

**Report and Accounts
1st Half of 2021**

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CONSOLIDATED MANAGEMENT REPORT

Consolidated Management Report

1. HIGHLIGHTS OF THE 2021 1st SEMESTER

The first semester of 2021 was a period of recovery in CUF's operational and financial indicators.

Although the first months of the year were still impacted by the escalation of the pandemic situation - with CUF assuming a central role in the fight against the pandemic, providing four hospitals and a home hospitalization unit to respond to the COVID-19 patients' needs and, at the same time, assuring the necessary support to the Portuguese National Health Service, in both COVID and non-COVID pathologies - in the second quarter the Group recorded a positive operational and financial performance.

As of 30 of June of 2021, the highlights in the Group's operational and financial performance are the following:

- Consolidated operating income amounted to 287.4 million euros, growing by 45.1% and 16.8% comparing to 2020 and 2019, respectively, to which contributed not only the recovery of the activity indicators, but also the opening of CUF Tejo Hospital, one of the largest and most innovative projects in the healthcare sector nowadays, and the new areas of CUF Sintra and CUF Torres Vedras Hospitals, healthcare units which are references in their municipalities and have recently increase their capacity to respond to the population's needs;
- Consolidated EBITDA increased considerably to 43.4 million euros (322.4% vs first half of 2020) and was only 6.1% lower than the figure obtained in 2019, despite the pandemic impacts in the first quarter of the year;
- Between the first and the second quarter of the year, the operating income and EBITDA evolved in a positive way, increasing 10.8% and 49.1%, respectively;
- In the first semester of 2021, CUF Group obtained a net profit of 9.2 million euros, representing an increase of 29.2 million euros versus the previous year's first six months;
- The Net financial debt over EBITDA ratio had a sharp fall from 11.49x, by the end of 2020, to 6.63x, due to the significant improvement in EBITDA. Financial Autonomy ratio increased from 11.9% to 13.3%;

- Regarding the healthcare activity indicators in the Private Healthcare Services, one should highlight the growths in Consultations and Surgeries of more than 40% and in Days of hospitalization of 20.5%, against the first semester of 2020. Comparing to 2019, there was a positive evolution across all indicators, except for the Emergency services, reflecting the solid growth in activity levels;
- Additionally, it should also be highlighted the increase of 14% in Consultations and Surgeries, comparing the second quarter of 2021 with the first one;
- The Private Healthcare Services operating income achieved was 283.9 million euros, with growth rates of 43.8% and 16.5% against 2020 and 2019, respectively. EBITDA in this period tripled the figure obtained in 2020 and was only 2.3% below 2019's;
- In the Public Healthcare Services, the main highlight is the end of the management contract of the Vila Franca de Xira Hospital's PPP (Public-Private Partnership), on the 31st of May 2021. Through time, Vila Franca de Xira Hospital was considered as one of the best and most efficient hospitals of Portugal, by private and public entities and also by patients and community, which is the legacy that CUF built and delivers after 10 years of management, with the certainty that the hospital will continue to be an example in the Portuguese National Health Service network.

This performance is a result of the commitment and dedication of our teams in recovering the clinical activity and responding to the population's health needs. It is also a reflection of CUF's commitment in having a clinical staff of great differentiation and quality and a continuous investment in innovation and technology, which results in an increasing confidence of our patients.

2. OPERATIONAL PERFORMANCE

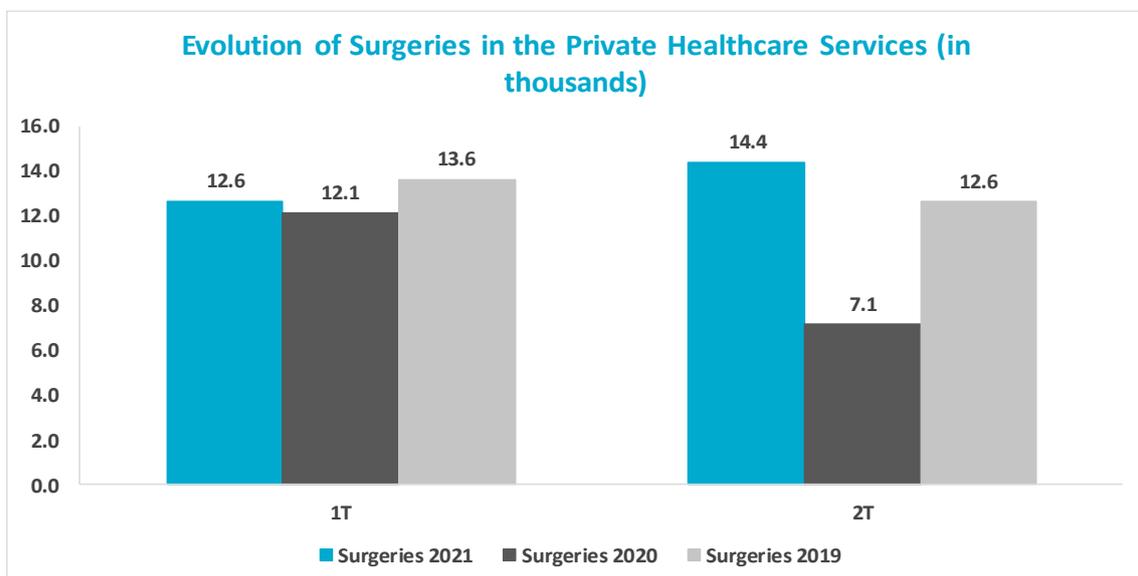
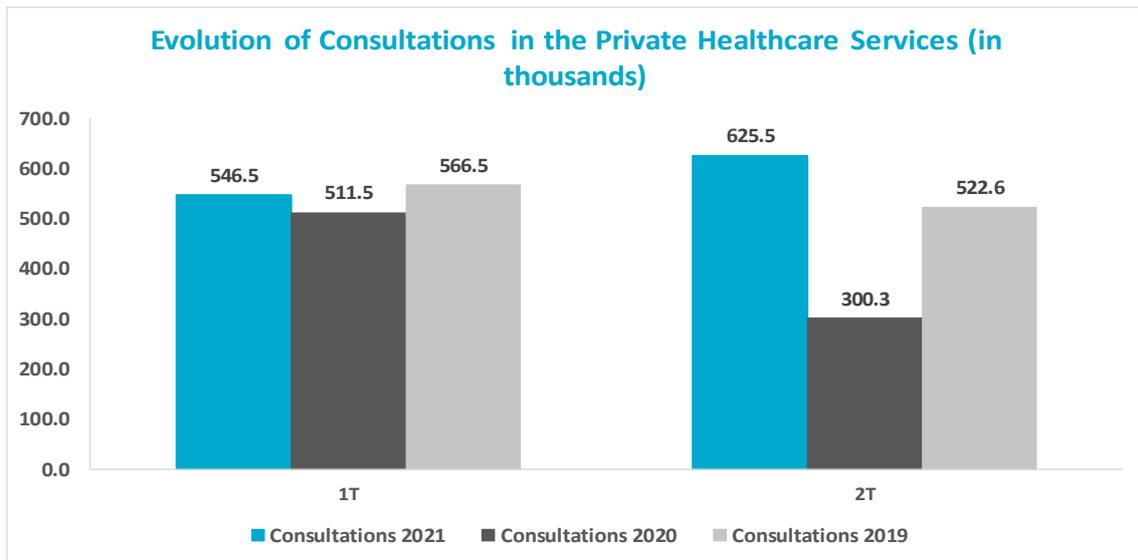
Activity indicators

(Thousands)	Private healthcare services				
	2021 Jun	2020 Jun	2019 Jun	21 vs 20 %	21 vs 19 %
Consultations	1,172.0	811.7	1,089.1	44.4%	7.6%
Emergencies	108.4	121.4	177.4	-10.7%	-38.9%
Surgeries	27.0	19.2	26.2	40.3%	3.0%
Days of hospitalization	78.8	65.4	77.2	20.5%	2.0%
Births	1.8	2.0	1.8	-8.1%	4.3%

In the first half of 2021, there was a positive evolution in most of the activity indicators, with Consultations and Surgeries growing over 40%, compared to the same period of the previous year, while Days of hospitalization increased by 20.5%. The growth in these indicators is aligned with the strong recovery of activity in the first half of 2021, even though it was negatively impacted in the first quarter by the worsening of the pandemic situation and by the additional confinement measures, particularly in the months of January and February. Period in which, given the escalation of the pandemic, CUF reorganized its network of hospitals and clinics and its technical and human resources in order to increase its capacity to respond to the COVID-19 patients' needs and, at the same time, support the Portuguese National Health Service, in Northern and Central regions of the country, and also in Lisbon metropolitan area, providing healthcare to COVID and non-COVID patients.

Compared to the first half of 2019, there was an improvement in all healthcare indicators, with the exception of Emergency Services, demonstrating the recovery of the activity indicators to higher levels than the pre-pandemic period ones, which is the result of our customers trust, who have again recognized, for the seventh consecutive year, CUF as a "Marca de Confiança" ("Trusted Brand"), in the private hospitals category, and also a result of the dedication and professionalism of our staff in resuming activity and responding to the healthcare needs of non-COVID patients.

Despite the indicators' positive evolution in the semester, it is important to analyze the first and second quarters individually, according to the different phases of the pandemic.



In the first quarter of 2021, Consultations and Surgeries increased by 6.8% and 4.4%, respectively, compared to the same period of the previous year. However, compared to the first quarter of 2019, these

indicators reduced by 3.5% and 7.2%, respectively, reflecting the impact of the worsening of the pandemic on the demand for scheduled services in early 2021, although not as significant as in 2020.

In the second quarter, the evolution of these indicators compared to the same period of the previous years was quite expressive, having more than doubled in relation to 2020 and recorded growth rates of 19.7% in Consultations and 13.9% in Surgery, compared to the second quarter of 2019.

Comparing the second quarter of the year with the first one, there was an increase in Consultations and Surgeries in 14.5% and 13.8%, respectively.

