JOSÉ DE MELLO

IR Integrated Report 2023

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JOSÉ DE MELLO

01 Introduction

1.1 About this report

GRI 2-2, GRI 2-3, GRI 2-5, GRI 2-14

This is the second financial and sustainability information integrated reporting exercise carried out by José de Mello Capital, S.A., hereinafter referred to as "José de Mello", "José de Mello Capital", "JdM" or "parent company". Throughout the report is presented the consolidated information of an economic, environmental, social and governance nature, considered more relevant for José de Mello Group (hereinafter also referred to as Group) – José de Mello Capital and its respective investees – and for its stakeholders.

Covering the period between 1 January and 31 December 2023, the report reflects the consolidated data of the following investees: CUF, S.A.; Bondalti Capital, S.A.; José de Mello - Residências e Serviços, SGPS S.A. and WineStone, S.A.. Exceptions to this will be duly identified.

The document was prepared in accordance with the International Integrated Reporting Framework (IIRC) standards, of the Value Reporting Foundation, for the preparation of integrated reports and with the Global Reporting Initiative (GRI) directives, international framework for sustainability reporting. The financial statements, separate and consolidated, were prepared in accordance with International Financial and Reporting Standards (IFRS) guidelines, endorsed by the European Union.

In parallel, José de Mello is working on adapting its report to the demands arising from European Union regulations, namely regarding its alignment with the Corporate Sustainability Reporting Directive (CSRD).

Stakeholder consultation and materiality analysis contributed to defining the structure of this report, which therefore reflects the main impacts resulting from José de Mello's activity and the potential value creation challenges. Additionally, and within the scope of its commitment to sustainable development, contributions to the Sustainable Development Goals (SDG) of the United Nations 2030 Agenda are highlighted, as is the Group's Sustainability Agenda, which identifies its main commitments, goals and actions.

The Board of Directors approved the separate and consolidated financial statements, as well as the ESG (environmental, social and governance) information and other contents of the report. The approval translates the conviction that these documents reflect in a realistic and transparent manner the financial position of the Group, providing a comprehensive and true overview of its policies, procedures, management, practices and operating results, in accordance with the standards and guidelines assumed.

The financial statements, attached to this document, were subject to examination by an independent external entity, RSM & Associados – SROC, Lda, aligned with each "Legal Certification of the Accounts". Sustainability information has not been subject to external verification.

Any request for clarification may be sent via email to: info@josedemello.pt ou comunicacao@josedemello.pt

1.2 Materiality

GRI 2-12, GRI 2-14, GRI 3-1, GRI 3-2

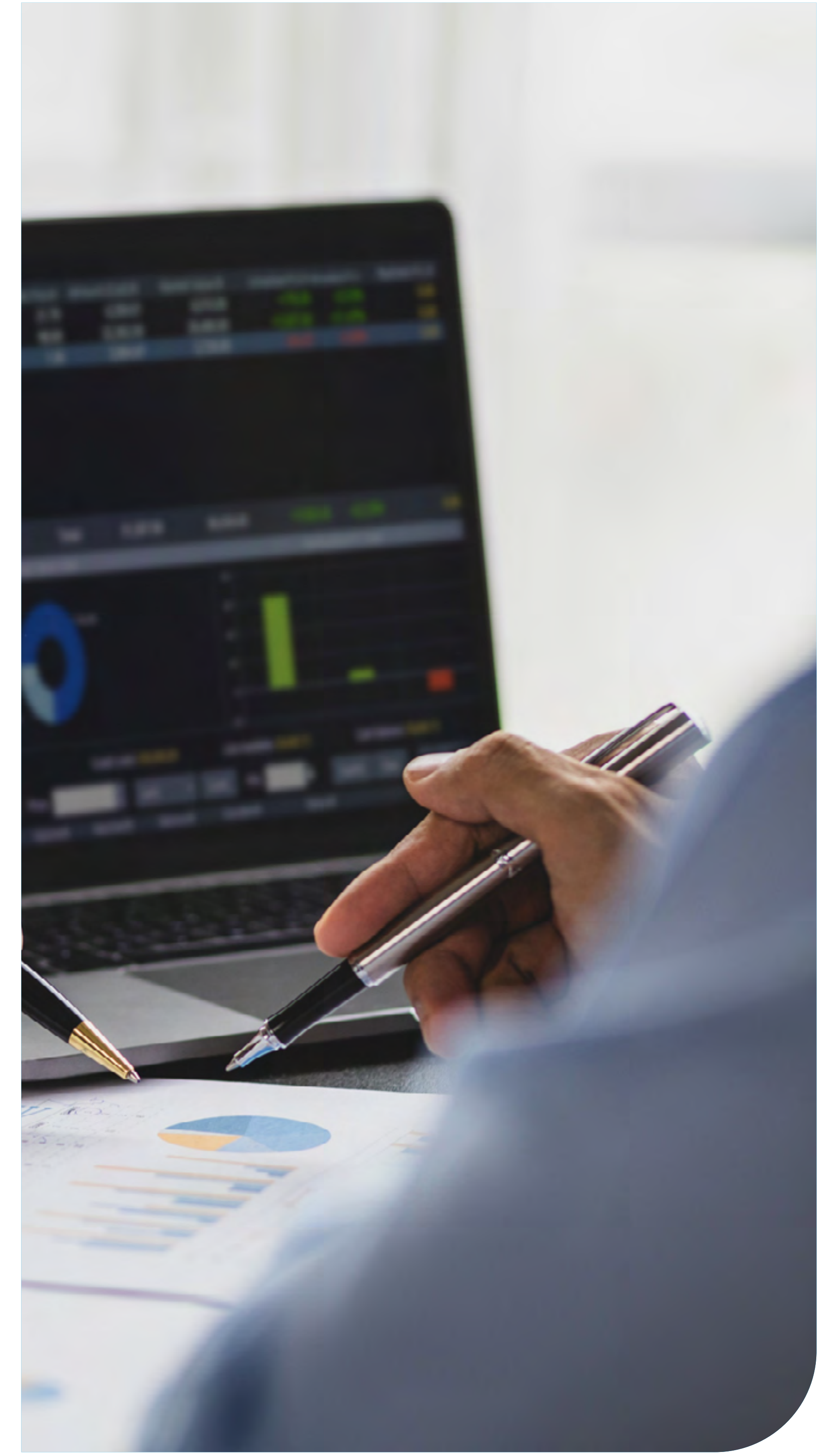
To identify the ESG themes, on which its action should be prioritised, José de Mello carried out, in 2022, a materiality analysis. In this way, it was possible to identify the areas with more significant impacts on the Group, as well as those that have the greatest impact on the organisation.

