receipts of amounts from subsidiaries that were part of the tax group led by Luz Saúde until December 31, 2023

16.4 PROCEEDS FROM EQUITY INSTRUMENTS IN INVESTEES

In 2024 and 2023, this caption includes the amounts received from the reimbursement of equity loans in the amount of €6.3 million and €8.8 million, respectively.

16.5 RECEIPTS RELATED TO OTHER FINANCIAL ASSETS

In 2024, it includes the receipts related to the disposal of the stake in HL-SGE (note 6.1) (€2.4 million) (2023: €0.1 million related to the disposal of Genomed) and the amount of €0.3 million (2023: €0.2 million) related to the capital reimbursement of the venture capital funds participated by the company.

16.6 PAYMENTS RELATED WITH EQUITY INSTRUMENTS IN INVESTEES

Includes the amounts invested by the company in the incorporation of a new subsidiary (HLR).

16.7 PAYMENTS RELATED WITH OTHER FINANCIAL ASSETS

In 2024 and 2023, includes the investment made in the investee Uphill, SA.

16.8 PROCEEDS AND PAYMENTS FROM BORROWINGS

The proceeds include the amounts in respect of the commercial paper emissions made under active programs, and the payments also include the cash outflows made in respect of the commercial paper emissions programs and the reimbursement of loans and bonds.

16.9 FINANCING PROCEEDS AND PAYMENTS FROM RELATED PARTIES

The proceeds includes the amounts in respect of the commercial paper emissions made under active programs with related entities, and the payments also include the payments made in respect of the commercial paper emissions programs and the reimbursement of bonds with related parties.

E OTHER INFORMATION

17 DISPUTES AND CONTINGENT LIABILITIES

17.1 DISPUTES

- Regarding the lawsuit filed by the Competition Authority (AdC) against the Portuguese Private Hospitalization Association (APHP) and some of its members, including Luz Saúde, SA, the Competition, Regulation, and Supervision Court issued a ruling on April 16, 2024, declaring the regulator's decision concerning most of the targeted members null, including Luz Saúde, SA, fully acquitting them.
- Following an inspection, PTA questioned the calculation of the tax benefits considered by two subsidiaries for the years 2013 and 2014 and identified corrections in the amounts of €0.3 million and €0.5 million thousand, respectively. Subsequently, Luz Saúde received a tax assessment of a tax act from the PTA revoking the corrections made. On 31 December 2024 the amount in dispute regarding these processes amounts to c.a. €0.4 million. Management, based on the understanding of its legal and tax consultants, understands that the amounts considered are in accordance with what is prescribed by law and consequently maintained the challenge regarding all the corrections made by the PTA.

17.2 CONTINGENT LIABILITIES

- In the company's Shareholders General Meeting held on 22 January 2014 and considering the continuous management positions held for nearly 15 years by Isabel Maria Pereira Aníbal Vaz, in addition to her role in the promotion of the group's business development, an award of €0.9 million to the latter was approved in recognition of professional services rendered to the group. This amount will be paid in one lump sum at the time Isabel Maria Pereira Aníbal Vaz terminates her role as member of the company's Board of Directors, for any reason outside her responsibility. The payment of the proposed award is autonomous and is not intended to substitute any monetary compensations that may be legally or contractually due because of the termination of corporate management positions by Isabel Maria Pereira Aníbal Vaz, including in the company, whatever the cause and the moment of termination thereof.

18 GUARANTEES

In 31 December 2024 the company had a bank guarantee provided to the Portuguese Tax Authorities in the total amount of €0.4 million (2023: €0.4 million).

One of the commercial paper agreements are entered into, both by the company and one of its subsidiaries, and therefore there is joint responsibility for the payment of amounts used by any of the parties under those programs.

On 31 December 2024, the program, respective issuers and amounts used by the subsidiary, were the following:

	Amount used by the subsidiary	Total amount used
HLL	15 000	15 000
	15 000	**15 000**

Additionally, the following guarantees were granted to subsidiaries:

- Some loans contracted by the subsidiaries include control clauses by Luz Saúde, under which banks may request the early repayment of their loans, but there are no financial obligations on the part of Luz Saúde;
- The company is guarantor in most of the leasing agreements entered by its subsidiaries.