3. FINANCIAL PERFORMANCE

Consolidated Income Statement

(Million Euros) - Amounts Not Audited	2021 Jun	2020 Jun	2019 Jun	21 vs 20 %	21 vs 19 %
Operating Income	287.4	198.1	246.1	45.1%	16.8%
Operating Costs	(244.0)	(187.8)	(199.8)	29.9%	22.1%
EBITDA	43.4	10.3	46.3	322.4%	-6.1%
EBITDA Margin	15.1%	5.2%	18.8%	+9.9p.p.	-3.7p.p.
Amortisations and Provisions	(21.6)	(16.4)	(14.5)	32.1%	49.6%
EBIT	21.8	(6.1)	31.8	n.a.	-31.4%
EBIT Margin	7.6%	-3.1%	12.9%	+10.7p.p.	-5.3p.p.
Financial results	(9.4)	(8.7)	(8.0)	8.8%	18.2%
EBT	12.4	(14.8)	23.8	n.a.	-48.1%
Income tax	(2.8)	(0.1)	(6.9)	1798.6%	-58.6%
Consolidated net profit for the year	9.5	(14.9)	17.0	n.a.	-43.8%
Net profit for the year of discontinued operations ¹	(0.2)	(5.3)	5.5	n.a.	-103.4%
Net profit for the year attributable to non-controlling interests	(0.2)	0.1	(0.1)	-217.6%	138.9%
Net profit for the year attributable to equity holders	9.2	(20.0)	22.4	n.a.	-59.0%

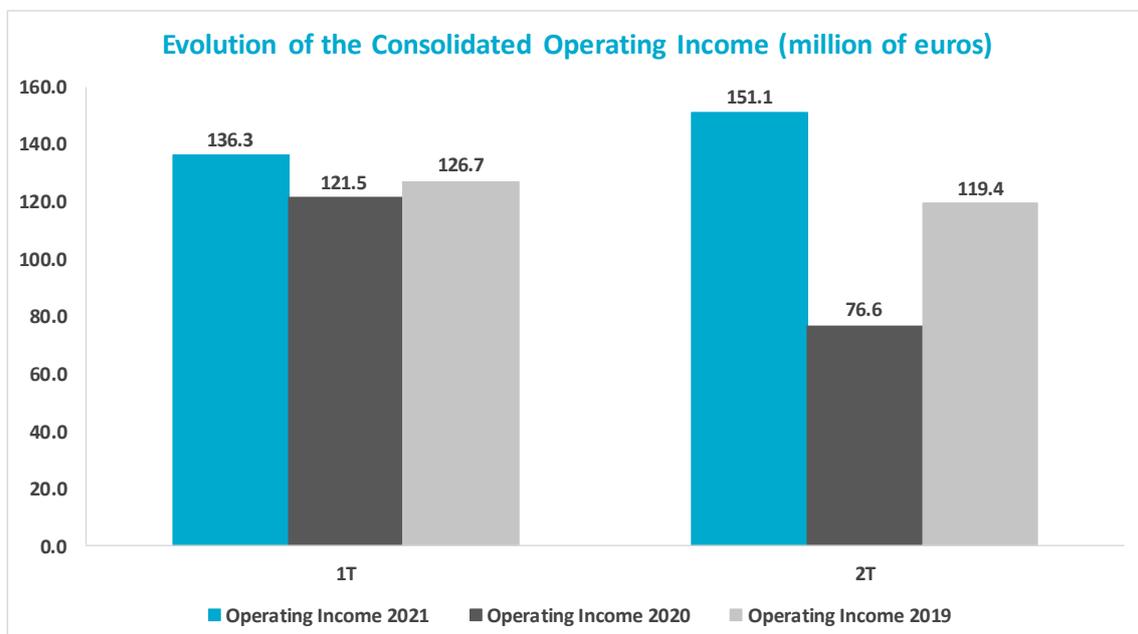
In the first half of 2021, the Group's consolidated operating income reached 287.4 million euros, representing a growth of 45.1% against the same period of the previous year. Compared to 2019, consolidated operating income grew by 16.8%, reflecting not only the recovery of the activity in this first

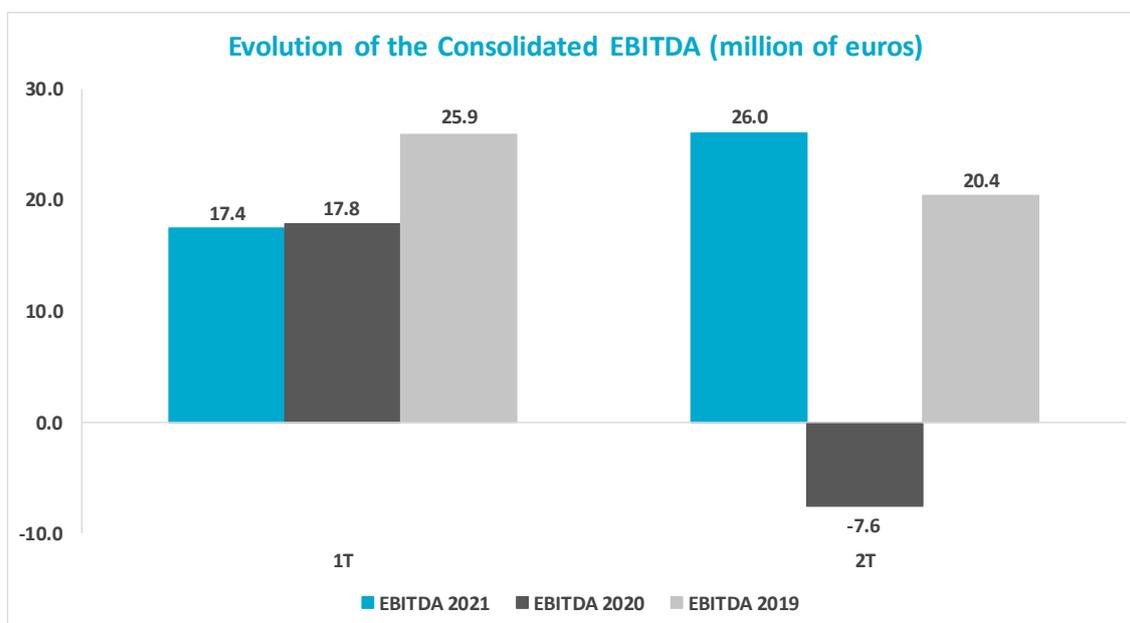
¹ Includes Public Healthcare Services

semester, but also a greater installed capacity in CUF healthcare units, which was increased in the last two years through the opening of CUF Tejo Hospital, the inauguration of the surgical and hospitalization areas of CUF Sintra Hospital and the expansion of Hospital CUF Torres Vedras.

Consolidated EBITDA reached 43.4 million euros in the first half of the year, representing an expressive growth compared to the figure recorded in 2020, which was significantly impacted by the pandemic. The EBITDA margin was 15.1%, increasing by 9.9 p.p., against the same period of the previous year. It should also be highlighted that EBITDA for the first half was only 6.1% below 2019's, despite the effects of the pandemic on the first quarter's activity.

Consolidated EBIT was 21.8 million euros, increasing by 27.9 million euros, comparing to the first semester of 2020, and the EBIT margin was 7.6%, improving by 10.7 p.p.. Comparing to 2019, there was a reduction of 31.4%, which is essentially explained by the aforementioned effects of the pandemic, as well as an increment in the amortizations by 39.5%, due to the large investments made in the Private Healthcare Services in the last two years.





In the first quarter of 2021, the Group's operating income was higher than the one obtained in the same period of the previous year by 12.3%, being the EBITDA slightly below the one recorded in 2020. Compared to 2019, there was an increase in the operating income of 7.6% and a reduction in EBITDA of 32.6%, with both indicators being harmed by the worsening of the pandemic context and due to CUF's involvement in fighting the pandemic, particularly in the first two months of 2021.

In the second quarter, the performance was quite positive compared to the same period of the previous year, as the results of 2020 were severely affected by the pandemic. For this reason, it should be highlighted the evolution of operating income and EBITDA against the same period of 2019, which have risen by 26.6% and 27.6%, respectively.

Between the first and second quarter of 2021, the healthcare indicators' positive evolution allowed a significant improvement in the Group's financial results, particularly in EBITDA (+49.1%).

Financial Results

(Million Euros) - Amounts Not Audited	2021 Jun	2020 Jun	Var %
Financial expenses and losses	(9.5)	(8.3)	14.0%
Financial income and gains	0.3	0.1	328.5%
Profit/loss of associates	(0.2)	(0.4)	-48.0%
Financial results	(9.4)	(8.7)	8.8%

In the first semester of 2021, the Financial results were negative in 9.4 million euros, having been reduced by 0.7 million euros. There was an increment in the financial expenses and losses associated with the financing of the expansion works concluded last year, compared to the first half of 2020, which was mitigated by an increase in the financial income and gains and profit/loss of associates.

Net Profit

The net profit attributable to equity holders of the first semester of 2021 was 9.2 million euros, which means a rise by 29.2 million euros against the same period of last year.

Investment

The total investment made in the first semester of 2021 was 17.2 million euros.

Recurring investment amounted to 9.7 million euros, mostly coming from the replacement of clinical equipment and other technological innovations and updates in CUF healthcare units.

The investment in information systems amounted to 2.7 million euros.

The expansion investment totaled 4.8 million euros and consisted of the works and equipment of CUF Tejo, CUF Sintra and CUF Torres Vedras Hospitals and CUF Montijo Clinic, a new outpatient clinic expected to be completed by the end of 2021, and expansion and improvement works in CUF Descobertas and CUF Santarém Hospitals.

