

Consolidated Financial Statements
CUF, S.A.
1st Half of 2023

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CONSOLIDATED MANAGEMENT REPORT

CONSOLIDATED MANAGEMENT REPORT

In the first semester of 2023, CUF recorded a positive evolution in its healthcare activity, reflecting the increase in the capacity of the network, as well as the commitment and dedication of the teams in responding to the public health needs.

Thus, compared to the first six months of 2022, the positive evolution of assistance activity stands out in terms of consultations (+13.8%), surgeries (+13.0%), emergency services (+16.4%) and hospitalisation (18.4%). Such results represent CUF's commitment to increasing accessibility to healthcare.

These results, related to the growth and investment made in the response capacity of the CUF network in Portugal, materialised, namely, in the first semester of 2023, through the reinforcement carried out in information systems and clinical equipment, with emphasis on the acquisition of the second DaVinci robot and the opening of the CUF Leiria Clinic and the acquisition of the International Hospital of Azores. These two new healthcare units have strengthened access to healthcare in these regions with a specialised and differentiated offer.

Simultaneously, during this same period, CUF extended its Home Hospitalisation service to the metropolitan area of Porto and Almada regions, enabling patients to be hospitalised in the comfort of their own homes. This service stands out for its integration with CUF Hospitals, from north to south of the country, and for its dedicated team of health professionals with vast experience and specialised skills.

Also noteworthy, on the one hand, is the total investment made in the CUF network in the first semester of 2023, of approximately 76 million euros, and, on the other hand, the very significant increase in Euribor rates compared to the first semester of 2022, with an increase of more than 50% in financial expenses, which translated into a negative evolution in financial results.

Moreover, the investment made in the salaries of employees should also be highlighted, which in 2023 will correspond to an 8.9% increase in salaries, and the application of resources in the area of internal social responsibility, by means of support for employees and families, as well as CUF's determination to contribute to a healthier environment, through investments made in its network and in more efficient and sustainable processes.

1. HIGHLIGHTS OF THE 2023 1st SEMESTER

Analysing the operational and financial performance of the Group as of 30 June 2023, the following aspects should be highlighted:

- CUF's healthcare indicators had a positive evolution in the first semester, growing over 13.0% compared to the first half of the previous year. Days of Hospitalisation recorded an increase of 18.4%, while Emergency services rose by 16.4%.
- The Home Hospitalisation network was expanded to Oporto and Almada. This pioneering project in the private sector in Portugal began in 2020 in the Lisbon region and it is gradually being extended to other parts of the country.
- Reinforcement of the technological investment in information systems and medical equipment, namely in imaging and surgery, in which it should highlighted the acquisition of another DaVinci robot that allows CUF to have two robotic surgery assistance units, one in Lisbon and one in Oporto.
- In the first half of the year, CUF network reached two new geographic regions, through the acquisition of the Hospital Internacional dos Açores and the opening of CUF Leiria Clinic. These projects allow CUF to consolidate the size of its network and to be able to serve more people each day.
- By acquiring the Hospital Internacional dos Açores, located in the Lagoa municipality, in São Miguel Island, CUF intends to be a strategic partner of the Autonomous Region of Azores, contributing to increase the accessibility and the quality of healthcare services and to stimulate the social and economic development of the Island.
- CUF Leiria Clinic provides an extended offer of differentiated healthcare services to the population of Leiria and neighbouring counties. The opening of this Clinic marks the completion of the first stage of a project that will be concluded with the opening of the future CUF Leiria Hospital.
- Consolidated Operating income reached 377.8 million of euros, recording an increase of 20.5%, compared to the first half of 2022.
- It should be mentioned that this positive performance is a result of the increase in CUF's healthcare indicators, but also of the impact that Covid-19 pandemic still had in CUF's activity during the first half of 2022.

- Financial results decreased by 3.7 million euros in relation to the first half of 2022, due to an increase of more than 50% in financial expenses, as a consequence of the rise in Euribor rates.
- The Net income attributable to equity holders was 25.4 million euros in the first semester of 2023, 9.9 million euros higher than the one recorded in the first half of 2022, which was influenced by the Covid-19 pandemic.
- The Net financial debt to EBITDA ratio decreased from 4.67x, at the end of 2022, to 4.51x, resulting from the improvement in EBITDA, and the Financial autonomy ratio fell from 21.0% to 19.6%, due to the Total Assets increase.
- The improvement registered in CUF's Financial results in the first half of 2023 is explained by the generalized growth in its healthcare indicators, which led to an increase in the Operating income and to dilute fixed costs, and, simultaneously, by a rigorous management of operational costs, namely with external supplies and services and the central areas. Together with the improvement in its financial results, CUF reinforced the investment in its Human Resources, with a significant improvement in wages.
- However, it should be mentioned that CUF's results are typically affected by a seasonality effect resulting from the Summer and Christmas breaks in the second half of the year, so the results in this period should be inferior to the ones registered in the first semester of 2023.

2. OPERATIONAL PERFORMANCE

Healthcare indicators

(Thousands)	2023 Jun	2022 Jun	Var %
Consultations	1,442.8	1,267.8	13.8%
Emergencies	216.0	185.7	16.4%
Surgeries	33.0	29.2	13.0%
Days of Hospitalisation	79.6	67.3	18.4%
Births	2.0	1.8	15.6%

In the first six months of 2023, CUF healthcare activity continued its sustained growth, having recorded a positive evolution in the healthcare indicators, compared to the same period of 2022, which demonstrates the confidence of the population in CUF's network.

Days of Hospitalisation grew by 18.4%, when compared to the first half of 2022. Emergency services and Births increased by 16%, while Consultations and Surgeries were higher than the ones in the homologous semester by 13%.

The healthcare indicators' performance in the first half of 2023 is a clear signal of the increasing relevance of CUF's network for the Portuguese population.

3. FINANCIAL PERFORMANCE

Consolidated Income Statement

(Million Euros) - Amounts Not Audited	Jun 2023	Jun 2022	Var %
Operating income	377.8	313.7	20.5%
Operating expenses	(309.5)	(259.9)	19.1%
EBITDA	68.3	53.8	27.0%
EBITDA margin	18.1%	17.2%	+0.9p.p.
Amortisations and Provisions	(25.1)	(23.0)	9.5%
EBIT	43.2	30.9	40.0%
EBIT margin	11.4%	9.8%	+1.6p.p.
Financial results	(12.1)	(8.4)	-43.4%
EBT	31.1	22.4	38.7%
Income tax	(5.4)	(6.7)	-20.0%
Consolidated net income for the period	25.7	15.7	63.8%
Net income for the period of discontinued operations	(0.1)	0.0	n.a.
Net income for the period attributable to non-controlling interests	(0.2)	(0.2)	-0.9%
Net income for the period attributable to equity holders	25.4	15.5	63.7%

Income Statement by Segment

The consolidated Net income of the first semester of 2023 results from the activities of the following segments:

Jun 2023 (Million Euros) - Amounts Not Audited	Private Healthcare Services	Public Healthcare Services	Infrastructure	Others	Disposals	Consolidated
Operating income	414.7	0.0	15.0	10.5	(62.3)	377.8
EBIT	43.6	0.0	13.6	(4.6)	(9.4)	43.2
Net income attributable to equity holders	23.5	(0.1)	7.2	(2.1)	(3.0)	25.4

In the first half of 2023, CUF's consolidated Operating income amounted to 377.8 million of euros, which represents a 20.5% increase compared to the first semester of 2022 and is a consequence of the healthcare indicators' positive performance.

It should be mentioned that this positive performance is a result not only of this increase in CUF's healthcare indicators, but also of the impact that Covid-19 pandemic still had in CUF's activity during the first half of 2022.

Consolidated EBIT grew by 40.0%, reaching the figure of 43.2 million euros.

Financial Results

(Million Euros) - Amounts Not Audited	Jun 2023	Jun 2022	Var %
Financial expenses	(12.9)	(8.5)	51.1%
Financial income	0.7	0.4	69.3%
Profit/loss of associates	0.1	(0.4)	118.8%
Profit/loss of investment activities	0.0	0.1	-100.0%
Financial results	(12.1)	(8.4)	-43.4%

The Financial results of the first semester of the year were negative by 12.1 million euros, decreasing by 3.7 million euros compared to the ones achieved in the first half of 2022. Financial expenses increased by more than 50%, as a result of the significant rise of the Euribor rates.

Net Income

The Net income attributable to equity holders in the first half of 2023 was 25.4 million euros, 9.9 million euros higher than the figure obtained in the first semester of 2022, which was influenced by the Covid-19 pandemic.

The improvement registered in CUF's financial results in the first half of 2023 is explained by the generalized growth in its healthcare indicators, which led to an increase in the Operating income and to dilute fixed costs, and, in simultaneous, by a rigorous management of operational costs, namely with external supplies and services and the central areas. Together with the improvement in its Financial results, CUF reinforced the investment in its clinic and information technology and in its Human Resources, with a significant improvement in wages.

However, it should be mentioned that CUF's results are typically affected by a seasonality effect resulting from the Summer and Christmas breaks in the second half of the year, so the results in this period should be inferior to the ones registered in the first semester of 2023.

Investment

The total Investment made in the first semester of 2023 was 75.9 million euros, including the acquisition of Hospital Internacional dos Açores.

4. FINANCIAL POSITION

(Million Euros) - Amounts Not Audited	Jun 2023	Dec 2022	Var.
Non-current assets	757.2	687.8	69.4
Goodwill	78.9	55.4	23.5
Intangible assets	29.3	26.3	3.0
Property, plant and equipments	544.6	512.0	32.6
Right-of-use assets	85.6	77.5	8.1
Investments in associates	5.0	4.8	0.1
Other investments	2.9	2.6	0.3
Deferred tax assets	9.3	9.0	0.3
Other debtors	1.0	0.1	0.9
Derivative financial instruments	0.6	0.0	0.6
Current assets	194.8	213.2	-18.4
Inventories	14.1	13.6	0.5
Trade receivables and advances to suppliers	90.5	86.1	4.4
Other financial assets	6.4	5.7	0.7
Current tax assets	3.7	0.1	3.5
State and other public entities	5.5	6.1	-0.5
Other debtors	5.6	6.1	-0.5
Other assets	27.6	28.9	-1.3
Other financial instruments	0.0	23.5	-23.5
Cash and cash equivalents	41.4	43.0	-1.7
Total assets	952.0	901.0	51.0

As of 30 June 2023, total Assets have increased by 51.0 million euros, comparing to the final figure of 2022, reaching 952.0 million euros (+5.7%). It should be highlighted the relevant increase of the Property, plant and equipments and the Goodwill, to which contributed the acquisition of Hospital Internacional dos Açores.