19 RELATED PARTIES

19.1 SHAREHOLDER STRUCTURE

Luz Saúde is controlled by Fidelidade with an ownership of 99.86%

Fidelidade is held at 84.99% by Longrun Portugal, SGPS, SA, which is 100% owned by Millennium Gain Limited, based on Hong Kong. Millennium Gain Limited is 100% owned by Fosun Financial Holdings Limited (Hong Kong), which is 100% owned by Fosun International Limited, a company listed on the Hong Kong Stock Exchange (00656.HK). Fosun International Limited is held at 72.76% by Fosun Holdings Limited, which is owned by Fosun International Holdings, Ltd. at 100%, whose ultimate beneficial owner is Mr. Guo Guangchang.

19.2 KEY MANAGEMENT COMPENSATION

Key management refers to members of the company's management and supervisory bodies, as well as any other individuals who, while not members of these bodies, (i) have the authority and responsibility for planning, directing, and controlling the company's activities, either directly or indirectly; and/or (ii) are high-level officials with regular access to privileged information and the power to make management decisions that affect the company's future development and prospects.

Key management personnel of the group (including the corporate bodies) is composed by 16 persons, which earned remunerations of some €3.2 million.

19.3 RELATED PARTY TRANSACTIONS

	2024			2023		
	Luz Saúde Group	Shareholders	Other related parties	Luz Saúde Group	Shareholders	Other related parties
Revenue from services rendered (note 10)	7 221	-	-	5 872	-	-
Costs of services and materials	-	35	-	-	129	-
Personnel expenses	-	36	-	-	6	-
Finance cost (note 14)	1 405	-	5 467	1 110	-	4 765
Financial income (note 13)	45 994	-	1 608	36 149	-	1 819
	54 620	**71**	**7 075**	**43 131**	**135**	**6 584**

19.4 RELATED PARTY BALANCES

	2024			2023		
	Luz Saúde Group	Shareholders	Other related parties	Luz Saúde Group	Shareholders	Other related parties
Trade and other receivables (note 4.1)	14 456	342	-	25 715	-	-
Other payables (note 4.2)	4 534	-	-	11 045	-	-
Borrowings (note 5.4)	15 523	-	71 225	30 050	-	89 979
	34 513	**342**	**71 225**	**66 810**	**-**	**89 979**

19.5 TERMS AND CONDITIONS

The amounts presented under revenue from services rendered refer mostly to the rendering of services by Luz Saúde to its subsidiaries, at normal market prices.

The amounts recorded in expenses refer to the normal activity of the group, related with insurance and other services used by Luz Saúde, which are acquired at market prices on an arm's length basis.

20 MAIN ACCOUNTING POLICIES

The most significant accounting policies are described in the notes to these financial statements. The accounting policies presented were applied consistently in all periods covered by these financial statements.

20.1 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a going concern basis from the company's accounting records and based on historical cost, pursuant to International Financial Reporting Standards ("IFRS"), as adopted by the European Union on 31 December 2024, modified by the application of the fair value to derivative financial instruments and financial assets at fair value through profit or loss.

These standards include both the IFRS issued by the International Accounting Standards Board ("IASB") and the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC") and their respective interpretations – IFRIC and SIC, respectively

issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee ("SIC"). These standards and interpretations are together known as IFRS.

The financial statements are presented in thousands of euros rounded to the nearest thousand except otherwise stated. Euro is the functional and presentation currency.

20.2 CHANGES IN ACCOUNTING POLICIES

During 2024, accounting standards and interpretation were approved and published in the Official Journal of the European Union, with application in subsequent years, although their early adoption is permitted. Below, we briefly present the standards or changes adopted by the company in the preparation of its financial statements, as well as the standards not early adopted.

20.2.1 NEW STANDARDS, AMENDMENTS, OR INTERPRETATIONS APPLICABLE TO FINANCIAL YEARS BEGINNING ON OR AFTER 1 JANUARY 2024

Resulting from the endorsement by the European Union (EU), the following new standards, amendments, changes and improvements to the Standards and Interpretations occurred, with effect from 1 January 2024, which, when applicable, were adopted by the company:

Issued (IASB)	IASB Standard or IFRIC Interpretation	Mandatory application in the financial years beginning on or after
January and July 2020 and October 2022	IAS 1: Presentation of financial statements - Classification of liabilities as current or non-current; Classification of liabilities as current or non-current - deferral of effective date; Non-current liabilities with covenants (amendments)	1 January 2024
September 2022	IFRS 16: Leases – Lease Liability in a sale and leaseback (amendments)	1 January 2024
May 2023	IAS 7: Statement of Cash Flows and IFRS 7 Financial Instruments - Disclosures: Supplier Finance Arrangements (amendments)	1 January 2024

The adoption of these amendments to the standards had no significant impact on the company's financial statements.