Financial Position

Amounts Not Audited - (Millions of Euros)	2021 Jun	2020 Dec	Var.
Non-current Assets	653.0	652.0	1.0
Goodwill	47.5	47.4	0.1
Intangible assets	22.1	19.8	2.3
Tangible fixed assets	493.3	445.1	48.2
Right of use	75.9	125.3	-49.4
Investments in associates	0.9	1.1	-0.2
Other investments	2.4	2.1	0.3
Deferred tax assets	10.3	10.3	-0.1
Other non-current debtors	0.6	0.7	-0.1
Current Assets	227.5	235.5	-8.1
Inventories	21.2	20.8	0.3
Trade receivables and advances to suppliers	95.0	81.1	13.9
Other financial assets	8.5	7.7	0.7
State and other public entities	8.1	9.5	-1.4
Other current debtors	5.8	6.4	-0.6
Other current assets	36.4	42.5	-6.1
Other financial instruments	23.5	23.5	0.0
Cash and cash equivalents	29.1	44.0	-14.9
Non-current assets held for sale	7.8	7.8	0.0
Total Assets	888.2	895.3	-7.1

Amounts Not Audited - (Millions of Euros)	2021 Jun	2020 Dec	Var.
Total Equity	117.7	106.8	10.9
Share capital	53.0	53.0	0.0
Reserves + Retained earnings	52.7	74.9	-22.2
Consolidated net income	9.2	-23.8	33.0
Non-controlling interests	2.8	2.6	0.2
Liabilities			
Gross Financial Debt	580.7	577.1	3.7
Borrowings	508.0	471.6	36.3
Lease creditors	72.8	105.4	-32.7
Other Liabilities	189.8	211.5	-21.7
Employee benefits	1.2	1.2	0.0
Provisions	14.6	16.6	-2.0
Deferred tax liabilities	11.4	11.4	0.0
Derivative financial instruments	0.0	0.3	-0.3
Other financial liabilities	2.6	2.5	0.0
Trade payables and advances from clients	78.9	88.1	-9.3
State and other public entities	9.3	6.8	2.5
Other creditors	7.3	6.3	1.0
Other current liabilities	64.4	78.1	-13.7
Total Liabilities	770.5	788.5	-18.0
Total Equity + Liabilities	888.2	895.3	-7.1

In the first half of 2021, there was a reduction in total assets of 7.1 million euros compared to the end of 2020, reaching the amount of 888.2 million euros (-0.8%). This variation was caused by a decrease in Cash and cash equivalents and Other current assets, due to the reduction in the income accruals, mitigated by a significant increase in Trade receivables and advances to suppliers, given the increase in activity levels.

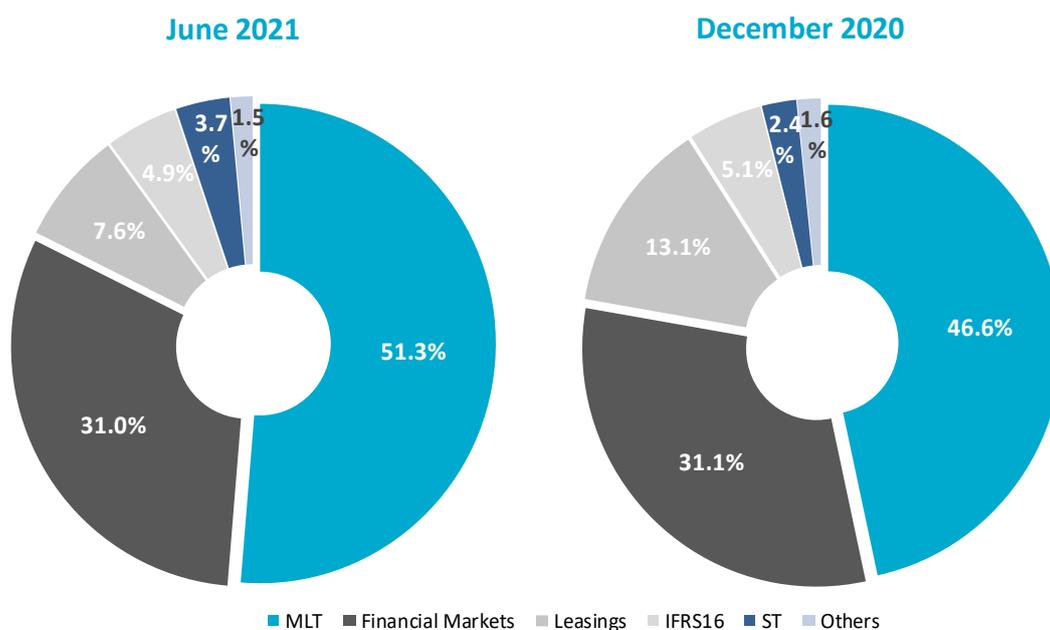
Equity was positively affected by the consolidated net income, improving by 10.9 million euros in the first semester of 2021 and totaling an amount of 117.7 million euros.

The Gross financial debt was incremented by 3.7 million euros since the end of 2020, reaching 580.7 million euros in the end of the first half of 2021. Regarding Other liabilities, there was a decrease in 21.7 million euros since the end of 2020, through the reduction in Other current liabilities and Trade payables and advances from clients.

Profile of the Financial Debt

The Group has pursued a policy of financial sustainability and a sound capital structure to support its expansion strategy. In pursuing this policy, an active management of its debt profile has been carried out, both in diversifying financing sources and in reducing the refinancing risk and extending the average maturity of its debt.

In the following graphs, the detail of CUF Group's debt profile at the end of the first semester of 2021, compared to 31 December 2020, can be seen.



Financial Ratios

Amounts Not Audited - (Millions of Euros)	2021 Jun	2020 Dec
Financial Autonomy	13.3%	11.9%
Solvency	15.3%	13.5%
Net Financial Debt ² (million euros)	528.1	509.5
Net Financial Debt ² /EBITDA	6.63	11.49
EBITDA/Financial expenses and losses	4.11	2.42

The recovery of the activity indicators and consequent improvement in the Group's financial performance was reflected in the financial ratios, at the end of the first semester of 2021.

Regarding Financial Autonomy and Solvency, there was a positive evolution compared to December 2020, explained by the increase in Equity and the reduction in Total Assets and Total Liabilities.

Despite the increment in the Net financial debt by 18.6 million euros, the Net financial debt over EBITDA ratio drastically decreased from 11.49x to 6.63x, led by a significant improvement in EBITDA during 2021's first semester.

CUF Group's bond loans issued in the financial markets include the obligation for the Net Financial Debt/EBITDA ratio to be lower than 6.0x, as regards the audited consolidated annual accounts. Taking into account the performance in the first half of the year and the available information at the moment, the Group expects to end 2021 in compliance with this obligation.

² Gross financial debt less Cash and cash equivalents and Other financial instruments

2. FINAL NOTE

Pursuant to article 246, no.1 c) of the Securities Code and in compliance with legal and statutory provisions, the Board of Directors presents the condensed financial statements and the interim management report for the first half of 2021, in the firm belief that, to the best of its knowledge, the information contained therein was prepared in accordance with the applicable accounting standards, giving a true and appropriate view of the issuer's assets and liabilities, financial position and results, and that the management report accurately presents the required information.

CUF also reports that the consolidated report and accounts for the first half of 2021 were not subject to a review by an external auditor registered with the Portuguese securities and exchange commission (CMVM).

The Board of Directors

Salvador Maria Guimarães José de Mello

João Gonçalves da Silveira

João Pedro Stilwell Rocha e Melo

Rui Alexandre Pires Diniz

Inácio António da Ponte Metello de Almeida e Brito

Guilherme Barata Pereira Dias de Magalhães

Catarina Marques da Rocha Gouveia

Francisco Pedro Ramos Gonçalves Pereira

Vera Margarida Alves Pires Coelho

Céline Dora Judith Abecassis-Moedas

Raúl Catarino Galamba de Oliveira

José Luís Bonifácio Lopes

João Pedro Ribeiro de Azevedo Coutinho

Lisbon, 23th July 2021

CONSOLIDATED FINANCIAL INFORMATION

CUF, S.A.
CONSOLIDATED INCOME AND OTHER COMPREHENSIVE INCOME STATEMENT
AS OF 30 JUNE 2021 AND 2020
(Amounts in thousands euros)

	Notes	30-06-2021	30-06-2020
Operating income:			
Sales and services rendered	5, 6	284,288	195,952
Other operating income	5, 6	3,128	2,123
Total operating income		287,417	198,075
Operating costs:			
Cost of sales		(39,617)	(27,441)
External supplies and services	7	(132,552)	(96,504)
Personnel expenses	8	(69,618)	(62,344)
Amortisations and depreciations	5	(19,317)	(16,333)
Provisions and impairment losses, net	5	(2,301)	(28)
Other operating costs		(2,185)	(1,502)
Total operating costs	5	(265,591)	(204,152)
Operating profit	5	21,826	(6,077)
Financial expenses and losses	5, 9	(9,503)	(8,339)
Financial income and gains	5, 9	269	63
Profit/loss of associates	5, 9	(212)	(407)
Profit/loss of investment activities	5, 9		-
Financial results	5	(9,445)	(8,683)
Pre-tax profit	5	12,380	(14,760)
Income tax	5	(2,844)	(150)
Consolidated net profit for the year		9,536	(14,910)
Discontinued operations:			
Net profit for the year of discontinued operations	23	(185)	(5,273)
Net profit for the year attributable to non-controlling interests	5	(167)	142
Net profit for the year attributable to equity holders	5	9,184	(20,041)
Other items of Comprehensive Income:			
Other income and expenses directly recognised in equity that will not be reclassified to profit:			
Revaluation of tangible fixed assets		1,331	-
Other income and expenses directly recognised in equity that might be reclassified to profit:			
Changes in fair value of hedging instruments		232	217
		1,564	217
Consolidated comprehensive income		10,915	(19,966)
Comprehensive income for the year attributable to non-controlling interests		-	-
Comprehensive income for the year attributable to equity holders		10,915	(19,966)
Earnings per share:			
Basic	10	0.87	(1.89)
Diluted	10	0.87	(1.89)

The accompanying notes form an integral part of the consolidated income and other comprehensive income statement for the semester ended 30 June 2021.