This process, which was based on stakeholder consultation, followed a methodology aligned with the guidelines of the GRI standards and the concept of dual materiality, anticipating the response to the requirements arising from the European Union's Corporate Sustainability Reporting Directive. This approach allows companies to determine the materiality of sustainability issues, balancing the general ability to create value with the interests of stakeholders:

Financial Materiality
Relevance, considering the impacts of ESG issues on the value creation potential of José de Mello

Impact Materiality
Relevance, considering the impacts on People, the environment and the economy, resulting from the activity of José de Mello

This exercise was carried out in six phases (as shown in the figure), resulting in the identification of **nine material themes**, which are the basis of José de Mello's Sustainability Agenda.



1. Benchmark analysis and Identification of potentially material themes

2. Mapping of stakeholder groups

3. Survey of entities and contacts to be consulted

4. Validation of stakeholder mapping with top management

5. Consultation with stakeholders

6. Internal discussion and validation with the Executive Committee

A. RESPONSIBLE INVESTMENT

José de Mello believes that integrating environmental, social and governance (ESG) strategies and practices into investment decisions and asset management will add value to the Group.

See index 4.2 Our business strategy

B. ECONOMIC PERFORMANCE AND OPERATIONAL EFFICIENCY

José de Mello prioritises the promotion of strategies that enhance the efficiency of operations and the financial performance of the businesses.

See index 5.1 Our financial results

C. ETHICS, TRANSPARENCY AND INTEGRITY

It is essential for the organisation to ensure ethical conduct based on good corporate management practices and the proper functioning of the supervisory and control bodies.

See index 6.2 The accountability of our management

D. BRAND AND REPUTATION MANAGEMENT

The Company's reputation vis-à-vis its stakeholders must be preserved; for this reason, corporate communication strategies and tools are implemented to assess José de Mello's brand perception.

See index 4.5 Involvement with Stakeholders

E. INNOVATION

It is part of the Group's culture to develop innovation-powered initiatives, valuing risk and the exploration of new ideas and partnerships.

See index 4.4 Innovation at the heart of our business

F. CLIMATE CHANGE

Because the preservation of natural capital is essential for the survival of the Group's business, the mitigation of climate change is promoted through the management of greenhouse gas emissions and energy consumption, as is the promotion of adaptation and resilience.

See index 5.3 We preserve the Planet

G. ATTRACTION, RETENTION AND DEVELOPMENT OF PEOPLE

The implementation of strategies and initiatives that consider the importance of people, as well as the definition of guidelines to improve skills and management performance will bring human value to José de Mello.

See index 3.6 Our People

H. DIVERSITY AND INCLUSION

It is crucial to promote diversity and inclusion, understood as recognition, respect and appreciation of differences between people.

See index 3.6 Our People

I. INVOLVEMENT WITH SOCIETY

José de Mello has always been linked to entities that contribute to the development of society and that implement actions, with a social impact, aimed at improving the quality of life of the population.

See index 5.2 We operate in Society

Governance themes · Environmental themes · Social themes

01 02 03 04 05 06 07

1.3 2023 at a glance

VALUE CREATION

1 319 M€ of operating income

95 M€ of net profit

0 non-compliances with laws and regulations

204 M€ of EBITDA

168 M€ of investment

74 % of purchases from national suppliers

PLANET

110 ktCO_2e scope 1 and 2 emissions [1]

3,2 M GJ of energy consumed

3,3 M m³ of water catchment

PEOPLE

8 209 employees

20 % of employees under 30 years of age

EFR certification

76 % women

145 k hours of training

3 m€ of donations and community support

[1] Market-based

01
02
03
04
05
06
07

1.4 Highlights of the year

The year 2023 was fraught with challenges, which tested the resilience of José de Mello and its businesses. Nevertheless, important achievements were attained, particularly in terms of the Group's growth strategy, which were only possible due to the commitment and dedication of its People.

In this section, all actions carried out throughout the year by José de Mello are categorised according to the three strategic axes and nine material themes, considered in the Sustainability Agenda. As for the investees, whose material themes differ from José de Mello's, their actions are classified according to the three strategic axes of action.

A VALUE CREATION

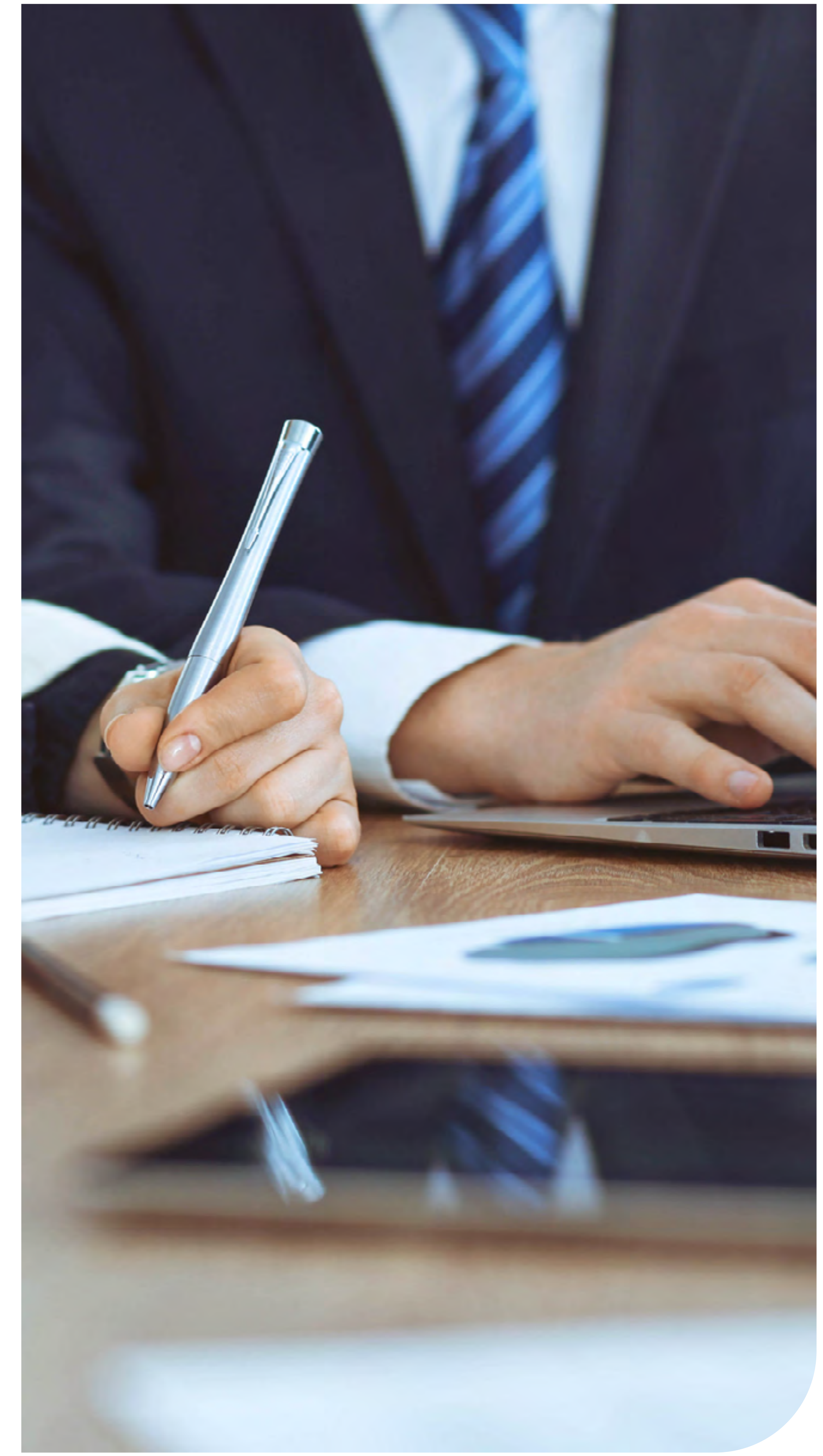
1. Responsible investment
2. Economic performance and operational efficiency
3. Ehitcs, transperancy and integrity
4. Innovation
5. Brand and reputation management