20.2.2 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BY THE IASB, ENDORSED BY THE EUROPEAN UNION (EU), WITH APPLICATION TO THE PERIODS STARTING AFTER 1 JANUARY 2024

At the date of approval of these financial statements, the following standards, interpretations and amendments to the standards and interpretations issued by the IASB was already endorsed by the EU, however their application is only mandatory for the years beginning after 1 January 2024.

Issued (IASB)	IASB Standard or IFRIC Interpretation	Mandatory application in the financial years beginning on or after
August 2023	IAS 21: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability (amendments)	1 January 2025

The company did not carry out the early adoption of the aforementioned amendment, and do not expect significant impacts on the financial statements resulting from their adoption.

20.2.3 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BY THE IASB AND NOT ENDORSED BY THE EUROPEAN UNION (EU) BY 31 DECEMBER 2024

At the date of approval of these financial statements, the following standards, revisions, amendments and improvements to the Standards and Interpretations, issued by the IASB were still pending approval by the EU:

Issued (IASB)	IASB Standard or IFRIC Interpretation	Mandatory application in the financial years beginning on or after
May 2024	IFRS19: Subsidiaries without public accountability – Disclosures	1 January 2027
May 2024	IFRS 9 e IFRS 7: Classification and measurement of financial instruments (amendments)	1 January 2026
July 2024	Annual improvements: Volume 11	1 January 2026
December 2024	IFRS 9 e IFRS 7: Contracts referencing nature-dependent electricity (amendments)	1 January 2026
April 2024	IFRS18: Presentation and disclosure in financial statements	1 January 2027

The impact of the adoption of these amendments are currently under analysis by the company, however, no material impacts are expected to the financial statements.

20.3 ESTIMATES AND JUDGMENTS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

IFRS establish a series of accounting treatments and require the Board of Directors to make the necessary judgments, estimates and decide which accounting treatment is the most appropriate to the company's operations. Thus, the main accounting estimates and judgments used in the preparation of these financial statements are presented throughout the following notes, namely:

- Impairment of investments in subsidiaries and associates (note 3.4.3)
- Recoverability of deferred tax assets (note 15.4)
- Impairment of accounts receivables (note 4.1.2)

Considering that in many situations there are alternatives to the accounting treatment adopted by the Board of Directors, the financial position and results reported by the company could be different if a different treatment was adopted. The Board of Directors considers that the choices made are appropriate and that the financial statements adequately present the company's financial position, results and cash flows from its operations in all materially relevant aspects.

20.4 COMPARABILITY

The individual financial statements are comparable in all material respects to the comparatives with the previous year information.

20.5 PROPERTY, PLANT AND EQUIPMENT

20.5.1 RECOGNITION AND VALUATION

Tangible assets are valued at cost less the respective accumulated depreciations and impairment losses.

Acquisition/ construction costs include the invoice price, transport and instalment costs, financing costs and other related expenses, occurring during the construction period, as well as indirect costs attributable to it during the construction period.

Subsequent expenses with property, plant and equipment are only recognized if the company is likely to obtain economic benefits in the future. All ongoing maintenance and repair expenses are recognized in the profit or loss when incurred, on an accrual basis.

When there is indication that an asset may be impaired, IAS 36 requires its recoverable amount to be estimated and an impairment loss recognized whenever the book value of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

The recoverable amount is determined as the higher of the sale value of the asset, less any expenses related with the sale and its value in use, which is calculated based on the current value of the estimated future cash flows expected to obtain from the continued use of the asset and its disposal at the end of its useful life.

Gains or losses arising from the write-off or disposal of property, plant and equipment are measured as the difference between the asset's sale price, less transaction costs, and the asset's carrying value. They are recorded in the statement of profit or loss under the caption other operating income and gains or other operating expenses.

Property, plant and equipment in progress represent tangible assets that are still being constructed or installed and are recorded at acquisition cost. Depreciation of these assets begins in the month they become available for use for their intended purpose.

20.5.2 DEPRECIATION

Depreciation of tangible assets is calculated using the straight-line method, from the month the assets are available for use. The depreciation rates used reflect, on average, the estimated useful lives of the assets:

	Years
Administrative equipment	3-8
Other tangible assets	3-8

Depreciation ceases when the assets are classified as assets held for sale.