The Chartered Accountant

The Board of Directors

CUF, S.A.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2021 AND 31 DECEMBER 2020**

(Amounts in thousands Euros)

	Notes	30-06-2021	31-12-2020
Non-current assets:			
Goodwill	5 , 11	47,519	47,447
Intangible assets		22,078	19,805
Tangible fixed assets	5 , 12	493,310	445,149
Right of use	5 , 13	75,877	125,296
Investments in associates		933	1,145
Other investments		2,387	2,111
Deferred tax assets		10,267	10,326
Other non-current debtors		599	719
Total non-current assets		652,971	651,999
Current assets:			
Inventories		21,156	20,829
Trade receivables and advances to suppliers	5 , 14	95,025	81,103
Other financial assets		8,466	7,725
State and other public entities		8,062	9,457
Other current debtors		5,786	6,420
Other current assets		36,407	42,481
Other financial instruments	15	23,500	23,500
Cash and cash equivalents	16	29,082	44,029
Total current assets		227,484	235,543
Non-current assets held for sale		7,770	7,770
TOTAL ASSETS	5	888,224	895,311
Equity:			
Share capital	17	53,000	53,000
Legal reserve	18	8,753	8,753
Other reserves		12	12
Fair value reserve		-	(232)
Revaluation of tangible fixed assets		35,950	34,618
Retained earnings		8,008	31,791
Consolidated net income		9,184	(23,782)
Equity attributable to shareholders		114,907	104,159
Non-controlling interests		2,807	2,640
Total equity		117,714	106,799
Non-current liabilities:			
Borrowings	5 , 19	406,081	378,437
Lease creditors		57,097	88,776
Employee benefits		1,223	1,223
Provisions	20	14,646	16,627
Other creditors		2,231	2,197
Deferred tax liabilities		11,447	11,422
Non-current liabilities		492,724	498,682
Current liabilities:			
Borrowings	5 , 19	101,891	93,206
Lease creditors		15,659	16,641
Derivative financial instruments		-	300
Other financial liabilities		2,572	2,522
Trade payables and advances from clients	5 , 21	78,895	88,149
State and other public entities		9,263	6,786
Other current creditors		5,111	4,101
Other current liabilities	22	64,395	78,124
Total current liabilities		277,786	289,830
TOTAL LIABILITIES	5	770,510	788,512
TOTAL EQUITY AND LIABILITIES		888,224	895,311

The accompanying notes form an integral part of the consolidated statement of financial position for the period ended 30 June 2021.

The Chartered Accountant

The Board of Directors

CUF, S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS OF 30 JUNE 2021 AND 2020

(Amounts in thousands euros)

	Share capital	Legal reserve	Other reserves	Fair value of the hedging derivative financial	Revaluation of tangible fixed assets	Retained earnings	Net profit	Non-controlling interests	Total
Balance at 1 January 2020	53,000	8,444	12	(590)	44,830	(12,665)	29,013	3,932	125,976
Appropriation of consolidated net profit for 2019:									
Transfer to retained earnings	-	-	-	-	-	28,704	(28,704)	-	-
Transfer to legal reserve	-	309	-	-	-	-	(309)	-	-
Changes in non-controlling interests resulting from changes in participation	-	-	-	-	-	100	-	(877)	(777)
	-	-	-	-	-	(170)	-	(71)	(241)
Consolidated net income for the semester of 2020	-	-	-	-	-	-	(20,041)	142	(19,899)
Other items of Comprehensive Income:									
Changes in the fair value of financial instruments	-	-	-	217	-	-	-	-	217
Total comprehensive income for the semester	-	-	-	217	-	-	(20,041)	142	(19,683)
Balance at 30 June 2020	53,000	8,753	12	(373)	44,830	15,969	(20,041)	3,126	105,275
Balance at 30 June 2021	53,000	8,753	12	(232)	34,618	31,791	(23,782)	2,640	106,799
Appropriation of consolidated net profit for 2019:									
Transfer to retained earnings	-	-	-	-	-	(23,782)	23,782	-	-
Consolidated net income for the semester of 2020	-	-	-	-	-	-	9,184	167	9,351
Other items of Comprehensive Income:									
Changes in the fair value of financial instruments	-	-	-	-	1,331	-	-	-	1,331
Changes in the fair value of financial instruments	-	-	-	232	-	-	-	-	232
Total comprehensive income for the semester	-	-	-	232	1,331	-	9,184	167	10,915
Balance at 30 June 2020	53,000	8,753	12	-	35,950	8,008	9,184	2,807	117,714

The accompanying notes form an integral part of the consolidated statement of financial position for the period ended 30 June 2021.

The Chartered Accountant

The Board of Directors

CUF, S.A.
CONSOLIDATED CASH FLOW STATEMENTS
AS OF 30 JUNE 2021 AND 2020
(Amounts in thousand euros)

	Notes	30-06-2021	30-06-2020
OPERATING PROFIT			
Cash receipts from clients		265,713	224,294
Cash paid to suppliers		(162,546)	(151,302)
Cash paid to employees		(66,691)	(60,582)
Income tax received/paid		(573)	499
Other cash receipts/payments relating to operating activities		(2,020)	(3,794)
		33,883	9,116
		(10,209)	(530)
Net cash from operating activities (1)		23,674	8,586
INVESTING ACTIVITIES:			
Cash receipts relating to:			
Financial assets and other investments		-	120
Interest and similar income		123	299
		123	419
Payments regarding:			
Financial assets and other investments		-	(951)
Tangible fixed assets		(12,868)	(35,224)
Intangible assets		(922)	(1,155)
		(13,790)	(37,330)
		(13,667)	(36,911)
		(1,131)	(448)
Net cash from investment activities (2)		(14,798)	(37,358)
FINANCING ACTIVITIES:			
Cash receipts relating to:			
Borrowings		356,723	747,776
Other financial instruments		-	14,300
		356,723	762,076
Payments regarding:			
Borrowings		(320,549)	(706,998)
Other financial instruments		-	(7,000)
Payment of lease liabilities		(48,836)	(7,880)
Interest and similar expenses		(9,819)	(9,701)
		(379,205)	(731,578)
		(22,481)	30,497
		(1,961)	(250)
Net cash from financial activities (3)		(24,442)	30,247
Changes in cash and equivalents (4)=(1)+(2)+(3)		(15,566)	1,475
Effect of change in consolidation perimeter		-	184
Cash and cash equivalents at the start of the period	16	43,555	60,275
Cash and cash equivalents at the end of the period	16	27,989	61,934

The accompanying notes form an integral part of the consolidated cash flow statement for the period ended 30 June 2021.

The Chartered Accountant

The Board of Directors

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ON JUNE 30TH 2021

1. INTRODUCTION

CUF, S.A. (the "Company" or "CUF") is a public limited company, with head offices in Lisbon at Av. do Forte, n° 3, Edifício Suécia III, Piso 2, 2790-073 Carnaxide, and was incorporated in December 1992. From June 26, 2020, José de Mello Saúde brand gave way to CUF brand, becoming the only brand for the activity of health care services. The corporate name also changed from José de Mello Saúde, S.A. to CUF, S.A..

The corporate universe of CUF (the "Group" or "CUF Group") is formed by the subsidiaries, associates and jointly controlled entities described in Note 3. Its main activity is the provision of health care, specifically in the area of the provision of private health care, public-private partnerships and the provision of occupational medicine and health services, as well as the provision of home health care. The Group also carries out other secondary activities in the real estate and infrastructure sectors.

As mentioned in Note 17, a majority of the company's capital is held by José de Mello Capital, S.A., its parent company that prepares consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") and, consequently, the operations and transactions of the CUF Group (Note 24) are influenced by the decisions of the José de Mello Group.

2. ACCOUNTING POLICIES

2.1. Preparation Bases

The consolidated financial statements were prepared in accordance with the provisions of IAS 34 - Interim Financial Reporting and should therefore be read in conjunction with the financial statements for the financial year ending 31 December 2020.

The financial statements are expressed in thousands of euros.

2.1.1. New standards, amendments or interpretations applicable to the 2021 financial year

As a result of the endorsement by the European Union, the following issues, revisions, amendments and improvements to the Standards and Interpretations occurred with effect from 1 January 2021, and were adopted by the Group where applicable:

Standard	Effective Date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to IFRS 17 and IFRS 4, 'Insurance contracts' deferral of IFRS 9	1 January 2021
Amendments to IAS 1, 'Presentation of financial statements' on classification of liabilities	1 January 2021

The standards, interpretations, amendments and revisions shown on the above table had no effect on the Group's consolidated financial statements for the period ending 30 June 2021, as a result of their adoption.

2.2. Changes in accounting policies and errors

The adopted accounting policies are consistent with those followed for the preparation of the consolidated financial statements for the financial year ending 31 December 2020, referred to in the respective annex.

Similarly, no errors or omissions from previous periods were detected in the current period.

2.3. Main management estimates and judgments

The preparation of the financial statements in accordance with IFRS recognition and measurement principles requires the Board of Directors to make judgements, estimates and assumptions that may affect the value of the presented assets and liabilities, particularly amortisations and depreciations, adjustments, impairment losses and provisions, disclosures of contingent assets and liabilities on the date of the financial statements, as well as their profits and losses.

These estimates are based on the best knowledge existing at any given time, and on the planned actions. They are reviewed on an ongoing basis based on available information. Changes in facts and

circumstances may lead to the need to review the estimates, hence the actual future results may differ from these estimates.

2.4. Consolidation bases

The adopted consolidation bases are consistent with those followed for the preparation of the consolidated financial statements for the financial year ending 31 December 2020, referred to in the respective annex.

3. COMPANIES INCLUDED IN THE CONSOLIDATION

3.1. Companies consolidated by the comprehensive method

On 30 June 2021, the parent company and the following subsidiaries over which the Group has control were included in the consolidation by the comprehensive method:

Company	Head Office	Effective Percentage	Activity
Private healthcare services:			
Hospital CUF Descobertas, S.A.	Carnaxide	100%	Management and operation of a hospital
Hospital CUF Infante Santo, S.A.	Carnaxide	100%	Management and operation of a hospital and nursing units
Hospital CUF Porto, S.A.	Carnaxide	100%	Management and operation of a hospital and nursing units
Hospital CUF Torres Vedras, S.A.	Carnaxide	100%	Management and operation of a hospital and nursing units
Hospital CUF Cascais, S.A.	Carnaxide	100%	Management and operation of a hospital and nursing units
Hospital CUF Viseu, S.A.	Viseu	100%	Management and operation of a hospital
Hospital CUF Santarém, S.A.	Carnaxide	100%	Management and operation of a hospital
Hospital CUF Coimbra, S.A.	Coimbra	100%	Management and operation of a hospital
Clinica CUF Alvalade, S.A.	Carnaxide	100%	Provision of medical and nursing services
Clinica CUF Belém, S.A.	Lisboa	62,807%	Provision of medical and nursing services
Clinica de Serviços Médicos Computorizados de Belém, S.A.	Lisboa	62,807%	Provision of medical and nursing services
Instituto CUF - Diagnóstico e Tratamento, S.A.	Matosinhos	95,9955%	Operation of health unit
HD Medicina Nuclear, S.A.	Lisboa	69,996%	Provision of diagnosis services and therapy in the nuclear medicine field
Ecografia de Cascais, Lda.	Cascais	100%	Operation of a diagnosis and radiology medical centre
SIM-X - Serviço de Imagem Médica, Lda.	Viseu	100%	Operation of a diagnosis and radiology medical centre
Clinica Dr. Luis Álvares, S.A.	Lisboa	100%	Operation of a diagnosis and radiology medical centre
CUF - Serviços de Serviços de Saúde, Administrativos e Operacionais ACE	Carnaxide	99,2365%	Provision of operational, administrative and health services
CUF - Serviços de Logística, ACE	Carnaxide	99,0735%	Provision of operating services (catering, cleaning and maintenance)