B PLANET

6. Climate change

C PEOPLE

7. Attraction, retention and development of People
8. Involvement with society
9. Diversity and inclusion



2023

JANUARY

- C 7 **CUF**, **Bondalti** and **José de Mello** join “Pacto para Mais e Melhores Empregos para os Jovens”, promoted by Fundação José Neves
- C 8 New edition of the program “Braço Direito”, of Junior Achievement Portugal, brings together 53 high-school students to follow a day’s work of volunteers of **José de Mello Group**
- A 3 **José de Mello** approves the Sustainability Agenda and Roadmap
- A Ravasqueira Vinhos business area integrates the consolidation perimeter of **José de Mello**
- A Clínica **CUF** Leiria begins its activity

FEBRUARY

- A 3 **José de Mello** and its investees complete the revision process of the transversal values of José de Mello Group – Human Development, Innovation, Competency and Integrity
- C 8 **Fundação Amélia de Mello**, in collaboration with the investees, launches “Prémios de Investigação Alfredo da Silva” (Investigation Awards) in the areas of Entrepreneurship, Technological Innovation, Mobility and industry, and Health
- A **Bondalti** inaugurates offices in Madrid
- A Opening of Clínica CUF Santarém, dedicated to Dental Medicine

MARCH

- C 8 Ser solidário, a project from José de Mello Group, delivers aid to: Cerciesta, Associação Padre Amadeu Pinto and Associação de Apoio à Juventude Deficiente
- A CUF acquires Hospital Internacional dos Açores, located on the Island of São Miguel
- A **CUF** is classified as the company of the healthcare sector most responsible at the ESG level according to the study “Merco Responsabilidade ESG”
- A For the eighth year running, **CUF** is recognised as “Marca de Confiança”, in its category, by the magazine Seleções from Reader´s Digest
- C **CUF** launches a new edition of the program Miles, for management training of 16 social institutions
- B For the third year running, **Bondalti** receives the Ecovadis platinum medal, attributed by this worldwide organisation dedicated to evaluating the sustainability of companies

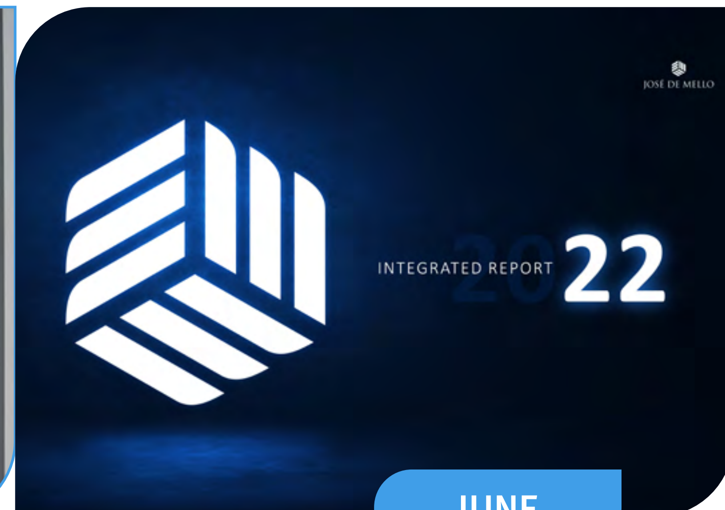
APRIL

- C 7 32 first line managers of **José de Mello Group** participate in the Advanced Leadership Program, developed in partnership with Universidade Católica Portuguesa and with Kellog School of Management
- A **Bondalti** presents a new image, reflecting a new ambition of growth and internationalisation
- B Reinforcing its commitment to sustainability, **Bondalti** adheres to the United Nations Global Compact Network Portugal

2023

MAY

- A The “Randstad Employer Brand Research” study identifies **CUF** as one of the most attractive companies to work for in Portugal
- A **CUF** achieves first place in the European Private Hospital Awards, in the category Green Hospitals and Social Responsibility and Best Application



JUNE

- C 8 **Fundação Amélia de Mello**, in partnership with Casa do Impacto and in collaboration with the investees, launches the program Impact Journey with the goal of supporting youth entrepreneurship in the areas of Agricultural Industry, Water, Education and Health
- A 3 **José de Mello** publishes its first Integrated Report
- B **CUF** adheres to the United Nations Global Compact Network Portugal and reinforces its commitment to sustainability
- A Launch of **Bondalti Water**, specialised in the design of solutions and execution of projects and services in the scope of the integral water cycle

JULY

- C **CUF** integrates the work group Diversidade, Equidade e Inclusão (“DEI”) (Diversity, Equity and Inclusion) of BCSD Portugal
- A For the second year running, **CUF** is the winner of the Helathcare category of the Marketeer Awards
- A Launch of Lifthium Energy, innovative entrepreneurial project for refining green lithium

AUGUST

- C 8 114 volunteers of **José de Mello Group** mark their presence at Jornada Mundial da Juventude Lisboa 2023
- A Pope Francis blesses the first stone of the Campus Veritati of the Católica Lisbon School of Business and Economics, future Edifício José Manuel de Mello