20.6 INTANGIBLE ASSETS

Intangible assets are recognized at the acquisition cost less accumulated amortization and impairment losses, when applicable. Intangible assets are recognized only when it is likely Luz Saúde will obtain economic benefits in the future that can be reliably measured. Intangible assets with a definite useful life are amortized using the straight-line method from the month they become available for use and over the life of the asset. Intangible assets with undetermined useful lives (goodwill) are not amortized but are tested for impairment in the last quarter of each financial year or whenever there is an indicator of impairment.

20.7 FINANCIAL INVESTMENTS IN SUBSIDIARIES

Financial investments in subsidiaries are presented at their acquisition cost less impairment losses, when applicable.

20.8 FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized in the individual balance sheet when the company becomes part of the corresponding contractual provisions. A financial asset is any asset that is cash, a contractual right to receive cash or an equity instrument from another entity. A financial liability is a liability that is embodied in a contractual obligation to deliver money.

As financial assets, the company presents in the consolidated balance sheet the captions trade receivables and other receivables, financial assets at fair value through profit or loss, derivative financial instruments, other assets and bank deposits. The company's financial liabilities are presented under trade payables and other liabilities, loans and lease liabilities.

20.8.1 FINANCIAL ASSETS

20.8.1.1 Initial recognition and measurement

The company initially measures a financial asset at its fair value plus transaction costs, the other receivables and trade receivables are measured at the transaction price determined under IFRS 15, that is similar to the fair value at the transaction date.

20.8.1.2 Subsequent measurement

The subsequent measurement of financial assets depends on their classification, the following categories are being used:

(i) Financial assets at amortized cost;

(ii) Financial assets at fair value through profit or loss;

(iii) Financial assets at fair value through other comprehensive income (OCI).

The company financial assets includes financial assets at amortized cost (trade receivables, other receivables and cash) and financial assets at fair value through profit or loss. The company doesn't hold any financial assets at fair value through other comprehensive income.

Financial assets at amortized cost

A financial asset is measured at amortized cost, when both of the following criteria are met (i) the asset is held under a business model with the objective of holding financial instruments to obtain contractual cash flows, and (ii) the asset has cash flows that are 'only capital repayments and interest payments ("Solely Payments of Principal and Interest" or "SPPI") over the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate method and are subject to impairment tests. Gains or losses are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through profit or loss

The company classifies the following financial assets at fair value through profit or loss:

(i) financial instruments to obtain cash flows that do not qualify to be measured at amortized cost;

(ii) capital instruments held for trading purposes;

(iii) equity instruments for which the company has decided not to record fair value through other comprehensive income.

Classification is determined on an instrument-by-instrument basis.

Financial assets at fair value through other comprehensive income

The company measures the following financial assets at fair value through other comprehensive income:

(i) equity instruments held for purposes other than trading, being considered by the company at the time of acquisition as strategic investments;

(ii) debt instruments with cash flows that are only capital repayments and interest payments on the principal amount outstanding and for which the company objective is to obtain their contractual and sales cash flows.

The company does not hold any financial assets in this category.

20.8.1.3 Derecognition

Financial assets are derecognized when: (i) the company contractual rights to receive their cash flows expire; (ii) the company has substantially transferred all the risks and rewards of ownership; or (iii) although it retains a portion but not substantially all the risks and rewards of ownership, the company has transferred control over the assets.

20.8.2 FINANCIAL LIABILITIES

20.8.2.1 Initial recognition

All financial liabilities are initially recognized at fair value and, in the case of loans, financing and accounts payable, net of directly attributable transaction costs.

The company's financial liabilities include suppliers and other accounts payable, loans including bank overdrafts and lease liabilities.

20.8.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the short term. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities at amortized cost

After initial recognition, trade and other creditors, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method.

20.9 IMPAIRMENT

20.9.1 IMPAIRMENT OF TANGIBLE ASSETS, INTANGIBLE ASSETS, EXCEPT GOODWILL

The company performs impairment tests on its tangible and intangible fixed assets whenever there is an event or change that indicates that the amount for which the asset is registered may not be recovered. In the event of such evidence, the company determines the recoverable amount of the asset, in order to determine the possible extent of the impairment loss. When it is not possible to determine the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which that asset belongs is estimated.