Company	Head Office	Effective Percentage	Activity
Private healthcare services:			
Ecoclinica - Diagnóstico por Imagem, Lda.	Algés	100%	Operation of a diagnosis and radiology medical centre
Cenes - Centro de Reprocessamento de Dispositivos Médicos, Lda.	Lisboa	100%	Provision of logistics services and medical devices reprocessing
Centro Logístico CUF Unipessoal, Lda.	Carnaxide	100%	Distribution and commercialization of medication and medical devices
Public healthcare services:			
Escala Braga - Sociedade Gestora do Estabelecimento, S.A.	Braga	99,9999%	Management and operation of a public hospital
Escala Vila Franca – Sociedade Gestora do Estabelecimento, S.A.	V.F. de Xira	99,9950%	Management and operation of a public hospital
Infrastructures:			
Infrahealth – Gestão de Infraestruturas Unipessoal, Lda.	Carnaxide	100%	Operation, management and marketing of healthcare infrastructure, commercial areas and car parks
CUF - Investimentos Imobiliários, S.A.	Carnaxide	100%	Buying and selling real estate, exchange and renting property
Imo health Cascais - Investimentos Imobiliários, S.A.	Carnaxide	100%	Buying and selling real estate, exchange and renting property
Simplygreen - Investimentos Imobiliários, S.A.	Carnaxide	100%	Buying and selling real estate, exchange and renting property
Greenimolis - Investimentos, S.A.	Carnaxide	60%	Buying and selling real estate, exchange and renting property
Hospimob - Imobiliária, S.A.	Carnaxide	100%	Execution of real estate projects, namely the purchase and sale of properties, swap and rental of owned properties and of properties belonging to third parties
Others:			
CUF, S.A.	Carnaxide	Parent - company	Purchase and sale of equipment and provision of management and consultancy services
VALIR - Sociedade Gestora de Participações Sociais, S.A.	Matosinhos	95,9955%	Management of shareholdings
Academia CUF, Sociedade Unipessoal, Lda.	Carnaxide	100%	Provision of training services in the nursing and clinical services field
Sagies - Segurança e Saúde no Trabalho, S.A.	Carnaxide	70,5%	Provision of external services of occupational safety, hygiene and health
CUF - Gestão de Clientes e de serviços de saúde, S.A.	Carnaxide	100%	Provision of management, consultancy, operating and administrative services in the healthcare sector
Digihealth, S.A.	Carnaxide	88%	IT and Management Consulting and Advisory Services for Healthcare Providers

3.2. Associated companies

The following associated companies were recorded by the equity method on 30 June 2021:

Company	Head Office	Effective Percentage	Activity
Centro Gamma Knife-Radiocirurgia, S.A.	Lisboa	34,00%	Operation of a radiosurgery treatment units
Hospital Ordem da Trindade, S.A.	Porto	46,78%	Management and operation of a hospital

4. CHANGES IN THE CONSOLIDATION SCOPE

In the semester ended June 30, 2021, the main changes to the consolidation perimeter relate to the liquidation of Imo Health Belém – Investimentos Imobiliários, S.A., on January 28, 2021.

5. BUSINESS SEGMENTS

As established in IFRS 8, the Group presents the operating segments based on the internal management reporting model provided to the body with ultimate responsibility for making the Group's operating decisions, who is responsible for assigning resources to the sector, assessing its performance and for

making strategic decisions. The main activities carried out by the Group are grouped into the following business sectors:

- Private services;
- Public services;
- Infrastructures; and,
- Other.

The "Private services" business area includes the following units:

- 9 hospitals, which together offer 575 inpatient beds, 502 consultation rooms, operating blocks with 51 theatres and delivery clocks with 5 rooms, along with a wide range of speciality consultations, examinations, dentistry, check-ups and physical and rehabilitation medicine;
- 8 outpatient clinics, with 253 rooms, offering speciality consultations, examinations, dentistry, check-ups, physical and rehabilitation medicine, and even the possibility of minor surgery;
- a diagnosis and treatment unit with 50 specialist consultation rooms and a high technological profile;
- 8 clinical imaging units, with a wide range of examinations (bone densitometry, ultrasound, mammography, radiology, magnetic resonance imaging and computed tomography);
- a unit providing reprocessing services for medical devices to enhance their operational performance; and,
- 2 supplementary business groups that provide IT, operational, administrative and logistics services to Group companies.

The "Public service" sector is the result of one partnership contract with the Portuguese state:

- The Vila Franca Hospital Establishment - the Escala Vila Franca de Xira consortium took over the management of the Reynaldo dos Santos Hospital on 1 June 2011 with responsibility for all of the activity of this National Health Service hospital. It has secured the management of the aforementioned hospital infrastructure for a 2 years period. The new Vila Franca de Xira Hospital began operating in April 2013. This hospital has a gross constructed area of 49 thousand square

meters, 313 inpatient beds, 73 consultation rooms, an operating block with 6 theatres and a delivery block with 6 rooms, serving around 250 thousand inhabitants of the districts of Alenquer, Arruda dos Vinhos, Azambuja, Benavente and Vila Franca de Xira. This management contract ended in 31 May 2021.

In the case of the partnership contract between CUF and the Portuguese State, the Group concluded that IFRIC 12 — Service concession arrangements is not applicable.

IFRIC 12 does not define what is a service concession contract by a public entity (grantor) to a private entity (concessionaire). However, it defines the common characteristics that a concession must have. Thus, in accordance with IFRIC 12(3)(b), in a concession contract “the operator is responsible for at least some of the management of the infrastructure and related services and does not merely act as an agent on behalf of the grantor”.

According to the partnership agreement, the group does not perform the infrastructure management of Vila Franca Hospital. As such, the infrastructure is not recognized in the fixed assets, and the infrastructure is registered in the company that are responsible for the building (Escala Vila Franca de Xira - Sociedade Gestora do Edifício, S.A.), which is not part of the group.

Only medical equipment, which is in the hospital where it is used and which is owned by the Company and therefore by the Group during the contract period, is recognized in tangible fixed assets. The Group may dispose of such as it sees fit only with a view to ensuring at the end of the contract that it delivers the equipment in good working order.

The “Infrastructure” segment includes nine entities whose company object is the purchase, sale, management and lease of health infrastructure, commercial spaces and car parks. In its entirety, this segment mostly includes the construction, management and operation of eleven buildings and eleven car parks (for a total of 2,872 parking spaces).

Although the Group allocates real property to the “Infrastructure” segment, it is considered in the consolidated sphere to be tangible fixed assets and not to be investment property. These properties in the individual accounts of each companies are classified as Investment Property under IAS 40. This classification takes into account of the corporate purpose of these same companies, in that the buildings

are held for rental to the various units of the Group. Already within the scope of the consolidated text, and since these properties are rented exclusively to companies of CUF, the Group considers that the requirements for the definition of investment property are no longer met. In fact, within the framework of the consolidated system, the buildings are held for the purpose of use in the provision of healthcare services, which is the main activity of the Group. Thus, for consolidated accounts, these same properties are treated under IAS 16.

It should also be noted that the Group analyses the “Infrastructure” segment separately for decision making and performance assessment purposes. This segment is predominantly represented by Imo Health – Investimentos Imobiliários, S.A., and therefore has separate financial information.

The “Other” segment integrates, in addition to the management of holdings, five entities providing management, training, accounting, consulting, cleaning and maintenance services, and also leasing of medical equipment, negotiation and procurement services. The Group also has units that (i) provide safety, hygiene and health services at work that are indispensable for monitoring workers’ health and environmental working conditions and (ii) provide personalized home health care, including in the areas of gerontology, maternal-child care, convalescence monitoring and palliative care.

The main information regarding the contribution of each segment (after the removal of intra-sector balances and transactions) is as follows:

Year 2021	Private healthcare services	Public healthcare services	Infra-structures	Others	Eliminations	Consolidated
Sales and Services rendered						
External clients	280,500	(0)	79	3,710	-	284,288
Intersegment	2,091	0	12,924	2,528	(17,544)	-
Other operating income	1,290	-	2,148	101	(411)	3,128
Operating costs	(263,332)	-	(1,524)	(10,502)	9,768	(265,591)
Segment operating profit	20,549	-	13,627	(4,163)	(8,187)	21,826
Financial expenses and losses	(11,454)	-	(5,402)	(4,360)	11,713	(9,503)
Financial income and gains	129	-	2,327	3,254	(5,441)	269
Profit/loss of associates	99	-	-	-	(310)	(212)
Profit/loss of investment activities	-	-	-	-	-	-
Financial results	(11,227)	-	(3,074)	(1,106)	5,962	(9,445)
Pre-tax profit	9,322	-	10,552	(5,269)	(2,225)	12,380
Income tax	(3,312)	-	(1,789)	2,256	0	(2,844)
Net profit for the year of discontinued operations	-	(185)	-	-	-	(185)
Profit attributable to non-controlling interests	(143)	-	59	(83)	-	(167)
Net profit for the year attributable to shareholders	5,868	(185)	8,822	(3,096)	(2,225)	9,184

Year 2020	Private healthcare services	Public healthcare services	Infra-structures	Others	Eliminations	Consolidated
Sales and services rendered	196,067	-	8,679	3,183	(11,977)	195,952
Other operating income	1,343	-	1,517	120	(857)	2,123
Operating costs	(203,991)	-	(1,681)	(6,425)	7,945	(204,152)
Segment operating profit	(6,581)	-	8,514	(3,122)	(4,889)	(6,077)
Financial expenses and losses	(6,022)	-	(4,804)	(4,200)	6,687	(8,339)
Financial income and gains	121	-	0	3,254	(3,312)	63
Profit/loss of associates	49	-	-	-	(456)	(407)
Profit/loss of investment activities	-	-	-	-	-	-
Financial results	(5,851)	-	(4,804)	(946)	2,918	(8,683)
Pre-tax profit	(12,432)	-	3,710	(4,068)	(1,970)	(14,760)
Income tax	(551)	-	(890)	1,291	-	(150)
Net profit for the year of discontinued operations	-	(5,273)	-	-	-	(5,273)
Profit attributable to non-controlling interests	113	0	55	(26)	-	142
Net profit for the year attributable to shareholders	(12,870)	(5,273)	2,875	(2,803)	(1,970)	(20,041)

Inter-sector transactions are carried out at market prices, on a similar basis to transactions with third parties.