2023

SEPTEMBER

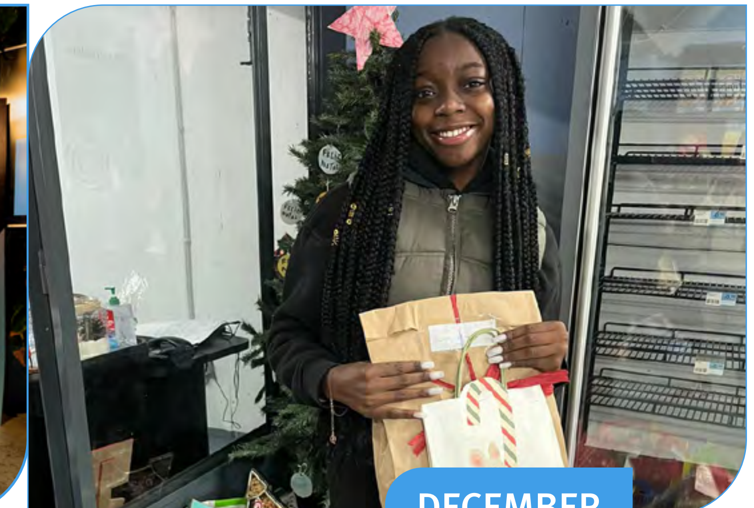
- C 8 Centro Comunitário da Paróquia de Carcavelos fosters the 12th Edition of Volunteer's Day with the participation of 100 volunteers of several companies of **José de Mello Group**
- C 7 **José de Mello Group** and Universidade Católica celebrate the 20th edition of Programa de Gestão para Executivos (PAGE)
- A **CUF** announces the acquisition of Grupo Clínica Médica Arrifana de Sousa and reinforces its presence in the north of the country

OCTOBER

- C 7 "Movidos a Talento" (Run by Talent) is the motto of the Senior Staff Meeting of **José de Mello Group**, which celebrates the importance of People and their talent in the context of the Group's growth ambition
- A Announcement of the investment in the future Hospital **CUF** Covilhã, with its opening foreseen for 2027
- A **CUF** materialises the acquisition of a majority stake in Atlanticare
- A Report of the Observatory of the Sustainable Development Goals (SDG) highlights **Bondalti** as an example of good practices
- A **WineStone**, a new business platform of José de Mello Group is launched to reinforce its presence in the wine sector
- A **WineStone** widens its portfolio, adding to Ravasqueira the brands Quinta do Retiro Novo, Krohn, Quinta do Côtto and Paço de Teixeiró

NOVEMBER

- A 4 Grow by **José de Mello** organises the second edition of the event "Grow by the River" during the Web Summit week and distinguishes the startup MyCareforce in the scope of the Grow Innovation Award
- A **CUF** makes its debut into the TOP 10 of the 100 companies with the best corporate reputation in Portugal, according to the study "Merco Empresas"
- A **Bondalti** distinguished in the Export and Internationalisation Awards of Jornal de Negócios in the category "Large Companies"

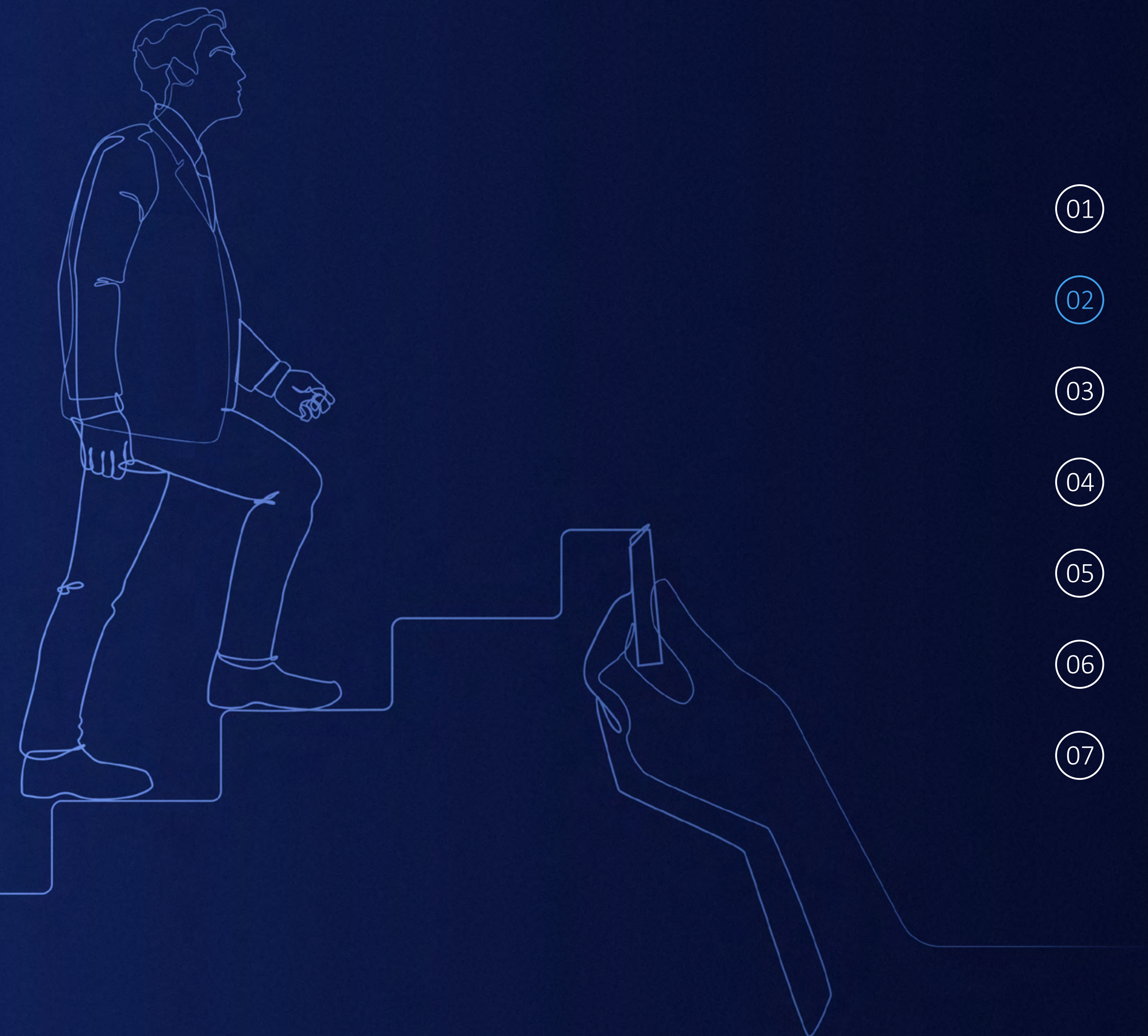


DECEMBER

- C 8 "Árvore do apadrinhamento", cross-cutting initiative of the **José de Mello Group**, covers 1 561 children, from 27 institutions of various regions of Portugal
- A 1 **José de Mello** issues sustainability bonds to finance rehabilitation works on its headquarters
- A **CUF** strengthens the accessibility of its website through a new tool aimed at people with disabilities
- A Ceremony for the attribution of scholarships for honours' and masters' degrees to children of employees of José de Mello, with the support of Fundação Amélia de Mello

JOSÉ DE MELLO

02 Our leadership commitment



2.1 Message from the Chairman

GRI 2-22

From an international macroeconomic perspective, 2023 was essentially marked by the improvement in global financial conditions, in a context of reduced inflation, despite high price volatility, increased debt service costs and a labour market with a high level of employment.