(Million Euros) - Amounts Not Audited	Jun 2023	Dec 2022	Var.
Equity	186.5	189.0	-2.5
Share capital	53.0	53.0	0.0
Reserves + Retained earnings	105.6	99.1	6.4
Consolidated net income	25.4	34.5	-9.1
Non-controlling interests	2.5	2.4	0.2
Liabilities			
Gross financial debt	550.9	525.9	25.0
Loans	468.5	452.0	16.4
Lease creditors	82.4	73.9	8.5
Other liabilities	214.5	186.1	28.5
Employee benefits	0.9	0.9	0.0
Provisions	7.9	7.9	0.0
Deferred tax liabilities	15.6	15.4	0.2
Trade payables and advances from clients	85.9	85.2	0.7
Current tax liabilities	11.7	2.8	8.9
State and other public entities	12.2	6.3	5.9
Other creditors	27.3	11.1	16.2
Other liabilities	53.0	56.4	-3.3
Total liabilities	765.5	712.0	53.5
Equity + Liabilities	952.0	901.0	51.0

Equity was reduced by 2.5 million euros, due to the payment of dividends and distribution of retained earnings.

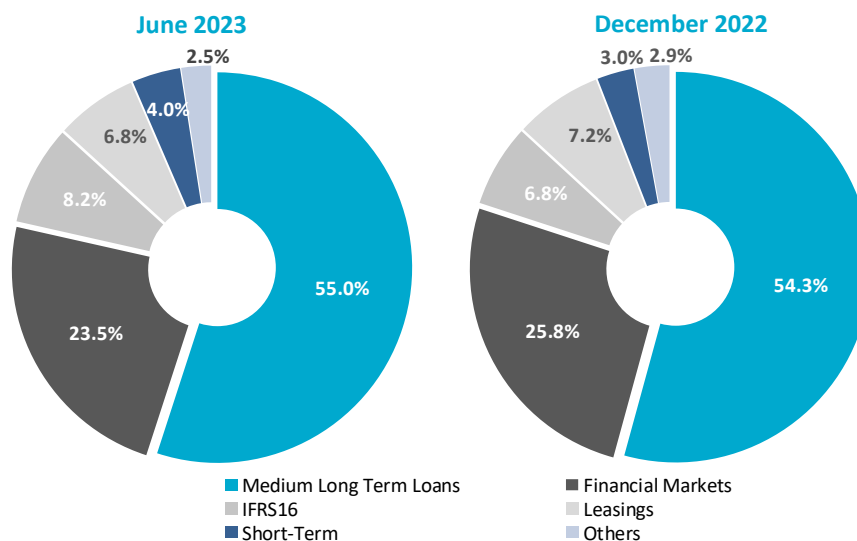
The Gross financial debt was 550.9 million euros at the end of the semester, increasing by 25.0 million euros since the end of 2022, through the acquisition of the Hospital Internacional dos Açores. Concerning the Other liabilities, there was a rise of 28.5 million euros, as a consequence of an increase in the Current tax liabilities and Other liabilities.

Financial Debt Profile

CUF 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.

It should also be noted that in the context of this financial policy, CUF has sought to limit future financial risk by resorting to fixed-rate financing, which is particularly important in the current context of rising Euribor rates.

In the following graphs, the detail of CUF's debt profile as of June 2023, compared to December 2022, can be seen:



Financial Ratios

Amounts Not Audited	Jun 2023	Dec 2022
Financial Autonomy	19.6%	21.0%
Solvency	24.4%	26.5%
Net Financial Debt ¹ (million euros)	509.5	459.4
Net Financial Debt ¹ /EBITDA	4.51	4.67
EBITDA/Financial expenses	5.18	5.64

¹ Considers gross financial debt less cash and cash equivalents and other current financial instruments

Financial Autonomy and Solvency ratios had a reduction in the first semester of 2023, which is explained by the increase of Total Assets and Total Liabilities.

Despite the increment of the Net Financial Debt in 50.1 million euros, the Net Financial Debt to EBITDA ratio decreased from 4.67x to 4.51x due to the improvement of EBITDA.

CONSOLIDATED FINANCIAL STATEMENTS ON 30 JUNE 2023

CONSOLIDATED STATEMENT OF INCOME AND OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD OF 30 JUNE 2023 AND 2022

(Amounts in thousands euros)

	Notes	30-06-2023	30-06-2022
Operating income:			
Sales and services rendered	6	374,572	311,740
Other operating income	6	3,277	1,949
Total operating income		377,849	313,689
Operating expenses:			
Cost of sales		(49,356)	(39,954)
External supplies and services	7	(167,386)	(139,487)
Personnel expenses	8	(90,251)	(78,181)
Amortisations and depreciations	14	(23,676)	(20,439)
Provisions and impairment losses, net	22	(1,468)	(2,515)
Other operating expenses		(2,525)	(2,259)
Total operating expenses		(334,662)	(282,835)
Operating income		43,187	30,854
Financial expenses	9	(12,905)	(8,542)
Financial income	9	747	441
Profit/loss of associates	9	80	(424)
Profit/loss of investment activities	9	-	102
Financial results		(12,078)	(8,423)
Pre-tax income		31,110	22,430
Income tax		(5,369)	(6,715)
Consolidated net income for the period		25,741	15,715
Discontinued operations:			
Net income for the period of discontinued operations	28	(126)	-
Net income for the period		25,615	15,715
Net income for the period attributable to non-controlling interests		(172)	(174)
Net income for the period attributable to equity holders		25,443	15,541

	Notes	30-06-2023	30-06-2022
Other income and expenses directly recognised in equity that might not be reclassified to profit:			
Other Operations		(22)	-
Other income and expenses directly recognised in equity that might be reclassified to profit:			
Changes in fair value of hedging instruments	25	443	-
Consolidated comprehensive income		26,037	15,715
Comprehensive income for the period attributable to non-controlling interests		(172)	(174)
Comprehensive income for the period attributable to equity holders		25,865	15,541
Basic earnings per share (euros)			
From ongoing operations	10	2.43	1.48
From discontinued operations	10	(0.01)	-
Total basic earnings per share of ongoing and discontinued operations	10	2.42	1.48
Diluted earnings per share (euros)			
From ongoing operations	10	2.43	1.48
From discontinued operations	10	(0.01)	-
Total diluted earnings per share of ongoing and discontinued operations	10	2.42	1.48

The accompanying notes are an integral part of the consolidated income statement and of other comprehensive income for the semester ended 30 June 2023.

The Chartered Accountant,

The Board of Directors,

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIODO ENDED AT 30
JUNE 2023 AND AT 31 DECEMBER 2022**

(Amounts in thousands euros)

	Notes	30-06-2023	31-12-2022
Non-current assets:			
Goodwill	11	78,901	55,404
Intangible assets	12	29,345	26,331
Property, plant, and equipment	13	544,628	511,990
Right-of-use of assets	14	85,556	77,505
Investments in associates		4,975	4,845
Other investments		2,946	2,642
Deferred tax assets		9,278	8,980
Other debtors		1,010	112
Derivated financial instruments	25	571	-
Total non-current assets		757,210	687,809
Current assets:			
Inventories		14,139	13,629
Trade receivables and advances to suppliers	15	90,531	86,096
Other financial assets		6,355	5,656
Current tax assets		3,661	116
State and other public entities		5,535	6,087
Other debtors		5,641	6,124
Other assets		27,561	28,907
Other financial instruments	16	-	23,500
Cash and cash equivalents	17	41,362	43,046
Total current assets		194,786	213,161
TOTAL ASSETS		951,996	900,970
Equity:			
Share capital	18	53,000	53,000
Legal reserve	19	10,600	10,600
Other reserves	20	170	170
Fair value reserve	20, 25	443	-
Revaluation of property, plant and equipment	20	41,777	41,777
Retained earnings	20	52,580	46,574
Consolidated net income		25,443	34,528
Equity attributable to shareholders		184,013	186,649
Non-controlling interests		2,526	2,353
Total equity		186,539	189,002

	Notes	30-06-2023	31-12-2022
Non-current liabilities:			
Loans	21	352,929	354,799
Lease creditors		67,909	58,434
Employee benefits		872	872
Provisions	22	7,947	7,940
Other creditors	23	14,952	3,285
Deferred tax liabilities		15,625	15,417
Non-current liabilities		460,232	440,747
Current liabilities:			
Loans	21	115,541	97,221
Lease creditors		14,531	15,456
Trade payables and advances from clients	26	85,900	85,230
Current tax liabilities		11,677	2,794
State and other public entities		12,156	6,291
Other creditors	23	12,381	7,860
Other liabilities	24	53,039	56,369
Total current liabilities		305,255	271,221
TOTAL LIABILITIES		765,487	711,968
TOTAL EQUITY AND LIABILITIES		951,996	900,970

The accompanying notes form an integral part of the consolidated statement of financial position for the semester ended 30 June 2023.

The Chartered Accountant,

The Board of Directors,

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 30 JUNE 2023 AND 2022

(Amounts in thousands euros)

Notes	Share capital	Legal reserve	Revaluation of property, plant and equipment	Other reserves	Fair value reserve	Retained earnings	Net income	Non-controlling interests	Total
Balance at 01 January 2022	53,000	8,753	39,061	12	-	8,386	34,711	2,704	146,626
Appropriation of consolidated net income for 2021:									
Transfer to retained earnings	-	-	-	-	-	32,864	(32,864)	-	-
Transfer to legal reserve	-	1,847	-	-	-	-	(1,847)	-	-
Other operations	-	-	-	-	-	-	-	(42)	(42)
Consolidated net income for the semester of 2022	-	-	-	-	-	-	15,541	174	15,715
Total comprehensive income for the semester	-	-	-	-	-	-	15,541	174	15,715
Balance at 30 June 2022	53,000	10,600	39,061	12	-	41,249	15,541	2,835	162,299
Balance at 01 January 2023	53,000	10,600	41,777	170	-	46,574	34,528	2,353	189,002
Appropriation of consolidated net income for 2022:									
Transfer to retained earnings	-	-	-	-	-	34,528	(34,528)	-	-
Dividends paid out	-	-	-	-	-	(28,500)	-	-	(28,500)
Other operations	-	-	-	-	-	(22)	-	-	(22)
Consolidated net income for the semester of 2023	-	-	-	-	-	-	25,443	172	25,615
Changes in the fair value of financial instruments	25	-	-	-	443	-	-	-	443
Total comprehensive income for the semester	-	-	-	-	443	(22)	25,443	172	26,037
Balance at 30 June 2023	53,000	10,600	41,777	170	443	52,580	25,442	2,526	186,539

The accompanying notes are an integral part of this statement of changes in equity for the semester ended 30 June 2023.