Other information:

Year 2021	Private healthcare services	Public healthcare services	Infra-structures	Others	Eliminations	Consolidated
Fixed capital expenses (Note 12)	6,173	587	4,788	167	-	11,715
Depreciation and amortisation in profit/loss	(23,690)	-	367	(1,524)	5,530	(19,317)
Provisions and impairment losses, net	(2,290)	-	-	(12)	-	(2,301)

Year 2020	Private healthcare services	Public healthcare services	Infra-structures	Others	Eliminations	Consolidated
Fixed capital expenses (Note 12)	7,394	549	17,923	15	-	25,881
Depreciation and amortisation in profit/loss	(19,273)	-	(103)	(1,290)	4,333	(16,333)
Provisions and impairment losses, net	(28)	-	-	-	-	(28)

Assets and liabilities by business segment and the respective reconciliation with the consolidated total as at 30 June 2021 and 31 December 2020 are as follows:

Year 2021	Private healthcare services	Public healthcare services	Infra-structures	Others	Eliminations	Consolidated
Assets by segments						
Goodwill	40,701	-	13	6,805	-	47,519
Intangible assets	18,144	(11)	3,897	183	(134)	22,078
Tangible fixed assets	64,989	0	3,719	1,630	422,972	493,310
Right of use	341,146	12	37,605	11,800	(314,686)	75,877
Financial investments	2,059	-	-	88,057	(89,182)	933
Trade receivables and advances to suppliers	96,382	8,745	511	15,844	(26,457)	95,025
Other financial assets	13,304	-	-	170,661	(175,499)	8,466
State and other public entities	1,682	10	0	18,637	(12,267)	8,062
Other assets	21,657	13,469	341	3,708	(2,767)	36,407
Other financial instruments	10,000	-	-	13,500	-	23,500
Cash and cash equivalents	56,995	3,505	5,414	12,685	(49,517)	29,082
Other assets related to segments	24,578	5,075	158	9,476	909	40,196
Non-current assets held to sell	7,770	-	-	-	-	7,770
Total consolidated assets	699,405	30,805	51,657	352,984	(246,628)	888,224
Liabilities						
Borrowings	61,261	19	247,594	248,538	(49,440)	507,972
Lease creditors	347,778	13	1,585	10,214	(286,834)	72,755
Deferred tax liabilities	0	-	13,869	25	(2,447)	11,447
Trade payables and advances from clients	74,285	25,337	6,966	1,611	(29,304)	78,895
State and other public entities	13,105	695	7,098	684	(12,319)	9,263
Other liabilities	54,834	5,841	4,581	2,350	(3,212)	64,395
Other liabilities related to segments	14,118	8,432	2,344	32,773	(31,883)	25,783
Total consolidated liabilities	565,380	40,337	284,038	296,195	(415,440)	770,510

Year 2020	Private healthcare services	Public healthcare services	Infra-structures	Others	Eliminations	Consolidated
Assets by segments						
Goodwill	40,701	-	13	6,733	-	47,447
Intangible assets	15,888	-	3,922	157	(161)	19,805
Tangible fixed assets	57,180	-	1,547	1,570	384,853	445,149
Right of use	327,651	7	77,325	12,360	(292,046)	125,296
Financial investments	1,145	-	-	-	-	1,145
Deferred tax assets	2,081	-	155	6,714	1,376	10,326
Trade receivables and advances to suppliers	110,545	13,633	1,195	15,533	(59,802)	81,103
State and other public entities	1,597	7	42	15,548	(7,737)	9,457
Other assets	25,884	17,054	653	3,599	(4,710)	42,481
Other financial instruments	10,000	-	-	13,500	-	23,500
Cash and cash equivalents	2,052	10,488	4,958	26,532	-	44,029
Other assets related to segments	38,884	5,438	425,552	174,075	(606,146)	37,804
Non-current assets held to sell	7,770	-	-	-	-	7,770
Total consolidated assets	641,376	46,626	515,361	276,321	(584,373)	895,311
Liabilities						
Borrowings	70,828	647	219,688	237,082	(56,603)	471,642
Lease creditors	331,648	175	57,912	10,836	(295,155)	105,417
Deferred tax liabilities	0	-	13,869	-	(2,447)	11,422
Derivative financial instruments	-	-	-	300	-	300
Trade payables and advances from clients	99,537	36,958	9,218	2,469	(60,033)	88,149
State and other public entities	6,960	1,809	5,214	328	(7,525)	6,786
Other liabilities	61,419	8,407	8,949	3,773	(4,423)	78,124
Other liabilities related to segments	65,573	14,676	153,677	43,479	(250,733)	26,672
Total consolidated liabilities	635,965	62,674	468,527	298,267	(676,920)	788,512

6. SALES AND SERVICES PROVIDED

In the six-month periods ending 30 June 2021 and 2020, sales and services have the following breakdowns:

	30-06-2021	30-06-2020
Sales	0	9
Services rendered:		
Hospital and clinical activity	281,915	194,904
Occupational Hygiene, Safety and Medicine	2,374	667
Home Services	-	330
Others	-	41
Space rent	1,798	1,113
Gains on the sale of assets	20	124
Clinical tests, exams, analysis and consumables	84	0
Prompt payment discounts	139	133
Other operating income	1,086	752
	287,417	198,075

The first half of the 2021 shows a strong recovery in the assistance activity of the Group, with an increase in operating income of 45% compared to the same period of the previous year.

The opening of Hospital CUF Tejo and the new hospital areas of Hospital CUF Sintra and Hospital CUF Torres Vedras should be highlighted as factors that contributed to the growth of activity in the first half of 2021.

On 30 June 2021, the Sales and services provided item includes transactions with related parties amounting to 1,021 thousand euros (Note 24).

7. EXTERNAL SUPPLIES AND SERVICES

In the six-month periods ending 30 June 2021 and 2020, external supplies and services have the following breakdowns:

	30-06-2021	30-06-2020
Fees	88,003	62,694
Subcontracts	14,540	10,544
Specialised work	10,282	7,209
Maintenance and repair	8,280	6,160
Electricity	2,210	2,005
Communications	1,668	1,493
Advertising	1,658	1,697
Rents and leases	1,553	1,337
Fuel	695	650
Insurance	525	538
Water	544	397
Collection of waste	526	387
Tools and utensils	516	346
Air conditioning	290	240
Litigation and notary public fees	131	109
Travel and accommodation	106	140
Cleaning, hygiene and comfort	44	102
Office material	24	34
Road tolls	-	111
Books and technical documentation	-	1
Articles for free distribution	-	9
Transport of goods	-	7
Other supplies and services	956	294
	132,552	96,504

The “Fees” item includes amounts paid to health professionals (doctors, nurses, diagnosis technicians and auxiliaries) from the different units within the Group's operational activity.

On 30 June 2021, the External supplies and services item includes transactions with related parties amounting to 3,413 thousand euros (Note 24).

8. PERSONNEL EXPENSES

In the six-month periods ending 30 June 2021 and 2020, personnel expenses were as follows:

	30-06-2021	30-06-2020
Wages	48,805	41,904
Wage-related expenses	11,842	9,991
Social security contributions	3,807	3,146
Insurance	1,825	2,363
Indemnities	118	209
	120	101
Other employee benefits	83	124
Other personnel costs	3,020	4,506
	69,618	62,344

Other staff costs essentially relate to performance bonuses.

On 30 June 2021, the Personnel expenses item includes transactions with related parties amounting to 22 thousand euros (Note 24).

9. FINANCIAL RESULTS

The financial results of the six-month periods ending 30 June 2021 and 2020 have the following breakdowns:

	30-06-2021	30-06-2020
Financial expenses and losses:		
Interest expenses	(7,608)	(6,754)
Bank fees and services	(1,670)	(1,204)
Derivative financial instruments - Interest rate	(225)	(245)
Other financial losses and expenses	(0)	(136)
	(9,503)	(8,339)
Financial income and gains:		
Interest earned	154	63
Other financial income and gains	115	-
	269	63
Profit/loss of associates:		
Losses in associates and other investments	-	-
Gains on associates and other investments	(212)	(407)
	(212)	(407)

On 30 June 2021, the financial costs item includes transactions with related parties amounting to 50 thousand euros (Note 24).

10. EARNINGS PER SHARE

Basic and diluted earnings per share for the six-month periods ending 30 June 2021 and 2020 were calculated by taking the following amounts into consideration:

	30-06-2021	30-06-2020
Basic earnings per share		
Profit for the purpose of calculating basic earnings per share (profit for the semester)	9,184	(20,041)
Weighted average number of shares for calculation of basic earnings per share	10,600,000	10,600,000
Net basic earnings per share (Euro)	0,87	(1,89)

As of June 30, 2021 and 2020 there were no diluting effects of earnings per share, so the basic and diluted earnings per share are identical.