These dynamics resulted in a general increase in reference interest rates, particularly in the Eurozone and in the United States of America.

Portugal was not immune to the effects of the international macroeconomic context, but managed to register, in 2023, an inflation rate below the Eurozone average and a positive economic performance when compared to other countries.

Within this context, it is important to anticipate, to the extent possible given the information available, the variables and circumstances that could mark 2024.

Firstly, at the international level, I foresee a challenging year, given the plethora of elections in relevant economies, with the growing weight of the so-called populist parties, which carries possible political and economic risks, and given the continuing tensions caused by geopolitical issues, with an emphasis on the war in Ukraine, the relations between the United States and China and the situation in the Middle East.

It is therefore likely that protectionist policies, particularly in Europe and the United States of America, will intensify.

It is equally expected that central banks will start reducing reference interest rates and that, despite some fears of stagnation, or even recession, in relevant economies, market operations will increase, both in volume and in transaction value.

A slight increase in unemployment is still expected, although the resilience of the markets is more evident today than in the recent past.

Regarding Portugal, a slowdown in economic growth and higher pressure for salary increases is expected, along with low levels of unemployment, in a context of some political uncertainty due to the March 2024 legislative election results.

We are, therefore, faced with many political, economic and social challenges, requiring a strong commitment from society, as a whole, namely from political leaders, entrepreneurs and managers and from the Portuguese in general.

On the corporate side, I highlight the important role played by the Business Roundtable Portugal Association (BRP Association) and its associates, including José de Mello Group, in promoting a fairer, more prosperous and more sustainable Portugal.

I therefore reiterate the will and commitment of all members of the BRP Association to contribute to accelerating Portugal's economic and social growth.

As far as we are concerned, José de Mello Group, which had very positive consolidated results in 2023, slightly above those of the previous year that had already been a historic year, will do everything to continue its long-standing commitment to contribute to the development of the national economy and to the prosperity and sustainability of the communities where we operate, in Portugal and abroad.

The financial robustness and the growth ambition that drives us and that has materialised in many achievements in 2023 and early 2024, is the result of our shareholder´s commitment and family unity assuming a long-term vision and a strong alignment with the management implemented by José de Mello and, our businesses.

The present moment, one of ambition and confidence, but always guided by criteria of prudence and risk management, is also largely due to the professionalism, dedication and feeling of belonging to José de Mello Group of all our People, who are true ambassadors of our culture, our Purpose and our Values.

Vasco de Mello

April 2024

2.2 Message from the Chief Executive Officer

GRI 2-22

The José de Mello Group companies responded, in 2023, very positively to the contextual challenges that marked the year, among which I highlight the conflicts in Ukraine and the Middle East, on a geopolitical level, and the current inflation and increase in interest rates, on an economic level.

Domestically, we had the resignation of the Government and the consequent dissolution of the National Assembly, in January 2024, which led to the scheduling of legislative elections, held in March, the results of which do not completely rule out scenarios of political uncertainty.

Our companies' good response in 2023, with important achievements throughout the financial year, stems from the professional and exemplary way in which our leaders, and their teams, were able to implement the growth strategy defined by José de Mello in each of the companies.

It was this spirit of achievement and dedication of all our People, together with a very solid asset base, that led to another historic year in consolidated terms, with a net profit of 95 million euros, slightly above those of the previous year, and a book equity of 1,045 million euros.

The good results, the strong level of investment carried out by the Group's main investees – CUF, Bondalti and Brisa –, which topped 251 million euros, and the continuation of the debt reduction trajectory allowed us, once again, to reinforce our financial solidity, critical to maintain our growth ambitions intact for the coming years, from Portugal.

Before emphasising the most relevant achievements, I want to highlight that 2023 was the first year WineStone, created to integrate and manage our wine sector assets, withinour consolidation perimeter.

2023, A YEAR OF RELEVANT ACHIEVEMENTS

Our companies' activity was, as previously highlighted, full of important achievements.

Bondalti recorded very positive results, with high production levels and market share gains, which offset the pressure on sales prices and the slowdown in the European economy. It maintained a reference position in the climate transition and in the objective to reach carbon neutrality by 2030. At the beginning of March 2024, it launched a takeover bid on the Spanish company Ercros, in a process that will take place over the next few months, and which will lead, if successful, to the creation of a chemical industry of reference at the Iberian level.

CUF maintained its trajectory of strong growth and a great capacity to respond to increased demand, with positive results, having widened its offer to reach more population, with the opening of the Leiria clinic and the start of construction of the future hospital in the same city , with the acquisitions of Hospital Internacional dos Açores, from the Arrifana de Sousa Group, and of 51% of Atlanticare. Aditionally, it continued the development of innovative models, namely home hospitalisation and digital and technological solutions. CUF was also recognised as a "Marca de Confiança" (Trusted Brand) in its category, by the Seleções Reader's Digest magazine, for the eighth consecutive year, and won the Marketeer Awards in its category, for the second consecutive year.

Having exceeded the one billion euros revenue milestone for the first time, Brisa achieved, in 2023, an improvement in performance across its business units and recorded an increase in traffic on its motorways. In line with the Vision 28 strategic plan, Brisa's core objectives are to develop and grow its different business areas, continuing to build a portfolio of mobility assets and strengthening its exposure to international markets.

With high occupancy levels in its two units, José de Mello Residências e Serviços maintained, in 2023, a truly distinctive service quality.
In its first year as part of José de Mello consolidation perimeter, the wine business area continued the trend of sales growth, increasing exports and improving profitability. After the launch of WineStone, José de Mello Group´s new institutional brand for the wine sector, the teams were reinforced and an ambitious growth process was launched, adding to Ravasqueira the estates of Quinta do Côtto, Paço de Teixeiró, Quinta do Retiro Novo and, in early 2024, Quinta de Pancas.