The Certified Accountant,

The Board of Directors,

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIODO ENDED ON
30 JUNE 2023 AND 2022**
(Amounts in thousands euros)

	Notes	30-06-2023	30-06-2022
OPERATING ACTIVITIES:			
Cash receipts from clients		376,601	277,906
Cash paid to suppliers		(217,315)	(153,479)
Cash paid to employees		(95,084)	(73,272)
Income tax received/paid		(1,012)	(280)
Other cash receipts/payments related to operating activities		2,445	(3,274)
Cash from operating activities		65,635	47,601
INVESTMENT ACTIVITIES:			
Cash receipts relating to:			
Financial assets and other investments		475	-
Intangible assets		50	-
Investment subsidies		74	-
Interest and similar income		751	72
Dividends		51	-
Other investments		180	7
		1,581	79
Payments regarding:			
Property, plant and equipment and other investments		(18,043)	(8,852)
Intangible assets		(3,554)	(3,816)
Financial investments		(21,078)	-
		(42,675)	(12,668)
Cash from investment activities		(41,094)	(12,589)
FINANCING ACTIVITIES:			
Cash receipts relating to:			
Loans	21	269,220	130,380
Other financial instruments	16	23,500	-
		292,720	130,380
Payments regarding:			
Loans	21	(273,620)	(149,090)
Other financing operations		(1,400)	-
Payment of lease liabilities		(8,812)	(16,632)
Interest and similar expenses		(11,943)	(7,765)
Paid dividends and distributed results	20	(28,500)	-
		(324,275)	(173,486)
Cash from financial activities		(31,555)	(43,106)
Cash and cash equivalents at the start of the period	17	42,966	46,850
Changes in cash and equivalents		(7,013)	(8,094)
Cash and cash equivalents at the end of the period	17	35,953	38,755

The accompanying notes form an integral part of the consolidated statement of cash flows for the semester ended 30 June 2023.

The Certified Accountant,

The Board of Directors,

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
ON 30 JUNE 2023**

1. INTRODUCTION

CUF, S.A. (“Company” or “CUF”) is a public limited company incorporated in Portugal, in 1992, under Tax Identification Number 502 884 665. Its headquarters is located in Carnaxide, at Avenida do Forte 3, Edifício Suécia III, Floor 2.

The corporate universe of CUF is formed by the Company and its subsidiaries and associated companies described in Note 3 (“Group” or “CUF Group”) and its main activity is the provision of healthcare services, namely in the area of private healthcare services, in the provision of occupational medicine, hygiene and health services, in home healthcare services and also in the provision of logistics and reprocessing services for medical devices. The Group also has other secondary activities, in the property and infrastructure sector, and in training and research.

The Company’s main shareholder is José de Mello Capital, S.A. (“José de Mello Capital”), with head office in Lisbon. CUF Group is included in the consolidation perimeter of José de Mello Capital, which is its parent (Note 18) and controlling company.

The debenture loans issued by the Group (Note 21) are listed on Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A. and on Bourse de Luxembourg – Société de la Bourse de Luxembourg, S.A.

These consolidated financial statements were approved by the Board of Directors on July 31st 2023 and will be subject to approval at a General Meeting to be convened in accordance with the law and the articles of association.

CUF Group’s Consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and with the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and Standing Interpretations Committee (“SIC”), as adopted by the European Union. Hereinafter, this set of standards and interpretations shall be generally referred to as “IFRS”.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

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 2022.

The amounts presented are expressed in thousands of euros, as this is the currency preferably used in the economic environment in which the Company operates. Due to rounding, figures shown may not exactly match the total shown.

2.2. Changes in accounting policies, judgements and estimates

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 January 1st 2023, and were adopted by the Group where applicable:

Standard	Effective Date
Amendments to IAS 1 e IAS 8 – Definition of Materiality	01/01/2023
IFRS 17 – Insurance Contracts	01/01/2023
IAS 12 – Deferred tax relating to assets and liabilities associated with a single transaction	01/01/2023

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 2023, as a result of their adoption.

2.3. Relevant estimates in the preparation of the consolidated financial statements

The adopted accounting policies are consistent with those followed for the preparation of the consolidated financial statements for the financial year ending 31 December 2022, referred to in the respective annex.

2.4. 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.

2.5. 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 2022, referred to in the respective annex.

3. COMPANIES INCLUDED IN THE CONSOLIDATION

3.1. Companies consolidated by the full consolidation method

The companies included in the consolidation, their registered offices, the consolidation method adopted and the proportion of share capital effectively held, on 30 June 2023 and 2022, are as follows:

Companies	Headquarters	2023		2022	Business activity
		% of holding	% of control	% of control	
CUF, S.A. (a)	Carnaxide	Parent company	Parent company	Parent company	Purchase and sale of equipment and provision of management and consultancy services
Private healthcare services					
Clínica de Serviços Médicos Computorizados de Belém, S.A.	Lisboa	100%	62.8071%	62.8071%	Provision of medical and nursing services
Hospital CUF Descobertas, S.A. (b)	Carnaxide	100%	100%	100%	Management and operation of a hospital
CUF – Serviços de Saúde, Administrativos e Operacionais, A.C.E.	Carnaxide	100%	99.4109%	99.2670%	Provision of operational, administrative, and healthcare services

Companies	Headquarters	2023		2022	Business activity
		% of holding	% of control	% of control	
CUF – Serviços de Logística, ACE	Carnaxide	100%	99.2933%	99.1975%	Provision of operating services (catering, cleaning, and maintenance)
Hospital CUF Santarém, S.A.	Carnaxide	100%	100%	100%	Management and operation of a hospital
HD – Medicina Nuclear, S.A.	Lisboa	70%	70%	70%	Provision of diagnosis services and therapy in the nuclear medicine field
Hospital CUF Viseu, S.A.	Viseu	100%	100%	100%	Management and operation of a hospital
Hospital CUF Porto, S.A. (c)	Carnaxide	100%	100%	100%	Management and operation of a hospital and nursing units
Hospital CUF Tejo, S.A. (d)	Carnaxide	100%	100%	100%	Management and operation of a hospital and nursing units
Ecografia de Cascais, Lda.	Cascais	100%	100%	100%	Operation of a diagnosis and radiology medical centre
Hospital CUF Torres Vedras, S.A. (e)	Carnaxide	100%	100%	100%	Management and operation of a hospital and nursing units
Hospital CUF Cascais, S.A. (f)	Carnaxide	100%	100%	100%	Management and operation of a hospital and nursing units
Clínica CUF Belém, S.A.	Lisboa	62.8071%	62.8071%	62.8071%	Provision of medical and nursing services
Clínica CUF Alvalade, S.A.	Carnaxide	100%	100%	100%	Provision of medical and nursing services
Cenes – Centro de Reprocessamento de Dispositivos Médicos, Lda.	Lisboa	100%	100%	100%	Provision of logistics and reprocessing services for medical devices
Ecoclínica – Diagnóstico por Imagem, Lda. (g)	Oeiras	-	-	100%	Operation of a diagnosis and radiology medical centre
Hospital CUF Coimbra, S.A. (h)	Coimbra	100%	100%	100%	Management and operation of a hospital

Companies	Headquarters	2023		2022	Business activity
		% of holding	% of control	% of control	
Centro Logístico CUF, Unipessoal Lda.	Carnaxide	100%	100%	100%	Distribution and commercialisation of medication and medical devices
Clínica Dr. Luís Álvares, S.A.	Lisboa	100%	100%	100%	Operation of a diagnosis and radiology medical centre
SIM-X – Serviço de Imagem Médica, Lda.	Viseu	100%	100%	100%	Operation of a diagnosis and radiology medical centre
Hospital CUF Trindade, S.A. (i)	Carnaxide	100%	100%	46.78%	Operation of healthcare establishments, with the possibility of ceding spaces, and the provision of medical services of any nature or specialty, including consultations, examinations, surgery, and hospitalisation.
Hospital Internacional dos Açores, S.A. (j)	S. Miguel	100%	100%	-	Management and operation of a public hospital
Public healthcare services					
Escala Vila Franca – Sociedade Gestora do Estabelecimento, S.A. (k)	Vila Franca de Xira	-	-	100%	Management and operation of a public hospital
Infrastructure					
Infrahealth – Gestão de Infraestruturas, Lda.	Carnaxide	100%	100%	100%	Operation, management and marketing of healthcare infrastructure, commercial areas, and car parks
Simplygreen – Investimentos Imobiliários, S.A.	Carnaxide	100%	100%	100%	Buying and selling real estate, exchange and renting property
Hospimob – Imobiliária, S.A.	Carnaxide	100%	100%	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
Imo Health Cascais – Investimentos Imobiliários, S.A.	Carnaxide	100%	100%	100%	Buying and selling real estate, exchange and renting property
CUF – Investimentos Imobiliários, S.A.	Carnaxide	100%	100%	100%	Buying and selling real estate, exchange and renting property
Vigorous Proposal, Lda (l)	Lisboa	100%	100%	-	Buying and selling real estate, exchange and renting property

Companies	Headquarters	2023		2022	Business activity
		% of holding	% of control	% of control	
Others					
CUF – Sociedade Gestora de Participações Sociais, S.A.	Carnaxide	100%	100%	100%	Management of shareholdings
SAGIES – Segurança e Saúde no Trabalho, S.A. (m)	Carnaxide	100%	100%	70.50%	Provision of external services of occupational safety, hygiene, and health
CUF – Gestão de Clientes e Serviços de Saúde, S.A.	Carnaxide	100%	100%	100%	Provision of management, marketing and consultancy services for health products and services
Academia CUF, Sociedade Unipessoal, Lda.	Carnaxide	100%	100%	100%	Provision of training services in the nursing and clinical services field
Digihealth, S.A.	Carnaxide	88%	88%	88%	IT and Management Consulting and Advisory Services for Healthcare Providers

