INTENTION TO FLOAT ("ITF")

PRESS RELEASE
10/04/2024

LUZ SAÚDE

Moving Medicine Forward

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This announcement may contain inside information for the purposes of article 7 of the market abuse Regulation (EU) 596/2014 which is regarded as public information for all purposes after the publication of this announcement.

Lisbon, 10 April 2024

LUZ SAÚDE ANNOUNCES ITS INTENTION TO FLOAT ON EURONEXT LISBON

- Luz Saúde plans a listing of its ordinary shares on the Euronext Lisbon
- The offering is expected to comprise newly issued ordinary shares raising gross proceeds of approximately €100 million for Luz Saúde, alongside a sale of existing ordinary shares by Fidelidade
- Fidelidade intends to retain the majority of the share capital of Luz Saúde following the offering, although ensuring a healthy level of liquidity for new investors
- Luz Saúde has a consistent track record of strong profitable growth. In 2022 and 2023 it achieved double-digit revenue growth (10% and 12%, respectively) and significant EBITDA and EBIT margin expansion due to sustained growth in the level of activity across all units, especially those in ramp up following recent transformational investments, as well as continued cost efficiency measures and operating leverage
- The net proceeds from newly issued ordinary shares will be used to further support Luz Saúde long-term profitable growth, including the execution of a solid and tangible pipeline of greenfield and brownfield projects as well as providing additional funding headroom for potential new bolt-on M&A opportunities to further consolidate its leadership position in the Portuguese healthcare market

Lisbon, 10 April 2024 - Luz Saúde, S.A. ("Luz Saúde" or the "Company"), an innovation-driven leading private healthcare services ecosystem in Portugal, today announces its intention to list its ordinary shares on the Euronext Lisbon (the "Listing").

The Listing will be preceded by an offering to institutional investors within and outside of Portugal of newly issued ordinary shares, expected to raise gross proceeds of approximately €100 million for Luz Saúde, and existing ordinary shares from Fidelidade (the "IPO" or the "Offering"). The proceeds from newly issued ordinary shares will be used to further support Luz Saúde long-term profitable growth, while maintaining a robust capital structure. Following the Offering, Fidelidade intends to retain the majority of the share capital of Luz Saúde.

The Offering is expected to be conducted in the form of private placements in and outside of Portugal, including in the United States, to certain qualified institutional buyers ("QIBs") in each case as defined in the applicable securities laws and regulations. The admission to trading of the shares on the Euronext Lisbon is subject to the approval of a listing prospectus by the Portuguese Securities Market Commission ("CMVM").

Rogério Henriques, Fidelidade's CEO, commented:

"*The transaction is a key element of Fidelidade Group and Luz Saúde's strategies. It represents a significant step forward on Fidelidade's capital optimization plan, while at the same time allows us to maintain the diversification benefits of retaining a majority stake in Luz Saúde. Simultaneously, the IPO is a milestone in Luz Saúde's growth on the new journey initiated 10 years ago. Not only it signals the company is ready to approach the capital market to open its shareholder base, but it also raises new capital to continue the current path of profitable expansion.*"

Commenting on today's announcement, Isabel Vaz, CEO of Luz Saúde, said:

"*Since its foundation in 2000, Luz Saúde has recorded an outstanding track record of double-digit growth, mostly organically, but also through acquisitions, becoming one of the major players in the Portuguese private healthcare market.*

After our prior experience as a listed company that successfully culminated by the acquisition of the Company by Fidelidade in 2015, Luz Saúde´s return to public markets marks another important milestone in the Company's history by bringing greater visibility to the differential quality of our clinical strategy, assets and management model, as well as enhanced financial flexibility to continue pursuing our long-term growth plan."

DESCRIPTION OF THE BUSINESS

Overview

Established in 2000, Luz Saúde is an innovation-driven leading private healthcare services ecosystem in Portugal with an integrated network of hospitals, outpatient clinics and a senior residence, providing a wide range of general hospital and clinical services. These include outpatient and inpatient services, intensive care units, operating rooms, full range imaging centers, emergency services (excluding trauma), maternity and cardiac interventional and electrophysiology units, that provide services in an extensive range of medical specialities, from primary care to comprehensive oncology diagnosis and treatment, cardiovascular care, rehabilitation services, and dementia care, among others. Luz Saúde operates Hospital da Luz Lisboa, the largest and most technologically advanced single private hospital in Portugal, which has been accredited by the JCI and is the first and unique private university hospital in Portugal.