Financial year 2023 was also marked by the creation of Lifthium Energy, a company that aims to leverage the Group's industrial skills from Bondalti and develop an innovative green lithium refining project for the battery value chain, thus contributing to the electrification and decarbonisation of the economy. The new investment decision phase in this business project should take place between the end of 2024 and the beginning of 2025.

SUSTAINABILITY, INNOVATION AND TALENT MANAGEMENT

The success of the growth strategy defined for José de Mello Group, in existing businesses, in new areas and in increased exposure to international markets, depends largely on how we reconcile the complementary contributions of our Sustainability, Innovation and Talent Management agendas.

In this sense, I highlight the implementation, in the last year, of most of the actions foreseen in our Sustainability Roadmap, which materialises our commitment to pursue sustainable business growth.

Still in this area, and of note in 2023, is the publication of the first José de Mello Integrated Report, the issuing of sustainability bonds, the calculation of our carbon footprint and the definition of an impact investment strategy.

From a corporate citizenship perspective, I would highlight the active and committed participation in the Business Roundtable Portugal Association, the support given to the World Youth Day Lisbon 2023, the award of scholarships to children of employees, in partnership with Fundação Amélia de Mello, and the adherence by José de Mello, CUF, Bondalti and Brisa, to the "Pacto para Mais e Melhores Empregos para os Jovens (Pact for More and Better Jobs for Young People)", promoted by Fundação José Neves.

For our main companies, 2023 was another good example of important distinctions in the area of sustainability: CUF was classified as the most responsible company in the healthcare sector in terms of ESG according to the “Merco Responsabilidade ESG” study, Bondalti achieved, for the third consecutive time, the EcoVadis Platinum certification and Brisa was once again distinguished by the GRESB ranking, in addition to being the best classified company by the Merco study, in the infrastructure and construction sector.

In terms of Innovation, I highlight our involvement in the national entrepreneurship ecosystem, with an emphasis on the Grow program, which has already celebrated more than 50 partnerships, and the third edition of the Grow Innovation Award, are to be highlighted.

Regarding Talent Management, we continue to implement a groupwide project, the main objective of which is to promote the development of our People, as a critical contributor towards the growth of our Group.

It was in this context that we implemented, in 2023, leadership programmes aimed at the executive management and the first-line managers of all our businesses, in partnership with leading educational institutions.

Still in 2023, we designed an Internal Mobility Program that was launched in March 2024 and offers our People the opportunity to participate in internal recruitment processes, thereby reinforcing professional growth and development.

With the aim of reconciling the professional, personal and family lives of our People, I highlight that José de Mello renewed its EFR (Entidade Familiarmente Responsável - Family Responsible Entity) certification at the beginning of 2024.

Before ending my message, I want to thank our shareholder partners for sharing a common strategic vision in the companies in which we create value together.

I want to express, once again, my gratitude for the dedication and professionalism demonstrated by all our People and reiterate our commitment to the sustainable growth of the Group and to the economic and social development of all the communities in which we are present, in Portugal and abroad.