- a) This company's activity was included in the "Others" segment;
- b) The activity of this company includes the management of CUF Montijo Clinic, which opened to the public on 5 December 2022;
- c) This company's activity includes the management of CUF Porto Hospital and CUF São João da Madeira Clinic;
- d) This company's activity includes the management of CUF Tejo Hospital, CUF Miraflores Clinic, and CUF Almada Clinic. It also includes the activity of domiciliary services developed by the Group;
- e) This company's activity includes the management of CUF Torres Vedras Hospital and CUF Mafra Clinic;
- f) This company's activity includes the management of CUF Cascais Hospital, CUF São Domingos de Rana Clinic, CUF Nova SBE Clinic, and CUF Sintra Hospital;
- g) In December 2022, the company Ecoclínica – Diagnóstico por Imagem, Lda. was merged into Hospital CUF Tejo, S.A., with effects reported to January 1, 2022;
- h) This company's activity includes the management of CUF Leiria Clinic;
- i) On 7 October 2022, Hospital CUF Porto, S.A. and Celestial Ordem Terceira da Santíssima Trindade signed a share purchase agreement for the acquisition of 53.22% of the share capital of Hospital CUF Trindade, S.A. (previously Hospital da Ordem da Trindade, S.A.) for approximately 3.8 million euros, with the Group now controlling the capital and operations of that entity (Note 17). CUF Trindade Hospital started its activity on 12 October 2022;
- j) In October 2022, an agreement in principle was signed with the shareholders of HIA - Hospital Internacional dos Açores, S.A., for the acquisition of the entire capital of that hospital unit, located in the municipality of Lagoa, in S. Miguel, with the respective transaction on March 24, 2023 (Note 4). Inaugurated in March 2021, the HIA is already a reference health unit with a differentiated installed capacity and a wide range of services, namely, urgent care, operating room, hospitalization, intensive care, day hospital and special exams;

- k) In December 2022, the company Escala Vila Franca – Entidade Gestora do Estabelecimento, S.A. was merged into CUF, S.A., with accounting and tax effects reported to 1 January 2022.
- l) On 29 July 2022, the Group acquired the company Vigorous Proposal, Lda, whose corporate object is the purchase and sale of real estate.
- m) On 17 November and 14 December 2022, CUF, S.A. entered into share purchase and sale agreements for the acquisition of the remaining non-controlling interests in the shares representing the share capital of Sagies, previously held by Montepio Geral and the Portuguese Red Cross, for approximately 1 million euros.

3.2. Associated companies

The following associated companies were recorded by the equity method on 30 June 2023:

Companies	Headquarters	2023		2022	Business activity
		% of holding	% of control	% of control	
Centro Gamma Knife – Radiocirurgia, S.A.	Lisboa	34.00%	34.00%	34.00%	Operation of radiosurgery treatment units
Hospital CUF Trindade, S.A. ((i) from Note 3.1)	Porto	-	-	46.78%	Operation of a healthcare facility and provision of healthcare services
Greenimolis – Investimentos, S.A.	Carnaxide	50.00%	50.00%	50.00%	Buying and selling real estate, exchange and renting property

4. CHANGES IN THE CONSOLIDATION SCOPE AND BUSINESS COMBINATIONS

The main changes in the consolidation scope, in the semester ended 30 June 2023 and 2022, mainly concern to:

4.1. Incoming in 2023

4.1.1. Subsidiary companies

On 24 March 2023, the Group acquired 100% of the shares representing the share capital of Hospital Internacional dos Açores, S.A., beginning to control the Entity's operations on the same date. The acquisition price for the aforementioned shares of that entity amounted to 21 million euros. On the acquisition date, the fair value of the assets and liabilities acquired was as follows:

	Notes	Hospital Internacional dos Açores S.A.
Assets		
Intangible assets	12	207
Property, plant, and equipment	13	31,289
Right-of-use assets	14	593
Other investments		74
Deferred tax assets		953
Inventories		514
Trade receivables and advances to suppliers		528
Other debtors		321
Other assets		630
Cash and cash equivalents		475
Total assets		35,584
Liabilities		
Loans		20,500
Lease creditors		598
Other creditors		4,041
Other liabilities		12,139
Trade payables and advances from clients		671
Current tax liabilities		132
Total liabilities		38,082
Total		(2,497)
Cost of acquisition		21,000
Goodwill (Nota 11)		23,497
Cash settlement (Nota 27)		21,000

4.2. Incoming in 2022

4.2.1. Subsidiary companies

In the financial semester ended 30 June 2022, there were no entries of new subsidiaries in the consolidation scope.

4.3. Departures in 2023

In the financial semester ended 30 June 2023, there are no exits of subsidiaries from the consolidation scope.

4.4. Departures in 2022

In the financial semester ended 30 June 2022, there were no exits of new subsidiaries in the consolidation scope.

5. BUSINESS SEGMENTS

As argued in IFRS 8, the Group presents the operating segments based on the internal management information model provided to the main agent responsible for making the Group's operational decisions, who is responsible for the allocation of resources to the segment and for the evaluation of its performance as well as for making strategic decisions. The identification of the Group's reportable segments is consistent with the manner in which the Board of Directors manages and controls its business, based on a combination of the nature of the production processes, means of communication and management of available resources.

Thus, the Group presents the following reportable segments:

- Private healthcare services;
- Infrastructures; and
- Others.

As mentioned in Note 28, the "Public healthcare" segment, previously developed by the Group, was considered a discontinued operating unit, with the net results, after taxes, of said operation being considered in the consolidated statement of income and other comprehensive income for periods ended 30 June 2023 and 2022 under a single heading (net consolidated income for the period of discontinued operations). During the first half of 2023 and 2022, economic operations associated with the public segment were fundamentally related to the management of the transfer process of the two hospitals to the State and the management of accounts receivable and payable, customers and suppliers. The development of litigious processes with the State was also an object of activity

On 30 June 2023, the “Private healthcare” business area includes the following units:

- ten hospitals providing a total of 651 inpatient beds; 513 consultation rooms; operating theatres with 65 operating rooms, 5 delivery rooms, and a wide offer of specialty consultations, examinations, dental medicine, check-ups, physical and rehabilitation medicine;
- eleven outpatient clinics, with 208 consultation rooms, and offering specialty consultations, examinations, dental medicine, check-ups, physical and rehabilitation medicine, and also the possibility of carrying out minor surgeries;
- five clinical imaging units with a wide range of examinations (bone densitometry, ultrasound scan, mammography, radiology, magnetic resonance imaging and computed tomography); and
- two complementary groupings of companies (ACE), which provide IT, operational, administrative and logistics services to the Group’s companies.

The “Infrastructure” segment includes ten entities whose corporate purpose 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 13 buildings and 12 car parks (for a total of 3,055 parking spaces).

The “Other” segment integrates, in addition to the management of holdings, seven 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 providing (i) safety, hygiene and health services at work, which are essential for monitoring employees’ health and environmental working conditions, (ii) tailor-made healthcare at home, namely in the areas of gerontology, maternal and child care, convalescence and palliative care.

Although the Group allocates the properties to the “Infrastructure” segment, they are, in the consolidated scope, considered as tangible fixed assets and not as investment properties. These properties, in the individual accounts of each of the companies that own them, are classified as Investment Properties, under IAS 40 – Investment Properties. This classification takes into account the corporate purpose of these companies, as the properties are held for rental to the Group’s various units. In the consolidated scope, and since these properties are leased exclusively to CUF companies, the Group considers that the requirements of the definition of investment property are no longer met. In fact, in the consolidated scope, the properties are held with the purpose of being used in the provision of healthcare services, which is the Group’s main activity. Thus, for the purposes of consolidated accounts, these properties are treated under IAS 16 – Property, Plant and Equipment.

It should also be noted that the Group’s key decision-makers, namely the Executive Committee, analyse the “Infrastructure” segment autonomously for decision-making and performance evaluation purposes.

This is predominantly represented by CUF – Investimentos Imobiliários, S.A., thus having separate financial information.

The main information concerning the contribution from each segment (after the elimination of balances and transactions internal to the segments) for the financial years ending on 30 June 2023 and 2022 is as follows:

2023	Private healthcare services	Public healthcare services	Infrastructures	Others	Disposals	Consolidated
Sales and Services rendered:						
Hospital and clinical activity	412,322	-	14,616	6,231	(61,658)	371,511
Occupational, hygiene, safety and medicine	-	-	-	3,736	(676)	3,060
	412,322	-	14,616	9,968	(62,334)	374,572
Other operating income:						
Space rental	635	-	-	122	(7)	751
Space assignment	423	-	-	-	-	423
Clinical tests, exams, analysis and consumables	118	-	-	-	-	118
Prompt payment discounts	111	-	-	-	-	111
Operational subsidies	21	-	-	-	-	21
Other operating income	1,099	-	339	417	-	1,854
	2,406	-	339	539	(7)	3,277
Total operating income	414,728	-	14,955	10,507	(62,341)	377,849
Total operating expenses	(437,308)	-	(1,339)	(15,015)	119,001	(334,662)
Operating income	43,638	-	13,616	(4,631)	(9,435)	43,187
Financial expenses	(10,540)	-	(6,077)	(6,202)	9,914	(12,905)
Financial income	386	-	1,069	2,828	(3,536)	747
Profit and loss of associates	80	-	-	-	-	80
Financial results	(10,074)	-	(5,008)	(3,374)	6,378	(12,078)
Pre-tax income	33,564	-	8,608	(8,005)	(3,057)	31,110
Income tax	(9,921)	-	(1,402)	5,954	-	(5,369)
Consolidated net income for the period from ongoing operations	23,643	-	7,207	(2,051)	(3,057)	25,741
Net income for the period of discontinued operations	-	(126)	-	-	-	(126)
Net income for the period attributable to non-controlling interests	(113)	-	-	(61)	2	(172)
Net income for the period attributable to equity holders	23,530	(126)	7,207	(2,112)	(3,056)	25,443