Luz Saúde's healthcare portfolio which, as of 31 December 2023 was served by 4,876 doctors, 2,587 nurses and 1,308 technicians, operates through a network of 29 distinct, yet complementary, hospitals, outpatient clinics and one senior residence:

- *Hospitals.* 14 private hospitals under two of the market's leading brands, *Hospital da Luz* and *Hospital do Mar Cuidados Especializados*. Employing most of the Group's employees, hospitals served more than 1.1 million patients in 2023 and had 1,126 beds as of 31 December 2023. Hospitals accounted for 92.4% of revenues from services rendered for the year ended 31 December 2023.
- *Outpatient clinics.* 14 private outpatient clinics under the market leading brand *Hospital da Luz,* which provide a wide variety of outpatient services across various specialities. Outpatient clinics served approximately 246 thousand outpatients in 2023 and accounted for 6.5% of revenues from services rendered for the year ended 31 December 2023.
- *Senior residence*. 1 senior residence for patients 65 years of age and older under the *Casas da Cidade Residências Sénior* brand. Senior residence accounted for 0.6% of revenues from services rendered for the year ended 31 December 2023.

Through its multi-competency platform Luz Saúde offers an extensive range of medical specialities and ensures an ongoing cycle of patient referrals and cross-selling between network units. The platform also allows to easily share know-how and is home to some of the country's best acute-care hospitals and technologically advanced equipment, including robotic surgery, hybrid surgical rooms, intra-operative MRI and paediatric intensive care units, which benefits patients, physicians and payers alike.

Luz Saúde provides a high standard of patient care, with a particular focus on clinical excellence, technological innovation, including through its proprietary and market-leading *My Luz* healthcare app (which has approximately 1.3 million clients), and patient safety.

As a result of these strengths, the patient treatment volume has grown steadily during the periods under review. Since inception, Luz Saúde has grown through acquisitions and the development of greenfield and brownfield sites[1], including 21 M&A, 11 greenfield and five brownfield projects, achieving 21.9% adjusted operating income CAGR in 2000-2023. Today, Luz Saúde operates across four geographic hubs, the North, Centre, South and Islands, and Lisboa, with around 73.1% of Portuguese population within its reach. Luz Saúde has a significant presence in the Lisbon and Porto metropolitan areas, where approximately 45% of the inhabitants of Portugal are located.

For the year ended 31 December 2023, Luz Saúde had adjusted operating income of €666.9 million (+12.0% vs. 2022), adjusted EBITDA of €99.8 million (+22.5% vs. 2022) and adjusted EBIT of €57.5 million (+34.4% vs. 2022). This continues a trajectory of strong top-line growth and margin enhancement that Luz Saúde has been on in recent years driven by robust performance across its units, on the back of relevant expansion investments, continued focus on crystallisation of sustainable cost efficiencies and further operating leverage.

Luz Saúde has a high-quality, well-invested and largely owned real estate portfolio. Approximately 90% of the real estate properties operated by the Company are owned (either outright or pursuant to asset-backed loan arrangements), approximately 80% of the properties are new or recently refurbished and the average age of the properties that owned is seven years. The total value of investments in real estate, inclusive of property plant and equipment assets and the carrying amount of right-of-use assets and assets in progress, was €552.2 million as of 31 December 2023 based on third-party appraisal as of December 2023.