Salvador de Mello

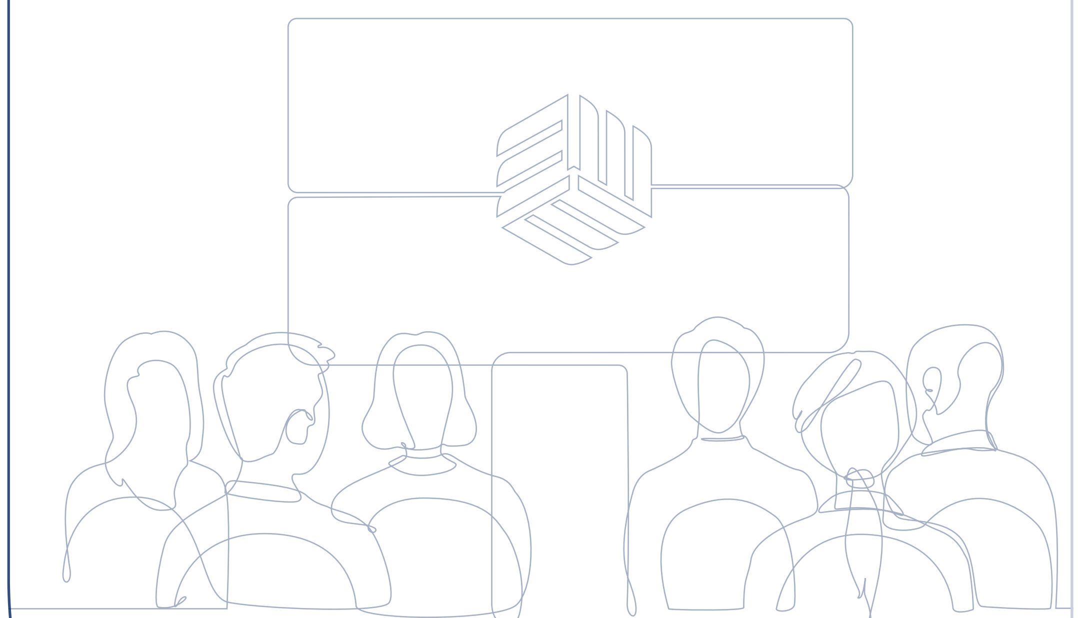
April 2024

JOSÉ DE MELLO

03

José de Mello Group

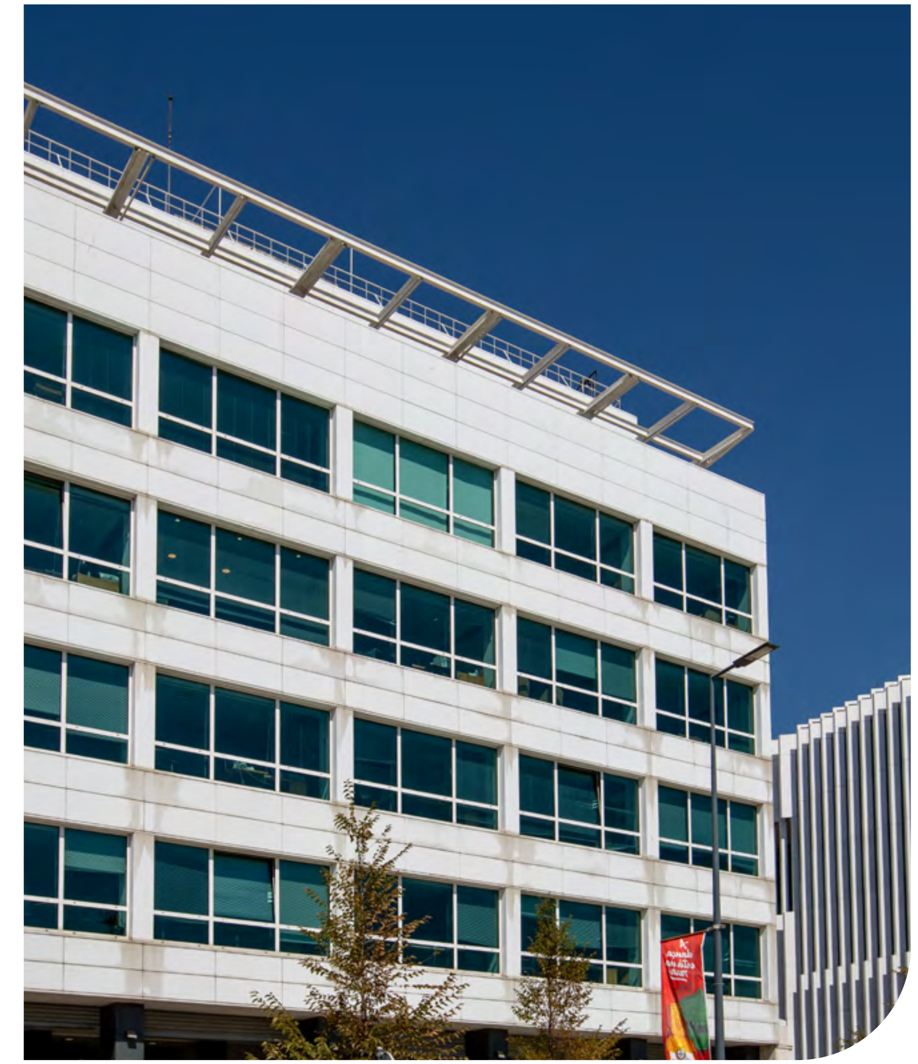
3.1 Who we are



José de Mello Group is a portuguese corporation with a history of more than 120 years marked by resilience, trust and entrepreneurship.

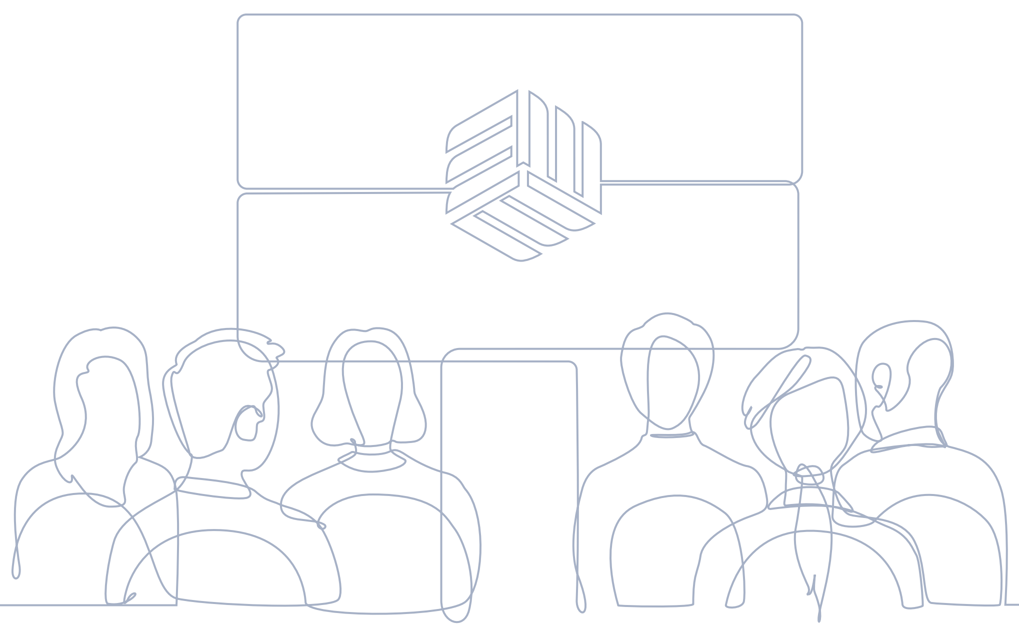
With a stable and nationally based shareholder structure, it is recognised as one of the largest economic groups in Portugal. Its diversified operations include a set of financial holdings in different sectors of the economy, including healthcare provision, chemical industry and water treatment, road infrastructure and mobility, services and solutions for senior citizens and wine production and trading.

Supported by a distinct organisational culture, José de Mello Goup´s main Values, which are transversal to all its investees, are Human Development, Innovation, Competence and Integrity. Placing the dignity of People at the centre of its operations, the Group promotes the development of individual skills, encouraging autonomy and continuous development. Furthermore, it encourages an entrepreneurial mindset and a constant search for new solutions and opportunities to create value and drive growth.



With a long-term strategic vision, José de Mello Group aspires to excellence and consistency in all its activities, promoting individual accountability and teamwork. The Group also has a strong commitment to the sustainable development of Portugal.

3.2 Our History



1898

Founded by Alfredo da Silva, upon assuming the status of shareholder and leader of CUF

1908

Inauguration of the first CUF factories in Barreiro

1920

Entry into Casa José Henriques Totta

1927

Creation of Tabaqueira

Foundation | Expansion | Reconstruction | Resilience and recovery | Ambition and growth

01 02 03 04 05 06 07

1942
Creation of Companhia de Seguros Império

1945
Inauguration of CUF Hospital (Infante Santo)

1961
Foundation of Lisnave

1964
Creation of Fundação Amélia de Mello

1975
Nationalisation of the CUF Group
At the height of its activity, the CUF Group was the largest private Portuguese group, with 110,000 employees and representing 5% of GDP

1979-1998
Beginning of the Group's reconstruction with the acquisition of Uniteca (1979)
Incorporation of the holding José de Mello (1988)
Creation of Banco Mello (1991)
Acquisitions: Império (1992), Soponata (1993), Quimigal (1997)

Foundation | Expansion | Reconstruction | Resilience and recovery | Ambition and growth

2000-2001

Sale of Lisnave
Entry into Brisa and Efacec
Merger of Banco Mello and the insurer Império with BCP, the largest Portuguese private bank
Inauguration of Hospital CUF Descobertas

2009-2011

Start of management of the hospitals of Braga and Vila Franca de Xira
Expansion of the Estarreja Chemical Complex

2013

PAO of Brisa

2017-2019

JOSÉ DE MELLO GROW connect & accelerate

Creation of the Grow program
Industrial chemicals' business with new Bondalti brand and new plant in Spain
Expansion of the CUF network of hospitals and clinics