11. GOODWILL

On 30 June 2021 and 31 December 2020, the Goodwill item had the following composition:

Company	30-06-2021	31-12-2020
Hospital CUF Infante Santo, S.A.	12,433	12,433
Hospital CUF Coimbra, S.A.	9,226	9,226
Hospital CUF Porto, S.A.	7,544	7,544
Hospital CUF Santarém, S.A.	7,035	7,035
VALIR - Sociedade Gestora de Participações Sociais, S.A.	5,220	5,220
Clínica Dr. Luís Álvares, S.A.	2,146	2,146
Sagies - Segurança e Saúde no Trabalho, S.A.	1,584	1,512
SIM-X - Serviço de Imagem Médica, Lda.	624	624
Cenes - Centro de Reprocessamento de Dispositivos Médicos, Lda.	616	616
Sonomedicus - Centro de Diagnóstico Médico, Lda.	487	487
Hospital CUF Cascais, S.A.	482	482
Hospital CUF Descobertas, S.A.	97	97
CUF - Investimentos Imobiliários, S.A.	13	13
Ecografia de Cascais, Lda.	9	9
Clínica de Serviços Médicos e Computorizados de Belém, S.A.	1	1
Escala Vila Franca – Sociedade Gestora do Estabelecimento, S.A.	-	-
	47,519	47,447

12. TANGIBLE FIXED ASSETS

During the six-month periods ending 30 June 2021 and 2020, the following movements occurred in the value of tangible fixed assets, as well as the respective depreciation and accumulated impairment losses:

	30-06-2021							Total
	Properties allocated to the health business activity	Land and natural resources	Buildings and other constructions	Basic equipment	Office equipment	Other tangible assets	Tangible assets in progress	
Gross assets:								
Balance at 1 January 2021	446,385	403	25,438	137,189	32,844	394	6,315	648,968
Additions	6,703	-	470	3,198	481	-	863	11,715
Disposals and write-offs	-	-	(322)	(36)	-	(13)	-	(372)
Revaluation surplus	1,331	-	-	-	-	-	-	1,331
Transfers	49,818	-	(1,971)	(16,725)	(2,740)	-	-	(21,435)
Balance at 30 June 2021	<u>504,237</u>	<u>403</u>	<u>23,730</u>	<u>123,626</u>	<u>30,586</u>	<u>380</u>	<u>7,063</u>	<u>690,025</u>
Depreciation and accumulated impairment losses:								
Balance at 1 January 2021	(44,192)	-	(14,473)	(120,156)	(24,682)	(316)	-	(203,818)
Discontinued operations	-	-	(250)	(1,163)	(263)	-	-	(1,676)
Settlements	-	-	98	(22)	-	-	-	76
Depreciation	(5,205)	-	(1,204)	(2,615)	(1,589)	(4)	-	(10,617)
Disposals and write-offs	-	-	67	34	-	13	-	114
Transfers	-	-	1,971	16,725	2,740	-	-	21,435
Transfers	(3,363)	-	199	710	223	-	-	1,133
Balance at 30 June 2021	<u>(52,759)</u>	<u>-</u>	<u>(13,591)</u>	<u>(106,487)</u>	<u>(23,571)</u>	<u>(308)</u>	<u>-</u>	<u>(196,715)</u>
Net value	451,479	403	10,139	17,139	7,014	73	7,063	493,310

	30-06-2020							
	Health services buildings	Land and natural resources	Buildings and other constructions	Basic equipment	Office equipment	Other tangible assets	Tangible assets in progress	Total
Gross assets:								
Balance at 1 January 2020	338,189	321	23,115	129,247	27,747	(29)	140,681	659,272
Changes in consolidation perimeter	-	310	3,512	1,542	695	230	-	6,289
Additions	1,976	-	1,235	2,725	2,497	-	16,604	25,035
Capitalization of Financial costs	-	-	-	-	-	-	846	846
Transfers	20,102	-	-	-	-	-	(20,102)	-
Balance at 30 June 2020	360,267	632	27,862	133,514	30,939	201	138,028	691,442
Depreciation and accumulated impairment losses:								
Balance at 1 January 2020	(62,227)	-	(15,297)	(115,758)	(20,650)	36	(400)	(214,296)
Changes in consolidation perimeter	-	-	(1,557)	(1,483)	(672)	(211)	-	(3,923)
Depreciation	(4,455)	-	(1,120)	(3,405)	(1,483)	(5)	-	(10,469)
Transfers	(400)	-	-	-	-	-	400	-
Balance at 30 June 2020	(67,082)	-	(17,973)	(120,646)	(22,805)	(181)	-	(228,687)
Net value	293,185	632	9,889	12,868	8,135	20	138,028	462,755

13. RIGHT OF USE

During the six-month periods ending 30 June 2021 and 2020, the following movements occurred in the value of right of use, as well as the respective depreciation and accumulated impairment losses:

	30-06-2021								
	Lands and other natural resources	Buildings and other constructions	Basic equipment	Office equipment	Transport equipment	Surface right	Other assets	Assets in progress	Total
Gross assets:									
Balance at 1 January 2021	251	82,524	82,386	1,312	2,954	2,210	201	-	171,837
Additions	-	668	4,135	-	27	-	-	-	4,831
Transfers	-	(49,818)	-	-	-	-	-	-	(49,818)
Transfer of contractual rights	-	-	(3,323)	(464)	-	-	-	-	(3,787)
Balance at 30 June 2021	251	33,374	83,199	848	2,981	2,210	201	-	123,065
Depreciation and accumulated impairment losses:									
Balance at 1 January 2021	-	(10,632)	(32,906)	(985)	(1,608)	(154)	(255)	-	(46,541)
Settlements	-	-	-	-	(19)	-	-	-	(19)
Depreciation	-	(1,772)	(5,623)	(59)	(370)	(27)	-	-	(7,851)
Discontinued operations	-	-	(7)	(20)	-	-	-	-	(27)
Transfers	-	3,363	-	-	-	(55)	55	-	3,363
Transfer of contractual rights	-	-	3,323	464	-	-	-	-	3,787
Balance at 30 June 2021	-	(9,042)	(35,186)	(601)	(1,922)	(236)	(201)	-	(47,187)
Net value	251	24,333	48,013	247	1,059	1,974	-	-	75,877

	30-06-2020							
	Buildings and other constructions	Basic equipment	Office equipment	Transport equipment	Other tangible assets	Other tangible assets	Tangible assets in progress	Total
Gross assets:								
Balance at 1 January 2020	79,953	53,627	1,312	2,521	2,210	201	-	139,823
Additions	923	6,049	0	362	-	-	10,767	18,101
Settlements	-	-	-	-	-	-	-	-
Disposals and write-offs	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance at 30 June 2020	80,876	59,676	1,312	2,883	2,210	201	10,767	157,925
Depreciation and accumulated impairment losses:								
Balance at 1 January 2020	(5,329)	(23,643)	(753)	(706)	(154)	(201)	-	(30,786)
Changes in consolidation perimeter	-	-	-	-	-	-	-	-
Settlements	-	-	-	-	-	-	-	-
Depreciation	(2,204)	(4,005)	(131)	(408)	(27)	-	-	(6,775)
Disposals and write-offs	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance at 30 June 2020	(7,534)	(27,648)	(883)	(1,114)	(181)	(201)	-	(37,561)
Net value	73,343	32,028	429	1,769	2,029	-	10,767	120,364

14. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

On 30 June 2021 and 31 December 2020, the Trade receivables and advances to suppliers item had the following composition:

	30-06-2021			31-12-2020		
	Gross value	Impairment losses (Note 20)	Net value	Gross value	Impairment losses (Note 20)	Net value
Trade receivables, current account	105,494	(13,527)	91,967	99,737	(13,120)	86,617
Doubtful receivables	3,051	-	3,051	(5,521)	-	(5,521)
Advances to suppliers	7	-	7	7	-	7
	108,552	(13,527)	95,025	94,223	(13,120)	81,103

The balances presented in the financial position statement are net of impairment losses in customer balances.

The Board of Directors believes that the book value of accounts receivable is close to its fair value.

The Group does not have a significant concentration of credit risk, given that the risk is diluted by a wide range of customers.

At 30 June 2021, this item included accounts receivable to related parties in the amounts of 407 thousand euros (Note 24).

15. OTHER FINANCIAL INSTRUMENTS

On 30 June 2021 and 31 December 2020, this item, consisting of debenture loans, has the following composition:

Issuer	Year of issue	Maturity	30-06-2021	31-12-2020
José de Mello Capital, S.A.	2009	dec/22	10,000	10,000
José de Mello Capital, S.A.	2008	dec/22	6,500	6,500
Farminveste - Investimentos, Participações e Gestão, S.A.	2020	jun/22	7,000	7,000
			23,500	23,500

These bonds have a put option that gives the Group the right to redeem the amount in question at any given time. It is expected that the put option will be exercised within less than 12 months, for which reason they are classified as current assets. The put option was recorded at par value and there is no derivative associated with it.

16. CASH AND CASH EQUIVALENTS

The Cash and cash equivalents item consists of cash amounts, deposits that can be immediately mobilized, cash investments and term deposits maturing within three months, for which the risk of change in value is insignificant.

This item had the following composition at 30 June 2021 and 31 December 2020:

	30-06-2021	31-12-2020
Cash	2,900	1,958
Current accounts	26,177	42,065
Term deposits	3	3
Other cash investments	3	3
	29,082	44,029
Bank overdrafts (Note 19)	(1,094)	(474)
	27,989	43,555

17. CAPITAL

On 30 June 2021, the fully subscribed and paid-in capital amounting to 53,000 thousand euros was represented by 10,600,000 shares each with a par value of five euros.

The capital was held by the following entities on 30 June 2021 and 31 December 2020:

Entity	Shares	Percentage
José de Mello Capital, S.A.	6,980,100	65.85%
Fundação Amélia da Silva de Mello	439,900	4.15%
Farminveste - Investimentos, Participações e Gestão, S.A.	3,180,000	30.00%
	10,600,000	100.00%

18. LEGAL RESERVE

Pursuant to current legislation, the Company must annually increase the legal reserve with a minimum percentage of 5% of the annual net profit, until it reaches at least 20% of the capital. The legal reserve has not yet been fully constituted. This reserve is not distributable to shareholders, but may be used to absorb losses, after all other reserves have been depleted, or incorporated in the share capital.

19. LOANS

On 30 June 2021 and 31 December 2020, the following loans were obtained:

	30-06-2021	31-12-2020
Non-current liabilities:		
Bond loans	134,125	134,082
Other bank loans	177,103	156,619
Commercial paper	94,853	87,736
	<u>406,081</u>	<u>378,437</u>
Current liabilities		
Bond loans	1,506	15,798
Commercial paper	48,196	38,604
Other bank loans	31,577	19,672
Secured accounts	10,849	9,356
Funding by means of factoring with recourse	8,669	9,303
Bank overdrafts (Note 16)	1,094	474
	<u>101,891</u>	<u>93,206</u>
	<u>507,972</u>	<u>471,642</u>

Debenture loans relate to the following issues:

Issue	Interest Rate	Maturity	Nominal Value	30-06-2021		31-12-2020	
				Current	Non-current	Current	Non-current
JOSÉ DE MELLO SAÚDE 2019/2027	Euribor a 6 months + 3,875%	jan/27	50,000	861	49,600	970	49,472
JOSÉ DE MELLO SAÚDE 2019/2025	Euribor a 6 months + 3,75%	mai/25	35,000	117	34,833	117	34,807
JOSÉ DE MELLO SAÚDE 2015/2021	Euribor a 6 months + 2,95%	mai/21	14,330	-	-	14,184	-
JOSÉ DE MELLO SAÚDE 2017/2023	Flat rate (4%)	set/23	50,000	528	49,693	528	49,804
				<u>1,506</u>	<u>134,125</u>	<u>15,798</u>	<u>134,082</u>

The bond loan denominated José de Mello Saúde 2015/201, whose nominal value in debt corresponded to 14.350 Million Euros, reached maturity in May 2021.