[1] *Greenfield sites being new addition to their portfolio (even if the sites and the buildings on them are existing) and brownfield sites being major expansions to existing units which add capacity.*

Competitive Strengths

- Luz Saúde is an innovation driven healthcare services ecosystem, sustaining a premium position in the Portuguese market with a unique brand reputation
- Luz Saúde has a distinctive clinical multi-competency platform across a broad range of specialities delivering top-tier medical excellence
- Luz Saúde operates a nationwide network of premium facilities with seamless clinical and phygital integration, effectively capturing private volumes
- Luz Saúde is an asset backed operator, and its well-invested infrastructure and best-in-class digital backbone steer operational quality
- Luz Saúde has a well-balanced and sustainable client mix, supported by established third-party payers
- Luz Saúde benefits from highly qualified, trained and well-incentivised clinical staff
- Luz Saúde is an ESG guided organisation driving long-term sustainability
- Luz Saúde has demonstrated solid financial performance with a clear roadmap to support continuous future profitable growth
- Luz Saúde has a seasoned, industry-pioneering and agile management team with consistent track-record of value creation

Strategy

Luz Saúde's vision is to be a leading healthcare provider in highly specialised and complex medical care, recognised as a reference centre of excellence and innovation through integrated clinical practice, education and research and its mission is to achieve the best healthcare outcomes from patients' perspective.

Luz Saúde's attainment of these goals is based upon commitment to:

- Value-based medicine: place patients' interests first and focus on the highest ethical and professional standards, valuing team-medicine and multidisciplinary collaboration and developing long-term relationships with stakeholders;
- Technology and innovation: deliver high-quality healthcare, through investment in advanced medical and surgical technology, using best management practices to deliver innovative treatments with scientifically proven clinical value and practice personalised medicine enhanced by advances in clinical genetics and molecular diagnostics alongside the adoption of computational medicine and data science technologies; and
- Talent and training: recruit, train and retain the most highly skilled and qualified physicians, nurses and auxiliary staff fostering investment in their training and implement a culture of high demand and self-improvement based on meritocracy, collaborating with leading institutions in education and research.

Further expand core business

Luz Saúde will continue to enhance the competitiveness and profitability of the existing core business by focusing on:

- continue to provide a clinically integrated offering, delivered through its multi-competency platform, as well as a broad and consumer orientated service offering;

- developing and expanding service and product offering through investments in research, innovation and technology;
- using in day-to-day medical activities market leading, high-tech equipment and proprietary digital tools;
- further leveraging broad, captive customer base and implementing initiatives to attract new clients;
- achieving synergies across an integrated, end-to-end physical and digital network covering the full continuum of care;
- strengthening relationships with all key payers, maintaining a well-diversified and sustainable payer mix;
- maximising facilities' capacity utilisation, improving internal processes to increase productivity and optimise use of resources;
- improving efficiency to reduce costs and allow clinical staff to increase their focus on the delivery of care; and
- differentiating Luz Saúde's market position, based on the quality and safety of care provided.

Expand the network organically and through acquisitions

Luz Saúde intends to build on its strong track record of organic growth and acquisitions to increase capacity, expand the range of clinical services offered and enter new geographic markets, both domestically and internationally.

Luz Saúde intends to realise its expansion plans in the following ways: (i) development of capacity in existing facilities; (ii) expansion through acquisitions and greenfield projects; (iii) service area and product expansion and (iv) international expansion (opportunistically evaluate potential expansion opportunities outside of Portugal).

All expansion options are analysed with rigorous investment criteria (including financial, operational, clinical and geographic) to ensure they are designed to drive value-enhancing, strategic growth.

Invest in training, research, innovation and digital infrastructure

Luz Saúde will continue to invest in training, research, innovation and digital infrastructure in order to maintain and strengthen its premium positioning, by delivering top-tier medical excellence, being at the forefront of medical research, and implementing the most advanced technologies. The key focus areas are the following:

- Training: Luz Saúde develops and implements high-quality training programmes and courses, in order to attract, develop and retain the best talent. This includes a strong residency programme designed to attract and retain young physicians in key specialities;
- Research and innovation: Luz Saúde has multiple ongoing research and innovation programmes, as well as partnerships with universities and research centres, and has been supporting the development of start-ups in the areas of healthcare provision and management; and
- Technology: Luz Saúde strives to adopt market leading technologies across all its equipment, tools and systems, and the most advanced digital platforms and solutions, to improve care quality, increase accessibility and decrease costs.