2022	Private Healthcare Services	Public Healthcare Services	Infrastructure	Others	Eliminations	Consolidated
Sales and services rendered:						
Hospital and clinical activity	306,957	-	13,133	5,504	(16,537)	309,057
Occupational hygiene, safety and medicine	-	-	-	3,349	(667)	2,683
	306,957	-	13,133	8,853	(17,204)	311,740
Other operating income:						
Space assignment	436	-	-	-	-	436
Space rental	290	-	-	97	(1)	385
Clinical tests, exams, analysis and consumables	143	-	-	-	59	202
Prompt payment discounts	113	-	-	-	-	113
Operational subsidies	19	-	-	-	-	19
Other operating income	624	-	235	416	(482)	794
	1,624	-	235	513	(424)	1,949
Total operating income	308,581	-	13,368	9,366	(17,627)	313,689
Total operating expenses	(278,233)	-	(1,132)	(13,984)	10,515	(282,835)
Operating income	30,349	-	12,237	(4,619)	(7,113)	30,854
Financial expenses	(9,267)	-	(4,289)	(3,990)	9,004	(8,542)
Financial income	199	-	-	2,486	(2,244)	441
Profit and loss of associates	35	-	(24)	-	(435)	(424)
Profit and loss of investment activities	102	-	-	-	-	102
Financial results	(8,931)	-	(4,314)	(1,504)	6,325	(8,423)
Pre-tax income	21,417	-	7,923	(6,122)	(788)	22,431
Income tax	(6,276)	-	(2,405)	1,966	-	(6,715)
Consolidated net income for the period from ongoing operations	15,141	-	5,518	(4,156)	(788)	15,716
Net income for the period from discontinued operations	-	-	-	-	-	-
Net income for the period attributable to non-controlling interests	(113)	-	-	(61)	-	(174)
Net income for the period attributable to equity holders	15,028	-	5,518	(4,217)	(788)	15,542

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

Other information:

2023	Private healthcare services	Public healthcare services	Infrastructure	Others	Eliminations	Consolidated
Fixed capital expenses	8,080	-	6,656	29	-	14,764
Depreciation and amortisation	(20,615)	-	(69)	(2,992)	-	(23,676)
Compensation included in "Personnel costs"	(176)	-	-	-	-	(176)
Reduction of impairment losses	(1,532)	-	-	64	-	(1,468)

2022	Private Healthcare Services	Public Healthcare Services	Infrastructure	Others	Eliminations	Consolidated
Fixed capital expenses	8,979	-	1,724	149	-	10,852
Depreciation and amortisation	(24,860)	-	(3)	(2,787)	7,211	(20,439)
Compensation included in "Personnell costs"	(117)	-	-	(1)	-	(118)
Reinforcement of provisions	(1,015)	-	-	(1,500)	-	(2,515)
Reduction of impairment losses	(133)	-	-	(12)	-	(144)

Assets and liabilities per business segment and corresponding reconciliation with the consolidated total at 30 June 2023 and 2022 are as follows:

2023	Private Healthcare Services	Public Healthcare Services	Infrastructure	Others	Eliminations	Consolidated
Total consolidated assets	708,797	-	457,686	319,632	(534,118)	951,996
Total consolidated liabilities	581,564	-	274,183	231,081	(321,371)	765,457

2022	Private Healthcare Services	Public Healthcare Services	Infrastructure	Others	Eliminations	Consolidated
Total consolidated assets	685,074	-	562,224	350,856	(710,374)	887,780
Total consolidated liabilities	613,486	-	454,633	285,703	(628,341)	725,481

The Group has opted to finance itself at CUF, S.A., where it can obtain better financial conditions. The financing of the Group's subsidiaries occurs mainly through loans that are remunerated. This business financing model justifies the majority allocation of the total value of loans to the Other segment.

6. OPERATING INCOME

In the six-month periods ending 30 June 2023 and 2022, sales and services have the following breakdowns:

	30-06-2023	30-06-2022
Services rendered:		
Hospital and clinical activity	371,511	309,057
Occupational, hygiene, safety and medicine	3,060	2,683
	374,572	311,740
Other operating income:		
Space rental	751	385
Space assignment	423	436
Clinical tests, examinations, analysis and consumables	118	202
Prompt payment discounts	111	113
Operational subsidies	21	19
Other operating income	1,854	794
	3,277	1,949
	377,849	313,689

The first half of the 2023 shows a strong recovery in the assistance activity of the Group, with an increase in operating income of 20% compared to the same period of the previous year.

The “Space rental” item predominantly includes the amounts concerning the operation of car parks and the cafeteria areas of the Group’s units.

As at 30 June 2023 and 2022, services were provided to related parties in the amounts of 1,986 thousand euros and 961 thousand euros, respectively (Note 29).

7. EXTERNAL SUPPLIES AND SERVICES

In the six-month periods ending 30 June 2023 and 2022, external supplies and services have the following breakdowns:

	30-06-2023	30-06-2022
Fees	115,719	96,361
Subcontracts	14,944	12,591
Specialised work	14,119	10,371
Maintenance and repairs	10,004	8,489
Advertising	1,955	1,828
Rents and leases	1,871	1,493
Electricity	1,669	2,437
Communications	1,513	1,463
Fuel	916	847
Air conditioning	899	371
Insurances	658	545
Waste collection	612	527
Water	518	518
Travel and accommodation	296	160
Tools and utensils	285	346
Litigation and notary public fees	153	200
Cleaning, hygiene and confort	89	46
Office supplies	47	39
Other external supplies and services	1,118	854
	167,386	139,487

The External Supplies and Services item recorded a variation of about 20% compared to the previous financial period. Its main subitems concern:

- Fees (69%) – this item includes the amounts paid to healthcare professionals (doctors, nurses, diagnostic technicians and auxiliary staff) of the various units within the scope of the Company’s operating activity (Note 6).
- Subcontracts (9%) – includes the contracting of specific services such as (i) catering, (ii) cleaning, (iii) patient transport, and (iv) Complementary Diagnosis and Treatment Means (CDTMs).
- Specialised Works (8%) – this item mostly concerns clinical works.

On 30 June 2023 and 2022, the External Supplies and Services item includes transactions with related parties amounting to approximately 2,624 thousand euros and 3,156 thousand euros, respectively (Note 29).

8. PERSONNEL EXPENSES

In the six-month periods ending 30 June 2023 and 2022, personnel expenses were as follows:

	30-06-2023	30-06-2022
Wages	67,778	57,790
Wage-related expenses	14,912	12,811
Indemnities	176	394
Other personnel expenses	7,385	7,186
	90,251	78,181

The Other personnel expenses are mainly related to performance bonuses given to the Group's employees.

In 30 June 2023 and 2022, the Personnel expenses includes transactions with related parties in the amounts of approximately 2 thousand euros and (490) thousand euros, respectively (Note 29).

9. FINANCIAL RESULTS

The financial results of the six-month periods ending 30 June 2023 and 2022 have the following breakdown:

	30-06-2023	30-06-2022
Financial expenses:		
Interest expenses	(9,749)	(6,493)
Bank fees and services	(2,381)	(1,819)
Factoring financial charges	(775)	(231)
	(12,905)	(8,542)
Financial income:		
Interest earned	672	175
Interest earned - Gains on subsidiaries	75	267
	747	441
Profit/loss of associates:		
Gains on associates	80	(424)
	80	(424)
Gains/(Losses) relating to investment activities:		
Dividends	-	102
	-	102

As at 30 June 2023 and 2022, the caption Financial expenses includes transactions with related parties in the amount of 15 thousand euros and (112) thousand euros, respectively, as per Note 29. Additionally,

the caption Financial income includes transactions with related parties, on June 30, 2023 and 2022, in the amount of 73 thousand euros and 165 thousand euros (Note 29)

10. EARNINGS PER SHARE

Basic and diluted earnings per share for the six-month periods ending 30 June 2023 and 2022 were calculated by taking the following amounts into consideration:

	30-06-2023	30-06-2022
Income:		
Income from ongoing operations attributable to majority shareholders for the purposes of calculating net income per share	25,741	15,715
Income from discontinued operations attributable to majority shareholders for the purposes of calculating net income per share	(126)	-
	25,615	15,715
Number of shares:		
Weighted average number of shares considered for the purposes of calculating the diluted net income per share	10,600,000	10,600,000
Weighted average number of shares considered for the purposes of calculating the basic and diluted net income per share	10,600,000	10,600,000
Basic earnings per share		
From ongoing operations	2.43	1.48
From discontinued operations	(0.01)	-
Total basic earnings per share of ongoing and discontinued operations	2.42	1.48
Diluted earnings per share		
From ongoing operations	2.43	1.47
From discontinued operations	(0.01)	-
Total diluted earnings per share of ongoing and discontinued operations	2.42	1.47

As of 30 June 2023 and 2022 there were no diluting effects of earnings per share, so the basic and diluted earnings per share are identical.

11. GOODWILL

On 30 June 2023 and 31 December 2022, the Goodwill item had the following composition:

Affiliate	Segment	30-06-2023	31-12-2022
Hospital Internacional dos Açores, S.A.	Private healthcare services	23,497	-
Hospital CUF Porto, S.A.	Private healthcare services	17,440	17,440
Hospital CUF Tejo, S.A.	Private healthcare services	12,433	12,433
Hospital CUF Coimbra, S.A.	Private healthcare services	7,704	7,704
Hospital CUF Santarém, S.A.	Private healthcare services	7,035	7,035
CUF - Sociedade Gestora de Participações Sociais, S.A.	Others	5,220	5,220
Clínica Dr. Luís Álvares, S.A.	Private healthcare services	2,146	2,146
SAGIES - Segurança e Saúde no Trabalho, S.A.	Others	1,584	1,584
SIM-X - Serviço de Imagem Médica, Lda.	Private healthcare services	624	624
Cenes - Centro de Reprocessamento de Dispositivos Médicos, Lda.	Private healthcare services	616	616
Hospital CUF Cascais, S.A.	Private healthcare services	491	491
Hospital CUF Descobertas, S.A.	Private healthcare services	97	97
CUF - Investimentos Imobiliários, S.A.	Infrastructure	13	13
Clínica de Serviços Médicos Computorizados de Belém, S.A.	Private healthcare services	1	1
		78,901	55,404

12. INTANGIBLE ASSETS

The changes in the value of intangible assets as well as the corresponding amortisations and impairment losses, during the financial periods ended 30 June 2023 and 2022, were as follows:

	Exloration right	Software	Other intangible assets	Intangible assets in progress	Total
Gross assets:					
Balance at 1 January 2022	2,970	15,165	670	22,732	41,537
Additions	-	1,091	-	3,366	4,457
Transfers to assets for sale	-	-	-	(1,654)	(1,654)
Balance at 30 June 2022	2,970	16,256	670	24,444	44,341
Accumulated amortisations and impairment losses:					
Balance at 1 January 2022	(392)	(11,423)	(663)	-	(12,478)
Amortization (Note 14)	(42)	(854)	-	(76)	(972)
Balance at 30 June 2022	(434)	(12,277)	(663)	(76)	(13,450)
Net value	2,536	3,979	7	24,368	30,890

	Exploration rights	Software	Other intangible assets	Intangible assets in progress	Total
Gross assets:					
Balance at 1 de january 2023	3,960	28,083	636	8,712	41,391
Additions	-	1,442	-	3,325	4,767
Business combinations (Nota 4.1)	-	603	14	-	617
Balance at 30 june 2023	3,960	30,128	650	12,037	46,774
Accumulated amortizations and impairment losses:					
Balance at 1 de january 2023	(489)	(13,547)	(623)	-	(14,659)
Amortization (Note 14)	(98)	(1,890)	-	-	(1,988)
Business combinations (Nota 4.1)	-	(407)	(3)	-	(410)
Regularizations	-	(372)	-	-	(372)
Balance at 30 june 2023	(588)	(16,215)	(626)	-	(17,430)
Net value	3,372	13,913	23	12,037	29,345

Operation right

This item includes the amount of 2.4 million euros, corresponding to the right to operate a car park. Initially, a partnership was entered into between Hospital CUF Tejo, S.A., ESLI – Parques de Estacionamento, S.A. and the City Council of Lisbon, which awarded the right to operate the car park for a period of 50 years. In 2016, Hospital CUF Tejo, S.A. assigned its contractual position to Infrahealth – Gestão de Infraestruturas, Lda..