The recoverable amount of the asset or cash-generating unit consists of the largest of (i) the net selling price and (ii) the value in use. The net selling price is the amount that would be obtained from the sale of the asset in a transaction between independent and knowledgeable entities, less expenses directly attributable to the sale. The value in use arises from the estimated and discounted future cash flows of the asset during its expected useful life. The discount rate used to update discounted cash flows reflects the current value of capital and the specific risk of the asset.

Whenever the carrying amount of the asset or cash-generating unit is greater than its recoverable amount, an impairment loss is recognized. The impairment loss is recorded in the statement of profit or loss, under other operating expenses and losses.

When an impairment loss is subsequently reversed, the book value of the asset is updated to its estimated value, being recognized in the statement of profit or loss as a deduction to the item other operating expenses and losses. However, the reversal of the impairment loss is made up to the limit of the amount that would be recognized (net of depreciation or amortization) had the impairment loss not been recorded in previous periods.

20.9.2 IMPAIRMENT OF FINANCIAL ASSETS

The company recognizes impairments for expected credit losses on financial assets not held at fair value through profit or loss. Losses are estimated based on the difference between the net book value of the financial instruments and the cash flows the company expects to receive, discounted according to the original effective interest rate estimate.

Losses are estimated using two different approaches, which are described below:

(i) Credits with increased credit risk compared to initial recognition are provisioned based on the economic analysis carried out by the management of each subsidiary, considering the credit situation of the debtor, the market in which it operates and its known default history. According to this criteria, the provision for credit risk is recognized on an economic basis considering the age of the credit, the internal and external information available about each debtor;

(ii) The credit risk associated with credits for which there is no significant increase in credit risk compared to initial recognition, is estimated based on a calculation model, which takes into account the debtor's credit profile, life of the asset on each reporting date and the average expected payment terms for each debtor based on its credit profile. In carrying out the assessment of the provision for losses, the company takes into account the experience with historical credit losses and specific prospective factors of debtors and the economic environment.

20.10 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognized on the contract date at their fair value, which is assumed to be equal to their acquisition cost on the contract date. Subsequently, the fair value of derivative financial instruments is remeasured on each reporting date, with the gains or losses resulting from this remeasurement being recorded directly in the statement of profit or loss, except for the effects related to cash flow hedging derivatives, when they are effective, in which case they are recorded in other comprehensive income.

The fair value of derivative financial instruments is the market value of the instrument, when available, or determined by external entities based on valuations methods generally accepted in the market.

The company uses financial instruments to hedge the interest rate risk from its financing activity. The derivative that do not qualify for hedging in accordance with IFRS 9 are registered as trading instruments.

A hedging relationship exists when:

- at the date of inception there is formal documentation of the hedging relationship;
- the hedge is expected to be highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting period;
- in relation to the hedge of a future transaction, the transaction must be highly probable and must present an exposure to variations in cash flows that could ultimately affect net profit or loss.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit or loss. Amounts accumulated in reserves are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument related to a forecast transaction is discontinued, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the statement of profit or loss.

20.11 LEASES

The company uses lease agreements to use assets in its operating activities such as medical and administrative equipment and vehicles.

Typically, lease agreements are made for periods of 4 to 10 years. When applicable, the company allocates lease payments from the contract to lease components and other than leases, based on the value of each component, except for vehicle leases, where the company has chosen not to separate the lease components and non-lease, registering the two components together as if it were a single lease component.

From 1 January 2019 onwards, lease contracts started to be recognized in assets (with the name of assets under right of use) and in liabilities from the date the underlying asset became available for use by the company. The assets and liabilities arising from a lease are initially measured at present value.

Lease liabilities include the current value of the following lease payments:

- fixed payments (including fixed payments in substance), less leasing incentives;
- variable payments, based on an index or rate;

- expected payments for residual value guarantees;
- exercise value of a call option, when the company has reasonable certainty of exercising that option;
- payment of penalties for terminating contracts, as long as the company exercises this option, and
- payments to be made under contract extension options when the company is reasonably sure of exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be easily determined, as is the case for leases between group companies, the company's incremental financing rate is used, which is the rate that the lessee would have to pay for obtaining the funds necessary to obtain an asset of a similar value to the asset under right of use for a similar period, in a similar economic environment, and with similar guarantees.

To determine the incremental financing rate, the company whenever possible, uses the recent financing conditions obtained from third parties, adjusted to reflect changes in financing conditions since the financing was obtained, for contracts lasting up to 10 years.

The company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability value until they come into effect. Adjustments to lease payments based on an index or rate, imply a reassessment of the lease liability against the increase in the asset under usage rights.