FINANCIAL HIGHLIGHTS

EUR million	2021	2022	2023	2021-23 CAGR
Adjusted operating income[2]	**541.8**	**595.6**	**666.9**	***10.9%***
Growth[3]	*3.4%*	*9.9%*	*12.0%*	
Adjusted EBITDA[4]	**67.6**	**81.5**	**99.8**	***21.5%***
Adjusted EBITDA margin[5]	*12.5%*	*13.7%*	*15.0%*	
Adjusted EBIT[4]	**32.6**	**42.8**	**57.5**	***32.8%***
Adjusted EBIT margin[5]	*6.0%*	*7.2%*	*8.6%*	
Operating Free Cash Flow[6]	**41.1**	**60.2**	**72.8[7]**	***33.1%***
Cash Conversion[6]	*60.8%*	*73.9%*	*72.9%[7]*	

Note:

(2) Total operating income adjusted to exclude, in 2022, the impact of the gain, in the amount of €3.4 million, generated from the sale of 100 per cent. of the share capital and voting rights of our subsidiary “Casas da Cidade Residências Sénior da Carnaxide, S.A.”. No adjustments were made to reported 2021 and 2023 operating income.

(3) Considers Hospitals and Clinics activity, excluding non-core businesses (i.e. GLSMED trade).

(4) EBITDA and EBIT adjusted to exclude (i) the impact of the gain, in the amount of €3.4 million, generated from the sale of 100 per cent. of the share capital and voting rights of the subsidiary "Casas da Cidade Residências Sénior de Carnaxide S.A.“ in 2022; and (ii) the negative impact of Luz Saúde's legal risk provision associated with the Group's scope structure in the amount of €3.3 million, in 2021, 2022 and 2023.

(5) Calculated over adjusted operating income.

(6) Operating FCF calculated as Adjusted EBITDA – maintenance & IT capex (excluding discontinued operations). Cash conversion calculated as Operating FCF / Adjusted EBITDA.

(7) Excluding €13m Capex from one-off refurbishment of HL Torres de Lisboa.

OTHER TRANSACTION PARTIES

Citigroup Global Markets Europe AG (“Citigroup”) and UBS Europe SE (“UBS”) are the Joint Global Coordinators. BNP PARIBAS and CaixaBI are the Joint Bookrunners. CaixaBank, Hauck Aufhäuser Investment Banking (HAIB) and Millenium bcp are the Co-Lead Managers. Evercore is acting as Financial Advisor.

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FORWARD LOOKING STATEMENT

Certain statements of possible or assumed future results of our business, financial position, results of operations, liquidity, plans, objectives, goals or strategies and the assumptions underlying such forward-looking statements constitute forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Prospective investors should be aware that a number of important factors could cause actual results, level of activity, performance or achievements to differ materially from the plans, objectives, expectations, estimates and intentions expressed or implied in such forward-looking statements.

Any forward-looking statements are based on the Company's beliefs, assumptions and expectations of future performance, taking into account the information currently available to the Company. Prospective investors should not rely upon forward-looking statements as predictions of future events and should carefully consider the aforementioned factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Company operates.

Such forward-looking statements speak only as at the date on which they are made. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee the events and circumstances reflected in the forward-looking statements will materialise or will occur. Accordingly, except as required by law or regulation, the Company does not undertake any obligation to update or review any of them to conform these statements to actual results or to changes in its expectations, whether as a result of new information, future events or otherwise. The Company does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

DISCLAIMER

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This announcement may contain inside information for the purposes of article 7 of the market abuse Regulation (EU) 596/2014 which is regarded as public information for all purposes after the publication of this announcement.

The distribution of this announcement may be restricted by applicable law and regulation in certain jurisdictions. neither the announcement, the Prospectus, nor any advertisement or any other related material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations.

<u>United States</u>

In particular, nothing in this announcement constitutes an offer of securities for sale in the United States of America (the "**United States**") or any other jurisdiction where it is unlawful to do so. The shares referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States, and may not be offered or sold in the United States except to persons reasonably believed to be qualified institutional buyers ("**QIBs**") as defined in rule 144A under the U.S. Securities Act ("**Rule 144A**") in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state or local securities laws. Any offer of the shares referred to in this announcement will be made outside the United States pursuant to, and in accordance with, Regulation S under the U.S. Securities Act and applicable securities regulations in each jurisdiction in which said shares are offered. Prospective investors in the shares are hereby notified that sellers of the shares may be relying on the exemption from the provisions of section 5 of the U.S. Securities Act provided by Rule 144A, or another exemption from the registration requirements of the U.S. Securities Act. The shares have not been approved or disapproved by the U.S. Securities Act and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offer or the accuracy or adequacy of the prospectus. Any representation to the contrary is a criminal offence in the United States. This announcement may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. any forwarding, redistribution or reproduction of this electronic transmission or the prospectus in whole or in part is unauthorised. failure to comply with this directive may result in a violation of applicable laws and regulations.