All issues were placed with institutional investors and were approved for admission for trading on the Euronext Lisbon and Bourse de Luxembourg regulated markets. These contracts include obligations to comply with the "Net Financial Debt/EBITDA" ratio.

20. PROVISIONS, IMPAIRMENT LOSSES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions

The following movement took place in provisions during the six-month periods ending 30 June 2021 and 2020:

	Taxes	Future investments liability	Contractual risks	Lawsuits court	Other provisions	Total
Balance at 1 January 2020	221	1,381	14,917	1,389	2,666	20,574
Increase	-	-	696	-	143	839
Balance at 30 June 2020	221	1,381	15,613	1,389	2,809	21,413
Balance at 1 January 2021	221	1,587	4,352	1,385	9,083	16,627
Increase	-	-	-	-	2,130	2,130
Discontinued operations	-	(668)	(314)	-	(3,129)	(4,111)
Balance at 30 June 2021	221	919	4,038	1,385	8,084	14,646

The main amounts shown under Provisions predominantly concern:

Provisions of Public-Private Partnership Management Contracts

These provisions arise from the Management Contracts under a Public-Private Partnership Regime with companies Escala Braga – Sociedade Gestora do Estabelecimento, S.A. and Escala Vila Franca – Sociedade Gestora do Estabelecimento, S.A., of which we highlight the following:

- Liability for future investments - Provision arising from clause 123 (Reversal of Assets) of the Management Contract concerning Vila Franca Hospital. In accordance with this clause, the assets subject to reversion in favor of the Public Contracting Entity must be in good working order and fully operational. Considering that all medical equipment that reaches the end of its useful life before the end of the Management Contract should be the target of investment, a provision was set up in 2013 as a counterpart to Intangible Assets and an investment plan was prepared where it is expected that the future obligation to replace the equipment in question will be recognized until the end of the contract.

• **Contractual Risks** - The provisions for other contractual risks were set up to face a set of risks arising from the Management Contract, of which we highlight the divergences of interpretation of contractual clauses. Additionally, the Group concluded that the unavoidable costs of meeting the obligations of the management contract exceed the economic benefits expected to be received under it. In effect, based on the information available and on the Group's best estimate, the contract proved to be onerous, considering that the activity projection up to its end is negative, and a negative equity situation of the Vila Franca Hospital is expected. Consequently in 2020, the Group created a provision for this purpose, which has been used throughout 2021.

Provisions for Legal Proceedings

Provisions arising from legal proceedings brought by customers of the various units against the CUF Group in connection with the provision of hospital services. These provisions are recorded based on the assessment and grading of the risk of the processes.

Impairment losses

The following movement occurred in accumulated impairment losses of assets during the six-month periods ending 30 June 2021 and 2020:

Non-current assets

	Goodwill	Other investments	Property and plant	Intangible assets	Right of use	Total
Balance at 1 January 2020	-	-	15,552	-	-	15,552
Increase	-	-	-	-	-	-
Use	-	-	-	-	-	-
Reversal	-	-	-	-	-	-
Balance at 30 June 2020	-	-	15,552	-	-	15,552
Balance at 1 January 2021	16	326	15,608	793	102	15,950
Increase	-	-	-	-	-	-
Use	-	-	(1,133)	(793)	(102)	(1,133)
Reversal	-	-	-	-	-	-
Balance at 30 June 2021	16	326	14,475	-	-	14,817

Current assets

	Other investments	Inventories	Clients	Other debtors	Other assets	Total
Balance at 1 January 2020	-	13	12,265	-	-	12,278
Increase	-	-	650	-	-	650
Use	-	-	(211)	-	-	(211)
Reversal	-	-	(486)	-	-	(486)
Balance at 30 June 2020	-	13	12,218	-	-	12,231
Balance at 1 January 2021	-	-	13,120	123	16,437	29,679
Increase	-	-	588	-	-	588
Use	-	-	(42)	-	-	(42)
Reversal	-	-	(416)	-	-	(416)
Discontinued operations	-	-	278	-	936	1,213
Balance at 30 June 2021	-	-	13,527	123	17,372	31,022

Contingent Liabilities and contingent assets

No contingent liabilities and contingent assets were identified.

21. SUPPLIERS AND CUSTOMER ADVANCES

These items had the following composition on 30 June 2021 and 31 December 2020:

	30-06-2021	31-12-2020
Trade payables, current account	59,164	69,308
Trade payables, invoices pending	12,183	12,051
Advances from clients	7,548	6,790
	78,895	88,149

At 30 June 2021, this item included accounts payable to related parties in the amounts of 1,195 thousand euros (Note 24).

22. OTHER CURRENT LIABILITIES

This item had the following composition on 30 June 2021 and 31 December 2020:

	30-06-2021	31-12-2020
Accrued costs:		
Wages payable	26,916	29,798
Medical fees	16,931	27,924
Operating costs (a)	17,144	17,256
Financial expenses	45	119
	<u>61,036</u>	<u>75,096</u>
Deferred income:		
Liabilities for issued credit notes	2,849	2,557
Other deferred income	511	470
	<u>3,359</u>	<u>3,028</u>
	<u>64,395</u>	<u>78,124</u>

(a) This item includes the accrued expenses made at the end of the six month period/year, related to costs of sales, supplies and external services (supplementary diagnostic and treatment resources, insurance and specialized clinical work), staff expenses and other operating costs.

The item Medical fees refers to the estimated amounts to be paid to employees without a permanent contract. This estimate is based on the monthly historic payment, the agreement dealt with each service provider and the work times performed.

The deferred income item refers to responsibilities for the issue of ARS LVT credit notes based on the amounts advanced during the year in relation to the actual production carried out. This situation results from the fact that the invoiced amount, which is the contracted amount, is higher than the actual production value calculated by the Group.

23. DISCONTINUED OPERATIONS

In the period of 2021, the activity of the public healthcare services segment will be discontinued due to the end of the last public-private partnership contract signed with Portuguese State, referring to the management of Hospital Escala Vila Franca, on 30 May 30, 2021.

The income statement and the other comprehensive income from discontinued operations for the six-month periods ending June 30, 2021 and 2020 was as follows:

	30-06-2021	30-06-2020
Operating income:		
Sales and services rendered	(0)	30,335
Other operating income	244	516
Total operating income	244	30,851
Operating costs:		
Cost of sales	(27)	(5,954)
External supplies and services	139	(7,492)
Personnel expenses	(29)	(18,939)
Amortisations and depreciations	(10)	(1,835)
Provisions and impairment losses, net	(271)	(974)
Other operating costs	(193)	(635)
Total operating costs	(391)	(35,828)
Operating profit	(146)	(4,977)
Financial expenses and losses	(1)	(82)
Financial income and gains	-	1
Financial results	(1)	(81)
Pre-tax profit	(147)	(5,058)
Income tax	(37)	(215)
Consolidated net profit for the year	(185)	(5,273)
Net profit for the year attributable to non-controlling interests	0	0
Net profit for the year attributable to equity holders	(185)	(5,273)
Consolidated comprehensive income	(185)	(5,273)
Comprehensive income for the year attributable to non-controlling interests	0	0
Comprehensive income for the year attributable to equity holders	(185)	(5,273)
Earnings per share:		
Basic	(0,02)	(0,50)
Diluted	(0,02)	(0,50)

24. RELATED PARTIES

Transactions and balances between CUF, S.A. (the "parent company") and Group companies were eliminated in the consolidation process and are not subject to disclosure in this note. On 30 June 2021, balances and transactions between the Group and associated companies and other related parties are detailed below:

Related party	Trade receivables and advances to suppliers (Note 14)	Other financial instruments (Note 15)	Suppliers and advances from customers (Note 21)	Other financial liabilities
Shareholders:				
José de Mello Capital, S.A.	4	16,500	6	-
Farminveste - Investimentos, Participações e Gestão, S.A.	0	7,000	-	-
Other related parties:				
Grupo MGI Capital	342	-	1,275	-
Grupo Brisa - Auto-estradas de Portugal	26	-	(108)	-
Grupo José de Mello Residências e Serviços	13	-	19	-
Grupo Bondalti	21	-	-	-
Grupo José de Mello Imobiliária	1	-	-	-
L.A.R.F. - Imobiliária, S.A.	0	-	-	2,572
Sociedade Agrícola D. Diniz, S.A.	-	-	3	-
	407	23,500	1,195	2,572

Related party	Transactions			
	Sales and services rendered (Note 6)	External supplies and services (Note 7)	Personnel expenses (Note 8)	Financial costs (Note 9)
Shareholders:				
José de Mello Capital, S.A.	7	5	-	-
Farminveste - Investimentos, Participações e Gestão, S.A.	4	-	-	-
Other related parties:				
Grupo MGI Capital	152	3,148	-	-
Grupo Brisa - Auto-estradas de Portugal	847	207	-	-
Grupo José de Mello Residências e Serviços	-	3	3	-
Grupo Bondalti	10	-	-	-
Grupo José de Mello Imobiliária	0	-	-	-
M Dados – Sistemas de Informação, S.A.	-	37	-	-
Grupo Farminveste	-	12	-	-
Sociedade Agrícola D. Diniz, S.A.	-	1	19	-
L.A.R.F. - Imobiliária, S.A.	-	-	-	50
	1,021	3,413	22	50

The terms or conditions applied between the Group companies and the related parties are, in substance, identical to those which would normally be contracted, accepted and applied between independent entities in comparable operations.

25. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the six month period ending 30 June 2021 were approved by the Board of Directors on July 23, 2021.

26. NOTE ADDED FOR TRANSLATION

The accompanying consolidated financial statements are a translation of consolidated financial statements originally issued in Portuguese, in accordance with the IFRS as endorsed by the European Union. In the event of discrepancies, the Portuguese language version prevails.

The Chartered Accountant

The Board of Directors