The lease payments are separated by the settlement of the acquisition value and its financial component, in which the financial cost is recorded in the statement of profit or loss during the lease period, in order to produce an effective interest rate.

Assets under right of use are measured at cost, which comprises:

- the value of the initial measurement of the lease liability;
- any lease payments made on or before the lease start date, less the rental incentives received;
- any initial direct costs; and
- dismantling and replacement costs.

Right-of-use assets are generally depreciated by the lesser, between the useful life of the asset and the lease term, except when the company has a call option on the underlying asset and it is reasonably certain that this option will be exercised.

Payments associated with short-term leases (term less than 12 months) for equipment and vehicles and contracts for the lease of low-value assets are recognized on a straight-line basis in the statement of income over the term of this contract.

20.12 REVENUE

Revenue is recognized whenever it is likely that the company will obtain economic benefits that can be reliably measured.

Revenue is recognized with reference to its stage of completion as of the transaction date, based on the activities performed in the period, valued in accordance with the prices established for each service, independently of the moment of invoicing.

As a service company and the parent company of a group, the company enters into agreements with suppliers that render services across the various group companies. Costs invoiced by suppliers directly to Luz Saúde under these agreements are entirely transferred to the subsidiaries and are recorded in the statement of profit or loss as a decrease of Luz Saúde's costs.

Dividends are recognized from the moment in which the right to receive payment is granted.

20.13 ACCRUAL BASIS

Luz Saúde recognize their revenue and expenses on an accrual basis. Therefore, revenue and expenses are recognized when generated regardless of when they are collected or paid. Differences between the amounts collected and paid and the corresponding expenses and revenue are reported in the statement of financial position under the captions other receivables or other payables, respectively.

20.14 EMPLOYEE BENEFITS

Pursuant to Portuguese legislation, employees are currently entitled to one-month holiday and one-month holiday allowance. This right is earned in the year prior to the year payment is made.

Under the performance assessment system in place, employees may come to earn a bonus should they achieve certain goals. This right is usually earned in the year prior to the year payment is made.

Liabilities are recognized in the profit and loss in the period in which the employees earn the referred right, regardless of the date of payment. The obligation is recognized under liabilities in the caption other payables.

20.15 FINANCE COSTS AND INCOME

Finance income includes interest and financial discounts obtained from third parties and are recognized in the period in which they occur.

Finance costs include interest expenses and other banking expenses, being recognized in the financial period in which they occur, using the amortized cost method, through which the initial costs, commissions and stamp duty incurred with medium/ long term loans are deferred for the period estimated of the loans and recognized according to the respective interest.

20.16 INCOME TAX

Income tax for the financial period is recognized according to IAS 12 – Income Taxes and includes both current and deferred tax. Taxes on profits are recognized in the statement of profit or loss, except when related to items directly recognized as equity, in which case they are also reported as equity.

Current taxes are those expected to be paid based on taxable income, calculated according to the tax laws in force and the tax rate approved or substantially approved in each jurisdiction.

Deferred taxes are calculated according to the liability method based in the balance sheet on the reporting date, on temporary differences between the carrying amounts of assets and liabilities and their tax base.

Deferred tax liabilities are recognized for all temporary taxable differences with the exception of non-deductible for differences arising from the initial recognition of assets and liabilities that affect neither accounting nor taxable profits, and for differences related to investments in subsidiaries to the extent they are unlikely to be reversed in the future. Deferred tax assets are recognized only to the extent it is likely that future taxable profit will be able to use the temporary deductible differences.

Since 1 January 2024, and in accordance with the requirements of the Corporate Income Tax Code (CIRC), Luz Saúde has ended its own special tax regime for groups of companies (RETGS), and the majority of the subsidiaries that compose the group, entered Fidelidade's tax group, which includes all entities in which the parent company of the tax group participates, directly or indirectly, in at least 75% of the share capital.

Current taxes are determined based on the accounting results adjusted according to the tax law in force. Currently, companies' resident in Portugal are subject to a corporate income tax rate of 21%, plus a municipal surcharge of up to a maximum of 1.5% of taxable profits, and a State surcharge of 3% of taxable profits between €1.5 million and €7.5 million and 5% on taxable profits between €7.5 million and €35 million, and 9% on taxable profits above €35 million. From 1 January 2025 onward, income tax rate changes from 21% to 20%, as such in the current year the group company updated the impact of this change in terms of its deferred tax asset and liabilities.