Each purchaser of Shares in the Institutional Offering pursuant to Rule 144A, by its acceptance thereof, will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used as defined therein): (a) the purchaser (i) is a QIB, (ii) is aware, and each beneficial owner of such Shares has been advised, that the sale to it is being made in reliance on Rule 144A, (iii) is acquiring such Rule 144A Shares for its own account or for the account of a QIB, and (iv) if it is acquiring such Shares for the account of one or more QIBs, has sole investment discretion with respect to each such account and it has full power to make (and does make) the acknowledgements, representations and agreements herein on behalf of each such account; (b) the purchaser is aware that such Shares have not been and will not be registered under the Securities Act and are being offered in the United States in reliance on Rule 144A only in a transaction not involving any public offering in the United States within the meaning of the Securities Act and that such Shares are subject to significant restrictions on transfer; and (c) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, such Shares may be offered, sold, pledged or otherwise transferred only: i. to a person (a) whom the seller and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A and (b) who is aware that the offer, sale, pledge or other transfer is being made in reliance on Rule 144A; ii. in an offshore transaction in accordance with rule 903 or rule 904 of Regulation S under the Securities Act; or iii. pursuant to an exemption from registration provided by Rule 144 under the Securities Act (if available), in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States. The owner of the Share will, and each subsequent owner is required to, notify any subsequent purchaser of such Share of the resale restrictions referred to above. No representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of the Shares.

<u>United Kingdom</u>

No Shares have been offered or will be offered pursuant to the Institutional Offering to the public in the United Kingdom prior to the publication of the Prospectus in relation to the shares which has been approved by the Financial Conduct Authority, except that the Shares may be offered to the public in the United Kingdom at any time: (a) to any legal entity which is a qualified investor as defined under Article 2 of the Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European

Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"); (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the joint global coordinators involved in the offer for any such offer; or (c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), provided that no such offer of the Shares shall require the Company or any bank to publish a prospectus pursuant to Section 85 of the Order or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression "an offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares.

<u>European Economic Area</u>

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no shares have been offered or will be offered pursuant to the institutional offering to the public in that Relevant State prior to the publication of the Prospectus in relation to the shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Regulation (EU) no. 2017/1129 of the European Parliament and of the Council of 14 June 2017 ("**Prospectus Regulation**"), except that the shares may be offered to the public in that Relevant State at any time: (a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation; (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the joint global coordinators involved in the offer for any such offer; or (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of the shares shall require the Company or any bank to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "an offer to the public" in relation to the shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares.

<u>Information to Distributors</u>

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in delict, tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares referred to in this announcement have been subject to a product approval process, which has determined that the shares are: (i) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) appropriate for distribution through all distribution channels to eligible counterparties and professional clients as are permitted by MiFID II (the "**Target Market Assessment**").

Any person subsequently offering, selling or recommending the shares (a "Distributor" under the MiFID II Product Governance Requirements) should take into consideration the manufacturers' relevant Target Market Assessment(s); however, each Distributor subject to MiFID II is responsible for undertaking its own Target Market Assessment in respect of the shares (by either adopting or refining the manufacturers' Target Market Assessments) and determining, in each case, appropriate distribution channels. Notwithstanding the Target Market Assessment, Distributors (for the purposes of the MiFID II Product Governance Requirements) should note that: (i) the price of the shares may decline and investors could lose all or part of their investment; (ii) the shares offer no guaranteed income and no capital protection; and (iii) an investment in the shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Target Market Assessments are without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the shares. Furthermore, it is noted that, notwithstanding the Target Market Assessments, the joint global coordinators involved in the offer will only procure investors who meet the criteria of professional clients and eligible counterparties. Distribution of the shares to retail investors is not allowed and the shares are not available for retail investors.

For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares.

Each Distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.