The item includes, additionally, 150 thousand euros concerning the transfer of CUF São Domingos de Rana Clinic and the amount of 350 thousand euros concerning the agreement for the provision of radiology services by CUF Sintra Hospital.

Intangible assets in progress

The acquisitions of 2023 and 2022 concern expenses incurred with the development and implementation of the Go Forward project, which consists of the redesign of the operational systems of the Group's healthcare service units. This implementation project is still ongoing on 30 June 2023.

13. PROPERTY, PLANT AND EQUIPMENT

During the six-month periods ending 30 June 2023 and 2022, the following movements occurred in the value of Property, plant and equipment, as well as the respective depreciation and accumulated impairment losses:

	Properties allocated to the Health Business Activity	Land and natural resources	Buildings and other constructions	Basic equipment	Administrative equipment	Other tangible fixed assets	Tangible fixed assets in progress	Total
Balance at 1 January 2022	516,800	182	29,641	124,471	30,828	317	1,026	703,266
Additions	4,798	-	2,105	2,966	984	-	-	10,852
Disposals and write-offs	-	-	-	(49)	-	-	-	(49)
Regularizations	-	-	-	46	(13)	-	-	33
Balance at 30 June 2022	521,598	182	31,746	127,433	31,799	317	1,026	714,102
Accumulated depreciations and impairment losses:								
Balance at 1 January 2022	(57,741)	-	(22,027)	(107,691)	(24,866)	(310)	-	(212,635)
Depreciation (Note 14)	(5,168)	-	(1,912)	(2,795)	(1,619)	(81)	-	(11,576)
Disposals and write-offs	-	-	-	49	-	-	-	49
Regularizations	-	-	(16)	(135)	2	79	-	(69)
Balance at 30 June 2022	(62,909)	-	(23,955)	(110,572)	(26,483)	(312)	-	(224,231)
Net Value	458,689	182	7,791	16,862	5,316	5	1,026	489,871
	Properties allocated to the Health Business Activity	Land and natural resources	Buildings and other constructions	Basic equipment	Administrative equipment	Other tangible fixed assets	Tangible fixed assets in progress	Total
Balance at 1 January 2023	538,580	2,852	33,461	133,672	33,666	323	1,651	744,205
Additions	-	-	1,598	5,078	1,408	-	6,680	14,764
Business combination (Nota 4.1)	-	-	26,022	8,526	770	242	60	35,620
Regularizations	-	-	-	-	(11)	-	-	(11)
Transfers	-	124	30	91	751	-	(996)	-
Balance at 30 June 2023	538,580	2,975	61,111	147,367	36,585	565	7,394	794,578
Accumulated depreciations and impairment losses:								
Balance at 1 January 2023	(65,016)	-	(24,156)	(114,363)	(28,368)	(312)	-	(232,214)
Depreciation (Nota 14)	(5,084)	-	(2,822)	(3,490)	(1,595)	(10)	-	(13,001)
Business combination (Nota 4.1)	-	-	(1,349)	(2,608)	(287)	(86)	-	(4,331)
Regularizations	-	-	(436)	-	-	32	-	(403)
Balance at 30 June 2023	(70,100)	-	(28,763)	(120,461)	(30,250)	(376)	-	(249,951)
Net Value	468,480	2,975	32,349	26,906	6,335	189	7,394	544,628

As of 30 June 2023, additions to tangible fixed assets essentially relate to:

- Basic equipment - medical, surgical and diagnostic equipment and accessories, used within the scope of the Group's activity;
- Assets in progress - acquisition of land intended for the expansion of CUF Cascais Hospital and remodeling works in the CUF Santarém Hospital Building and in the Descobertas I Building.

14. RIGHT-OF-USE OF ASSETS

During the six-month periods ending 30 June 2023 and 2022, the following movements occurred in the value of right-of-use assets, as well as the respective depreciation and accumulated impairment losses:

	Land and natural resources	Buildings and other constructions	Basic equipment	Administrative equipment	Transport equipment	Surface Rights	Others	Total
Gross assets:								
Balance at 1 January 2022	251	32,859	86,276	848	2,911	2,210	201	125,555
Additions	-	1,333	4,724	-	297	-	-	6,353
Balance at 30 June 2022	251	34,192	91,000	848	3,207	2,210	201	131,909
Accumulated depreciations and impairment losses:								
Balance at 1 January 2022	-	(10,544)	(40,963)	(660)	(1,709)	(263)	(201)	(54,340)
Regularizations	-	-	(10)	-	-	-	-	(10)
Depreciation	-	(1,592)	(5,842)	(59)	(370)	(27)	-	(7,890)
Recognition and reversal of impairment	-	-	-	-	(2)	-	-	(2)
Balance at 30 June 2022	-	(12,136)	(46,815)	(719)	(2,081)	(291)	(201)	(62,242)
Net Value	251	22,056	44,185	129	1,127	1,919	-	69,667

	Land and natural resources	Buildings and other constructions	Basic equipment	Administrative equipment	Transport equipment	Surface Rights	Others	Total
Gross assets:								
Balance at 1 January 2023	251	45,051	95,565	848	3,859	2,210	201	147,985
Additions	-	8,521	6,011	-	(1,613)	-	-	16,145
Regularizations	-	(763)	(590)	-	(903)	-	-	(2,256)
Business combination (Note 4.1)	-	73	520	-	-	-	-	593
Balance at 30 June 2023	251	52,882	101,506	848	4,570	2,210	201	162,467
Accumulated depreciations and impairment losses:								
Balance at 1 January 2023	-	(13,894)	(52,845)	(778)	(2,443)	(318)	(201)	(70,481)
Regularizations	-	763	590	-	903	-	-	2,256
Depreciation	-	(1,869)	(6,303)	(59)	(429)	(27)	-	(8,687)
Balance at 30 June 2023	-	(15,000)	(58,559)	(838)	(1,969)	(345)	(201)	(76,911)
Net Value	251	37,882	42,947	10	2,601	1,865	-	85,556

The amounts recorded under “Buildings and other constructions” predominantly concern to lease contracts of healthcare facilities, in which the Group operates its private healthcare activity. This item also includes lease contracts for other facilities where the Group provides administrative and assistance services.

The “basic equipment” item mostly includes rights-of-use related to lease contracts for medical equipment.

The amount recorded in “Surface Rights” concerns an assignment contract under a surface right regime, from the City Council of Cascais to Hospital CUF Cascais, S.A.. This contract concerns the assignment of the surface rights of Hospital Ortopédico José de Almeida, composed of two properties located in the municipality of Cascais, and was established for a period of 40 years. In 2019, there was a partial transfer of the surface rights to another company.

All assets classified as Right of Use are valued at cost.

The detail of amortizations and depreciations recognized in the Statement of Income and Other Comprehensive Income for the periods ended June 30, 2023 and 2022 is as follows:

	30-06-2023	30-06-2022
Intangible assets (Nota 12)	1,988	972
Property, Plant and Equipment (Nota 13)	13,001	11,576
Right-of-use of assets	8,687	7,890
	23,676	20,439

15. TRADE RECEIVABLES AND ADVANCE PAYMENTS TO SUPPLIERS

On 30 June 2023 and 31 December 2022, the Trade receivables and advances to suppliers item had the following composition:

	30-06-2023			31-12-2022		
	Gross value	Impairment losses (Note 22)	Net value	Gross value	Impairment losses	Net value
Trade receivables, current	104,369	(13,935)	90,434	98,438	(12,439)	85,999
Advance payments to suppliers	97	-	97	97	-	97
	104,466	(13,935)	90,531	98,535	(12,439)	86,096

At 30 June 2023 and 31 December 2022, the Group had accounts receivable from related parties amounting to approximately 452 thousand euros and 254 thousand euros, respectively (Note 29).

Trade receivables presented in the Consolidated financial position as of 30th June 2023 are net of impairment losses.

16. OTHER FINANCIAL INSTRUMENTS

On 30 June 2023 and 31 December 2022, this item, consisting of debenture loans, has the following composition:

Subsidiary	Issuer	Year Issued	Maturity	30-06-2023		31-12-2022	
				Current	Non-current	Current	Non-current
CUF, S.A.	Farminveste – Investimentos, Participações e Gestão, S.A.	2020	Jun-23 (a)	-	-	7,000	-
CUF, S.A.	José de Mello Capital, S.A.	2008	Jun-23 (b)	-	-	6,500	-
Hospital CUF Tejo, S.A.	José de Mello Capital, S.A.	2009	Jun-23 (b)	-	-	10,000	-
				-	-	23,500	-

- (a) At the end of June 2020, the bonds of Farminveste - Investimentos, Participações e Gestão, S.A. ("Farminveste"), in the amount of 10 million Euros, were fully repaid. In June a new bond loan in the amount of 7 million Euros was issued, with initial maturity in June 2022 and fully subscribed by the Group. In March 2022, as a result of negotiations which were in progress, the referred maturity was extended until June 2023 following an agreement between the Group and that Entity which formalized the expected date for its realization, against better conditions and additional guarantees. These bonds were liquidated by the end of their maturity.
- (b) The obligations of José de Mello Capital, S.A. matured at the end of 2022. However, on November 7, 2022, the extension of their maturity to June 2023 was approved in return for the renegotiation of conditions. These bonds were liquidated by the end of their maturity.