Pursuant to IAS 12, the company offsets assets and liabilities against deferred tax whenever: (i) the respective company has a legally enforceable right to offset assets against current taxes and liabilities against current taxes; (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority and on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously in future periods in which deferred taxes are expected to the settled or recovered.

The income tax payment is based on self-assessment tax returns that are subject to inspection and possible adjustment by the tax authorities during the period of four years, from the year to which they refer. Tax losses for a given year, which are also subject to inspection and adjustment for a period of 10 years and can be deducted from the tax profits of future years, without time limit. As of

2014 and until December 31, 2022, the deduction of tax losses is limited to 70% of the taxable income in the year in which the deduction is made. This limit has been increased by 10 b.p. for tax losses ascertained in the 2020 and 2021 tax periods. Starting with tax periods beginning on or after January 1, 2023, the annual limit for the deduction of tax losses has been reduced to 65%. This change applies to the deduction of losses from taxable profits for tax periods beginning on or after January 1, 2023, as well as to tax losses from tax periods prior to January 1, 2023, for which the deduction period is still in progress. As of 2017, the rules for the use of tax losses that provide for the deduction, first, of those that were also generated first (FIFO criterion) were repealed. Therefore, the first deduction is now allowed for those losses whose carry forward period runs out first.

20.17 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Provisions are recognized when (i) Luz Saúde has a present obligation (legal or constructive), (ii) it is likely that its payment will be required and (iii) when the amount of the obligation can be reliably estimated. When one of these conditions is not met, the company discloses the event as a contingent liability, unless the possibility of an outflow of funds is highly unlikely.

The amount of provisions corresponds to the present value of the obligation, with the financial discount being recorded as a financial expense in the item other finance cost.

Provisions are revised on the reporting date and are adjusted to reflect the best estimate on that date.

A provision is recognized for litigation in progress when the costs that will be incurred due to legal proceedings filed by third parties can be reliably estimated. The estimate is based on an assessment of the likelihood of having to make payment, based on the opinion of the company's legal advisors.

Contingent assets are not recognized in the financial statements but are disclosed when it is likely they will generate a future economic benefit.

20.18 SHARE CAPITAL

Share capital refers to the nominal value of ordinary share issued.

Share premiums is recognized, when the share issue value exceeds the nominal value of each share, by the amount of the excess referred, net of the expenses related with the new shares issued.

Treasury shares acquired are valued at their acquisition price and recorded as a decrease in equity. At the time of disposal, the amount received, less any direct transaction costs, is recognized directly in equity.

20.18.1 NON-DISTRIBUTABLE RESERVES – LEGAL RESERVES

According to the commercial legislation in force, at least 5% of the result must be allocated to the constitution or reinforcement of the legal reserve until it represents at least 20% of the share capital.

The legal reserve is not distributable except in the event of liquidation and can only be used to absorb losses, after all other reserves have been exhausted, or for incorporation in the share capital.

20.19 DIVIDEND DISTRIBUTION

The distribution of dividends is recognized as a liability from the time they are approved by the company's General Shareholders Meeting until they are paid to the shareholder.

20.20 CASH FLOW STATEMENT

The cash flow statement is prepared using the direct method, by which cash inflows and outflows relative to operating, investment and financing activities are reported.

20.21 SUBSEQUENT EVENTS

Events occurring after the closing date, up to the date of approval of the financial statements by the Board of Directors, and which provide additional information on conditions that existed at the date of the financial reporting are reflected in the financial statements. Events occurring after the closing date that are indicative of conditions that arose after the financial reporting date are disclosed in the notes to the financial statements, if they are considered material.

21 SUBSEQUENT EVENTS

No subsequent events relevant for reporting purposes occurred between 31 December 2024 and the date of approval of these individual financial statements at the Board of Directors meeting.