17. CASH AND CASH EQUIVALENTS

This item had the following composition at 30 June 2023 and 31 December 2022:

	30-06-2023	31-12-2022
Cash and bank deposits:		
Cash	2,724	2,283
Current accounts	38,410	40,508
Term deposits	226	252
Other cash investments	3	3
	41,362	43,046
Cash and cash equivalents:		
Bank overdrafts (Note 21)	(5,409)	(80)
	(5,409)	(80)
	35,953	42,966

As of 30th June 2023, the caption demand deposits includes the amount of 10,603 thousand euros (15,122 thousand euros in 2022) referring to credits received from customers assigned to banking entities within the scope of factoring contracts. This amount is not available for use by the Group.

18. SHARE EQUITY

On 30 June 2023 and 31 December 2022, the capital in the amount of 53,000 thousand euros, fully subscribed and paid up, was represented by 10,600,000 shares, with a nominal value of 5 euros each.

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

19. LEGAL RESERVE

On 30 June 2023 and 31 December 2022, the Legal reserve was 10,600 thousand euros, and it was fully established. Company law determines that at least 5% of the annual net profit calculated in the individual accounts has to be allocated to the reinforcement of the legal reserve until it represents at least 20% of the capital. This reserve is not distributable unless if the Company is liquidated, but may be used to absorb losses after the other reserves are exhausted, or added to the capital.

20. OTHER RESERVES AND OTHER EQUITY ITEMS

Revaluation of Property, plant, and equipment

This item includes changes due to increases or reductions in the fair value of properties allocated to healthcare services. In accordance with the legislation in force, the increments resulting from the application of the fair value through equity components are only relevant for distribution when the elements that gave rise to them are alienated.

Retained earnings

In accordance with Portuguese legislation, the amount of distributable retained earnings is determined according to the Company's separate financial statements, presented in accordance with the IAS/IFRS.

In 2023 dividends were distributed to shareholders in total amount of 28.5 million euros, which corresponds to a gross dividend of 2.69 euros.

Fair value reserve

This caption includes changes in the fair value of financial instruments derived from hedging the risk of interest rate variability. In accordance with the legislation in force, the increments resulting from the application of fair value through equity components are only relevant to be distributed when the elements that gave rise to them are sold.

21. LOANS

On 30 June 2023 and 31 December 2022, the following loans were obtained:

	30-06-2023	31-12-2022
Non-current liabilities:		
Debenture loans	96,280	96,177
Commercial paper	75,133	77,239
Other bank loans	181,515	181,382
	352,929	354,799
Current liabilities:		
Debenture loans	19,392	18,697
Commercial paper	34,000	40,406
Other bank loans	46,137	22,916
Factoring	10,603	15,123
Bank overdrafts (Note 17)	5,409	80
	115,541	97,221
	468,470	452,021

On 30 June 2023, financing activities in the Statement of Cash Flows includes payments and cash receipts in the amounts of (257 200 000) Euros and 248 720 000 Euros, respectively, referring to short-term financing (commercial paper).

22. PROVISIONS

Provisions

During the six-month periods ended 30th June 2023 and 2022, movements in Provisions were as follows:

	Taxes	Contractual risks	Legal proceedings	Other provisions	Investments in associates	Total
Balance at 1 January 2022	221	1,729	1,443	6,309	-	9,701
Increase	-	-	-	1,500	-	1,500
Transfers	-	-	15	(15)	-	-
Regularizations	-	-	-	(1)	-	(1)
Transfers Investments in associates	-	-	-	-	241	241
Discontinued operations	-	(14)	-	(352)	-	(366)
Balance at 30 June 2022	221	1,715	1,458	7,440	241	11,076
Balance at 1 January 2023	-	623	1,465	5,853	-	7,940
Debt update	-	-	-	7	-	7
Transfers	-	-	15	(15)	-	-
Balance at 30 June 2023	-	623	1,480	5,844	-	7,947

The main amounts shown under Provisions predominantly concern:

Provisions for Contractual risks

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., and were set up to face a set of risks arising from the Management Contract among which we highlight divergences of interpretation of contractual clauses.

Other Provisions

In 2020, 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 de Xira Hospital is expected. A provision of 5,396 thousand euros was set up in 2021 for this purpose, which was used in 2022.

As of 30 June 2023, the Other provisions include provisions constituted, essentially, for risks arising from the Group's activity.

Provisions for Judicial Proceedings

Provisions arising from legal proceedings brought by customers of the various units against 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 changes occurred in accumulated impairment losses during the financial periods ended on 30 June 2023 and 2022 were as follows:

Non-current assets

	Goodwill	Other investments	Property, plant and equipment	Intangible Assets	Right-of-use of assets	Total
Balance at 1 January 2022	16	326	12,842	404	102	13,690
Balance at 30 June 2022	16	326	12,842	404	102	13,690
Balance at 1 January 2023	2,010	369	8,551	-	-	10,930
Balance at 30 June 2023	2,010	369	8,551	-	-	10,930

Current assets

	Inventories	Trade receivables (Note 15)	Other debtors	Accrued revenue	Total
Balance at 1 January 2022	675	14,321	831	11,479	27,305
Increase	298	1,302	82	-	1,681
Amount used	(675)	(596)	-	(52)	(1,323)
Discontinued operations	-	76	-	-	76
Reversal	-	(666)	-	-	(666)
Regularizations	56	15	(203)	-	(132)
Balance at 30 June 2022	353	14,452	709	11,427	26,941
Balance at 1 January 2023	782	12,439	842	11,285	25,348
Increase	-	1,558	-	-	1,558
Amount used	(376)	(101)	(12)	-	(490)
Business combination	-	114	-	-	114
Discontinued operations	-	16	-	-	16
Reversal	-	(90)	-	-	(90)
Balance at 30 June 2023	406	13,935	830	11,285	26,456

Contingent Liabilities and contingent assets

On July 1st, 2022, CUF was notified by the Autoridade da Concorrência (AdC) of the decision on the administrative offense carried by this entity on March 14th, 2019 against Associação Portuguesa de Hospitalização Privada (APHP) and the hospital groups CUF, Trofa Saúde, Hospital Particular do Algarve, Lusiadas and Luz Saúde for alleged involvement in agreement or concerted practice restricting competition in the contracting of private hospital health services by the public health subsystems ADSE and IASFA, and whose Note of Illicitude had been notified on July 29, 2021.

In very brief terms, the AdC filed the administrative offense proceedings with regard to any agreement and/or concertation on behavior in order to pressure the settlement of the IASFA debt, in particular, on the part of the targeted Luz and CUF, to conclude there is not enough evidence to allow the liability of the parties concerned.

With regard to the negotiations with the ADSE, the AdC concluded that targeted companies coordinated their interests and behavior within the scope of the negotiations with the ADSE, regarding its price list and rules, as well as the process of regularizing invoices 2015 and 2016, above all, through and with the participation of the APHP, which configures an agreement or concerted practice, under the terms of paragraphs a) and b) of paragraph 1 of article 9 of the Competition Law, with the object of preventing, distorting or appreciably restrict competition.

Accordingly, fines were applied to all the targeted companies, and in the case of CUF, S.A. the fine amounts to 74.98 million euros, with José de Mello Capital, S.A. being jointly and severally liable for the payment of the fine.

Convinced of the scrupulous compliance with the Competition Law, CUF, S.A., and its shareholder José de Mello Capital, S.A., absolutely reject the decision of the AdC and its legal basis, for which reason they appealed to the competent judicial bodies, with a view to guarantee the full clarification of the truth of the facts and the restoration of justice, in a situation that seriously undermines its good conduct and good name. As a result, the Group has not recognized any provision for the aforementioned lawsuit. In May 2023, an order was issued by the Tribunal da Concorrência, Supervisão e Regulação (“TCSR”) conditioning the suspensive effect of the appeal, and as a result of the obligation to pay the fine applied by the AdC to the provision of a guarantee in the amount corresponding to 50% of the value thereof.

23. OTHER CREDITORS

This item had the following composition on 30 June 2023 and 31 December 2022:

	30-06-2023		31-12-2022	
	Current	Non-current	Current	Non-current
Personnel and trade unions	951	-	668	-
Fees	7,235	-	6,003	-
Collateral	263	-	23	-
Investment suppliers	335	-	48	-
Other creditors	3,596	14,952	1,119	3,285
	12,381	14,952	7,860	3,285

The Fees item refers to amounts to be paid to employees without a permanent contractual relationship. The increase seen in 2022 is due to a change in the accounting policy at the Group level, in which fees are no longer recorded as accrued expenses, but are now accounted for under this heading and under the heading Trade payables (Note 26).

Additionally, the variation in the caption Other creditors is due to the incorporation of Investment Subsidies by Hospital Internacional dos Açores, which amount to 10.8 million euros. The value recorded in subsidies results from the incentive contract signed under Competir+ with an amount of 14,930,556.25 euros of non-refundable incentive, corresponding to 45% of the eligible investment for the ongoing investment project of Hospital Internacional dos Açores.

24. OTHER LIABILITIES

On 30 June 2023 and 31 December 2022, this item had the following composition:

	30-06-2023		31-12-2022	
	Current	Non-current	Current	Non-current
Accrued expenses:				
Remunerations	30,088	-	34,921	-
Financial expenses	20	-	-	-
Fees	5,343	-	6,262	-
Insurances	40	-	173	-
IT	2,156	-	1,337	-
Others	9,666	-	8,243	-
	47,312	-	50,938	-
Deferred income:				
Liabilities towards ARSLVT	4,709	-	4,709	-
Other income to be recognised	1,018	-	722	-
	5,727	-	5,431	-
	53,039	-	56,369	-

The Fees item concerns the estimate of values payable to employees without a permanent labour contract. This estimate is based on the monthly payment history, on the agreements established with each service provider and on the duration of the work carried out.

The “Others” item contains the accrued expenses incurred at the closing of the year for Costs of sales, External supplies and services (Complementary Diagnostic and Treatment Means “CDTMs” and Clinical Specialist Works), and Other operating costs.

The Deferred income item concerns recognised liabilities towards ARSLVT as a result of the difference between the amounts advanced over the 2021 and 2020 financial years and the actual production. This situation results from the close of the invoiced value, which is contractually established, being higher than the real production value calculated by the Group in those financial years.

As of 30th June 2023, the increase on Other income to be recognised refers mainly to the increase of Plano+CUF activity.

25. DERIVATED FINANCIAL INSTRUMENTS

As part of the financial risk management policy, a financial instrument was contracted in February 2023 to minimize the risks of exposure to interest rate variations in the form of interest rate swaps, to cover 33.8 million euros of the commercial paper of Hospital CUF Tejo. The contracted swap respects the characteristics of the aforementioned commercial paper in order to be considered a hedging product.

There is a relationship between the hedged item and the hedging instrument, as the conditions (period and reference rate) of the financing and hedging instruments are the same. The Group sets a 1:1 coverage ratio for the hedging ratio. Effectiveness tests are conducted at the inception of the hedge and thereafter: the hedge is expected to be highly effective in achieving offsetting changes in cash flows attributable to the hedged risk for which the hedge was designated. This expectation is shown by the high statistical correlation between the cash flows of the hedged item and those of the hedging instrument.

On 30th June 2023 and 31st December 2022, the fair value of the contracted financial derivatives is presented as follows:

	30-06-2023		31-12-2022	
	Current	Non-current	Current	Non-current
Derivatives classified as cash flow hedging				
Balance at 1 january				
Increase	-	571	-	-
Balance at 30 june	-	571	-	-
Deferred tax movement of derivatives classified as cash flow hedging				
Balance at 1 january				
Increase	-	(128)	-	-
Balance at 30 june	-	(128)	-	-
	-	443	-	-

The amount recognized under this heading in 2023 refers to an interest rate swap contract entered into by the CUF Group with the aim of covering the risk of interest rate fluctuations.

The characteristics of derivative financial instruments contracted in relation to financing operations as of 30th June 2023 and 31st December 2022 are as follows:

Derivatives classified as cash flow hedging	Notional	Currency	Economic goal	Maturity	Fair value	
					30-06-2023	31-12-2022
Interest rate swaps	33,880	Eur	Cash-flow coverage of commercial paper issuance	Jun-32	571	-
					571	-

The fair value of the hedging derivatives was classified as non-current when the maturity of the hedging transaction was greater than 12 months, and as current when the maturity of the operation being covered was under 12 months.

26. TRADE PAYABLES AND ADVANCES FROM CLIENTS

These items had the following composition on 30 June 2023 and 31 December 2022:

	30-06-2023	31-12-2022
Advances from clients	3,564	3,006
Suppliers, current account	69,868	76,167
Suppliers, invoices in reception and under verification	12,468	6,057
	85,900	85,230

As of 30 June 2023 and 31 December 2022, this item included accounts payable with related parties amounting to approximately 473 thousand euros and 723 thousand euros, respectively (Note 29).

27. EXPLANATORY NOTES OF THE STATEMENT OF CASH FLOWS

27.1. PAYMENT FROM FINANCIAL INVESTMENTS AND OTHER INVESTMENTS:

The most significant payments related to financial investments occurring during the financial years ended on 30 June 2023 and 2022 are:

	Classification	30-06-2023	30-06-2022
Ongoing operations:			
Hospital Internacional dos Açores, S.A.	Acquisition of business	21,000	-
Greenimolis – Investimentos Imobiliários, S.A.	Ancillary payments	78	-
		21,078	-

28. 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, 2023 and 2022 was as follows:

	30-06-2023	30-06-2022
Operating income:		
Sales and services rendered	-	-
Other operating income	-	-
Total operating income	-	-
Operating expenses:		
Cost of sales	(6)	-
External supplies and services	(39)	-
Personnel expenses	(45)	-
Amortisations and depreciations	-	-
Provisions and impairment losses, net	(16)	-
Other operating expenses	(20)	-
Total operating expenses	(126)	-
Total operating expenses:	(126)	-
Financial expenses	-	-
Financial results	-	-
Pre-tax loss	(126)	-
Income tax	-	-
Net loss for the period of discontinued operations	(126)	-
Earnings per share:		
Basic	(0.01)	-
Diluted	(0.01)	-

29. RELATED PARTIES

29.1. Type of relationship with related parties

The nature of the relationships between the Group and its associated companies, its shareholders and other related parties is shown in the following table:

Related Party	Location	Operating income	External supplies and services	Financial expenses	Financial income
Shareholders:					
José de Mello Capital, S.A.	Portugal	Occupational Health	Specialised Work	-	Debenture loans
Farminveste – Investimentos, Participações e Gestão, S.A.	Portugal	Occupational Health	-	-	Debenture loans
Associated entities:					
Hospital CUF Trindade, S.A.	Portugal	-	-	Loans	-
Greenimolis – Investimentos Imobiliários, S.A.	Portugal	Specialised work	Personnel Transfer	Loans	-
Centro Gamma Knife – Radiocirurgia, S.A.	Portugal	Specialised work	Personnel Transfer	-	-
Other related entities:					
M Dados – Sistemas de Informação, S.A.	Portugal	Occupational Health	Data Management Fees	-	-
Brisa – Autoestradas de Portugal Group	Portugal	Occupational Health	Parking Commissions	-	-
Bondalti Group	Portugal	Occupational Health	-	-	-
MGI Capital Group	Portugal	Occupational Health	Maintenance Services	-	-
Sociedade Agrícola D. Diniz, S.A.	Portugal	Specialised work	-	-	-
SPSI – Sociedade Portuguesa de Serviços de Apoio e Assistência a Idosos, S.A.	Portugal	Specialised work	Personnel Transfer	-	-
José de Mello Residências e Serviços, SGPS, S.A.	Portugal	Specialised work	Personnel Transfer	-	-

The terms or conditions are almost identical to those that would normally be drawn up, accepted and practiced between independent entities in comparable operations.

29.2. Transactions and Balances with related parties

2023

Related parties	Trade receivables (Note 15)	Trade payables (Note 26)
Shareholders:		
José de Mello Capital, S.A.	2	-
Farminveste - Investimentos, Participações e Gestão, S.A.	-	-
Associated entities:		
Greenimolis - Investimentos Imobiliários, S.A.	(20)	20
Centro Gamma knife - Radiocirurgia, S.A.	186	61
Other related entities:		
M Dados - Sistemas de Informação, S.A.	-	136
Brisa - Auto-estradas de Portugal Group	96	(172)
José de Mello Imobiliária Group	1	-
Bondalti Group	20	-
MGI Capital Group	167	412
SPSI - Sociedade Portuguesa de Serviços de Apoio e Assistência a Idosos, S.A.	1	16
	452	473

Related parties	Sales and services rendered (Note 6)	Other operating income (Note 6)	External supplies and services (Note 7)	Personnel expenses (Note 8)	Financial expenses (Note 9)	Financial income (Note 9)
Shareholders:						
José de Mello Capital, S.A.	9	-	-	-	-	-
Farminveste - Investimentos, Participações e Gestão, S.A.	4	-	-	-	-	-
Associated entities:						
Greenimolis - Investimentos Imobiliários, S.A.	(5)	14	(151)	-	(15)	-
Centro Gamma knife - Radiocirurgia, S.A.	336	27	(660)	-	-	12
Other related entities:						
M Dados - Sistemas de Informação, S.A.	-	-	(72)	-	-	-
Brisa - Auto-estradas de Portugal Group	1,441	-	(344)	-	-	-
Bondalti Group	7	-	-	-	-	-
MGI Capital Group	153	-	(1,382)	-	-	-
Sociedade Agrícola D. Diniz, S.A.	-	-	(7)	(2)	-	-
SPSI - Sociedade Portuguesa de Serviços de Apoio e Assistência a Idosos, S.A.	-	-	(7)	-	-	-
José de Mello Residências e Serviços, SGPS, S.A.	-	-	-	-	-	61
	1,945	41	(2,624)	(2)	(15)	73

2022

Related Party	Trade receivables (Note 15)	Trade payables (Note 26)
Shareholders:		
José de Mello Capital, S.A.	2	-
Farminveste - Investimentos, Participações e Gestão, S.A.	-	-
Associated entities:		
Greenimolis - Investimentos Imobiliários, S.A.	-	-
Centro Gamma Knife-Radiocirurgia, S.A.	(85)	(19)
Other related entities:		
Brisa - Auto-estradas de Portugal Group	49	(134)
Bondalti Group	19	-
MGI Capital Group	266	864
SPSI - Sociedade Portuguesa de Serviços de Apoio e Assistência a Idosos, S.A.	1	12
	254	723

Related Party	Sales and services rendered (Note 6)	Other operating income (Note 6)	External supplies and services (Note 7)	Personnel expenses (Note 8)	Financial expenses (Note 9)	Financial income (Note 9)
Shareholders:						
José de Mello Capital, S.A.	7	-	(13)	-	-	-
Farminveste - Investimentos, Participações e Gestão, S.A.	4	-	-	-	-	-
Associated entities:						
Hospital Ordem da Trindade, S.A.	(441)	(20)	448	491	111	104
Greenimolis - Investimentos Imobiliários, S.A.	6	-	11	-	1	-
Other related entities:						
Brisa - Auto-estradas de Portugal Group	1,246	-	(299)	-	-	-
Bondalti Group	7	-	-	-	-	-
MGI Capital Group	152	-	(3,299)	-	-	-
Sociedade Agrícola D. Diniz, S.A.	-	-	(1)	(1)	-	-
SPSI - Sociedade Portuguesa de Serviços de Apoio e Assistência a Idosos, S.A.	-	-	(2)	-	-	-
José de Mello Residências e Serviços, SGPS, S.A.	-	-	-	-	-	61
	981	(20)	(3,156)	490	112	165

No expenses were recognised in relation to bad or doubtful debts owed by related parties.

Additionally, no guarantees were given to or received from related entities.

30. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board of Directors on July 31st 2023.

31. SUBSEQUENT EVENTS

On June 26th 2023, an agreement was signed for the acquisition of Atlanticare - Serviços de Saúde, S.A. and its subsidiaries. At the date of issuance of these financial statements, this contract is subject to authorization from the *Autoridade da Concorrência* (Portuguese Competition Authority), and other conditions for the acquisition to take place.

In July 2023, the Group contracted a new loan in the amount of 50 million euros.

Within the scope of the AdC process, in July 2023, CUF, S.A., through its subsidiary CUF - Sociedade Gestora de Participações Sociais, S.A., constituted a first-degree pledge on all shares representing the share capital of the companies Hospital CUF Viseu, S.A. and Clínica CUF Alvalade, S.A., in favor of the TCRS, within the scope of this process, in value corresponds to 50% of the fine imposed by the final decision adopted by the AdC in the administrative offense proceeding, guaranteeing a maximum amount of 37,490 thousand euros. The constitution of a guarantee grants the appeal under the terms of the TCRS a suspensive effect, whereby the eventual payment of the fine will be conditioned to the outcome of this process.

32. 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,