THE CERTIFIED ACCOUNTANT

(Sónia Amoedo Matos)

THE BOARD OF DIRECTORS

(Jorge Manuel Baptista Magalhães Correia)

(Isabel Maria Pereira Aníbal Vaz)

(Artur Aires Rodrigues de Morais Vaz)

(Fang Yao)

(Ivo Joaquim Antão)

(João Paulo da Cunha Leite de Abreu Novais)

(Lingjiang Xu)

(Maria Isabel Toucedo Lage)

(Rogério Miguel Antunes Campos Henriques)

(Teresa Alexandra Pires Marques Leitão Abecasis)

(Tomás Leitão Branquinho da Fonseca)

(Vítor Manuel Lopes Fernandes)

22 GLOSSARY

ACE	Luz Saúde – Serviços, A.C.E.
APHP	Associação Portuguesa de Hospitalização Privada
ARS-LVT	Administração Regional de Saúde de Lisboa e Vale do Tejo
ADSE	Instituto de Proteção e Assistência na Doença, I.P.
CASAS	Casas da Cidade – Residências Sénior, S.A.
Casas de Carnaxide	Casas da Cidade – Residência Sénior de Carnaxide, S.A.
CCHCI II	Capital Criativo Health Care Investments II, SA
CIRC	Corporate income tax code
DCF	Discounted Casf-Flows
EBITDA	Earnings Before Interest Tax Depreciation and Amortization
EU	European Union
FCR	Venture capital funds
FCT	Fundo de Compensação de Trabalho
Fidelidade	Fidelidade Companhia de Seguros, S.A.
Fosun International	Fosun International Limited
GENOMED	Genomed - Diagnósticos de Medicina Molecular, S.A.
GLSLH	GLSMED Learning Health, S.A.
GLST	GLSMED Trade, S.A.
HAG	Hospital da Luz Arrábida, S.A.
HBA	Hospital Beatriz Ângelo
HLA	Hospital da Luz Aveiro, S.A.
HLC	Hospital da Luz Coimbra, S.A.
HL-CCA	Hospital da Luz – Centro Clínico da Amadora, S.A.
HLF	Hospital da Luz Funchal, S.A.
HLG	Hospital da Luz Guimarães, S.A.
HLL	Hospital da Luz, S.A.
HLO	Hospital da Luz – Oeiras, S.A.
HME	HME – Gestão Hospitalar, S.A.
HOSPOR	Hospor – Hospitais Portugueses, S.A.
HRM	Hospital Residencial do Mar, S.A.
HRM Gaia	Hospital Residencial do Mar Gaia
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IASC	International Accounting Standards Committee
IFRIC	IFRS Interpretation Committee

IFRS	International Financial Reporting Standards
LURs	Lifetime use right
Luz Saúde	Luz Saúde, S.A.
Net debt	Total financial debt net of cash and cash equivalents
OCI	Other comprehensive income
PCA	Portuguese competition authority
PTA	Portuguese tax authority
RETGS	Special regime of group taxation
RML	RML – Residência Medicalizada de Loures, SGPS, SA
SGHL	SGHL – Sociedade Gestora do Hospital de Loures, S.A.
SIC	Standing Interpretation Committee
SIFIDE	Tax benefits scheme for research and development
SURGICARE	SURGICARE – Unidades de Saúde, SA
USATI	Luz Saúde Unidades de Saúde e de Apoio à Terceira Idade, S.A.
VAT	Valued added tax

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STATUTORY AUDITORS' REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Luz Saúde, S.A.** (the Entity), which comprise the balance sheet as at 31 December 2024 (showing a total of 533,407 euros and total equity of 352,171 euros, including a profit for the year of 27,193 euros), and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of **Luz Saúde, S.A.** as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section below. We are independent the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The financial statements for the year ended 31 December 2023, presented for comparative purposes, were audited by another statutory auditor, who issued a Statutory Auditors' Report, without qualifications or emphasis of matter, dated 19 March 2024. We were engaged on 15 April 2024 to perform an audit to the financial statements for the year ended 31 December 2024.

KPMG & Associados –Sociedade de Revisores Oficiais de Contas, S.A., sociedade anónima portuguesa e membro da rede global KPMG, composta por firmas membro independentes associadas com a KPMG International Limited, uma sociedade inglesa de responsabilidade limitada por garantia.

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Responsibilities of management and the supervisory body for the financial statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and the cash flows, in accordance with the International Financial Reporting Standards as adopted by the European Union.;
- the preparation of the management report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and,
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditors' 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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;
- obtain 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 Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and the events in a manner that achieves fair presentation; and,
- communicate with those charged with governance, including the supervisory body, 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.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

Pursuant to article 451, nr. 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements, the information contained therein is coherent with the audited financial statements and, having regard to our knowledge and assessment of the Entity, we have not identified any material misstatements.

24 March 2025

SIGNED ON THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with the no. 20161489)
represented by
António Marcos Tavares Pereira
(ROC no. 1953 and registered at CMVM with the no. 20210012)

LUZ SAÚDE

Moving Medicine Forward