2020-2022

CUF becomes a single brand in healthcare. José de Mello Group sells 40% of Brisa. Change in the Group's executive leadership, definition of the Purpose and of a growth strategy
Bondalti invests in the water treatment business area

2023

WINESTONE GROUP

Bondalti presents a new image. CUF pursues its network expansion plan reaching the Island of São Miguel with the acquisition of Hospital Internacional dos Açores, which changes its name to Hospital CUF Açores. Creation of WineStone, to manage assets in the wine sector, and Lifthium Energy, to develop a lithium refining project

Foundation · Expansion · Reconstruction · Resilience and recovery · Ambition and growth

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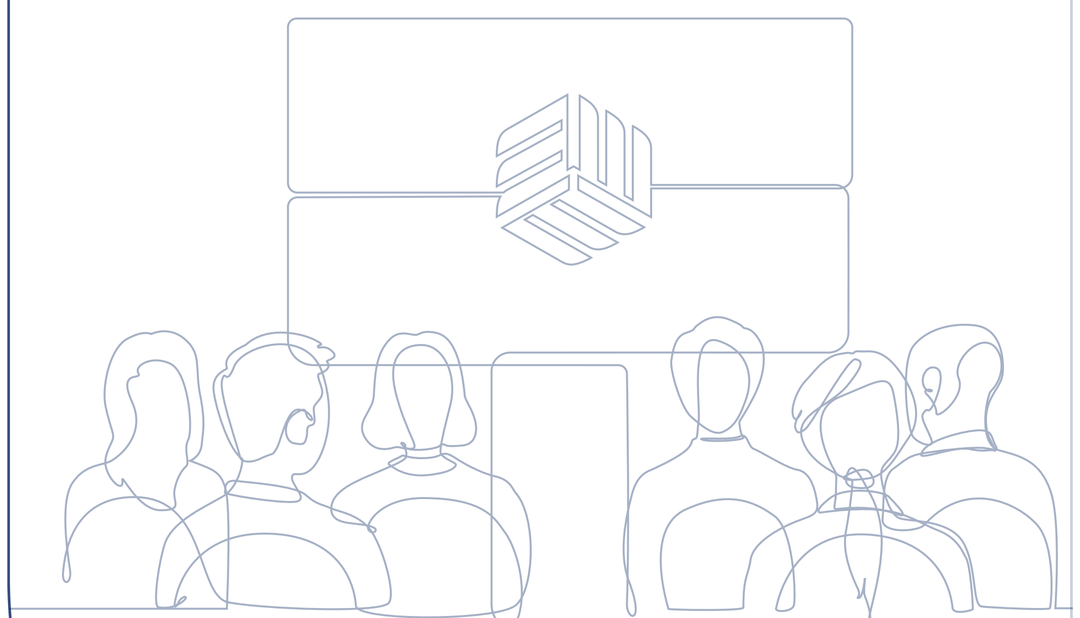
3.3 What guides us



While business leader in Portugal, committed to excellence, entrepreneurship and sustainable development, the Group seeks to create value and promote economic growth in several key areas of the Portuguese economy, maintaining diversified operations and a future-oriented strategic approach.

Purpose

We nurture our legacy of excellence, entrepreneurship and talent to create prosperity and sustainable development in and beyond Portugal

Strategy

In constant movement and based on Dimension and Value Creation, the Group leads vital areas of the Portuguese economy. It assumes a future-oriented strategy, which means the ability to manage mature businesses, to identify new high-potential business opportunities, and to lead company or business restructuring processes

Vision

To be an international reference in value creation and sustainable growth through a diversified business portfolio

The Group's culture is based on its Values, which guide conduct and management in all businesses. Both in consolidated operations and in future projects, **Human Development**, **Innovation**, **Competence** and **Integrity** are fundamental elements for José de Mello Group's success.

Human Development

We place people's dignity at the centre of our decisions and contribute to the development of their skills, promoting autonomy and continuous learning

Innovation

We foster an entrepreneurial culture and an open and curious mindset, constantly pursuing new solutions and value creation opportunities

Competence

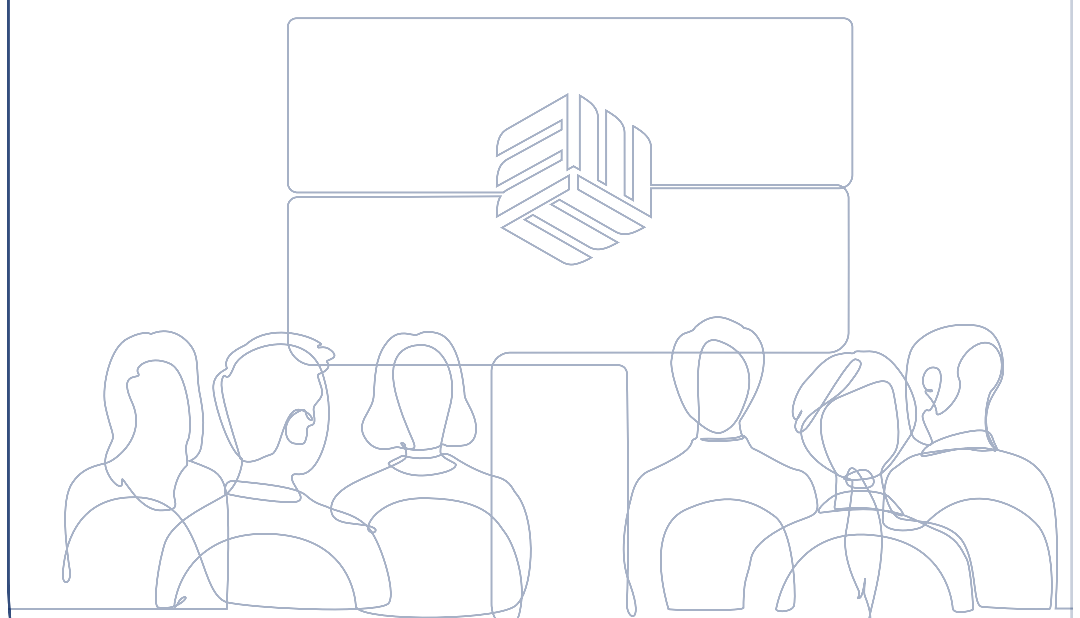
We encourage a mindset that aims for continuously doing more and better, through individual responsibility and teamwork, striving for excellence and consistency

Integrity

We promote ethical and honest behaviour, building trustworthy and loyal relationships, treating everyone fairly and truthfully

3.4 Our portfolio

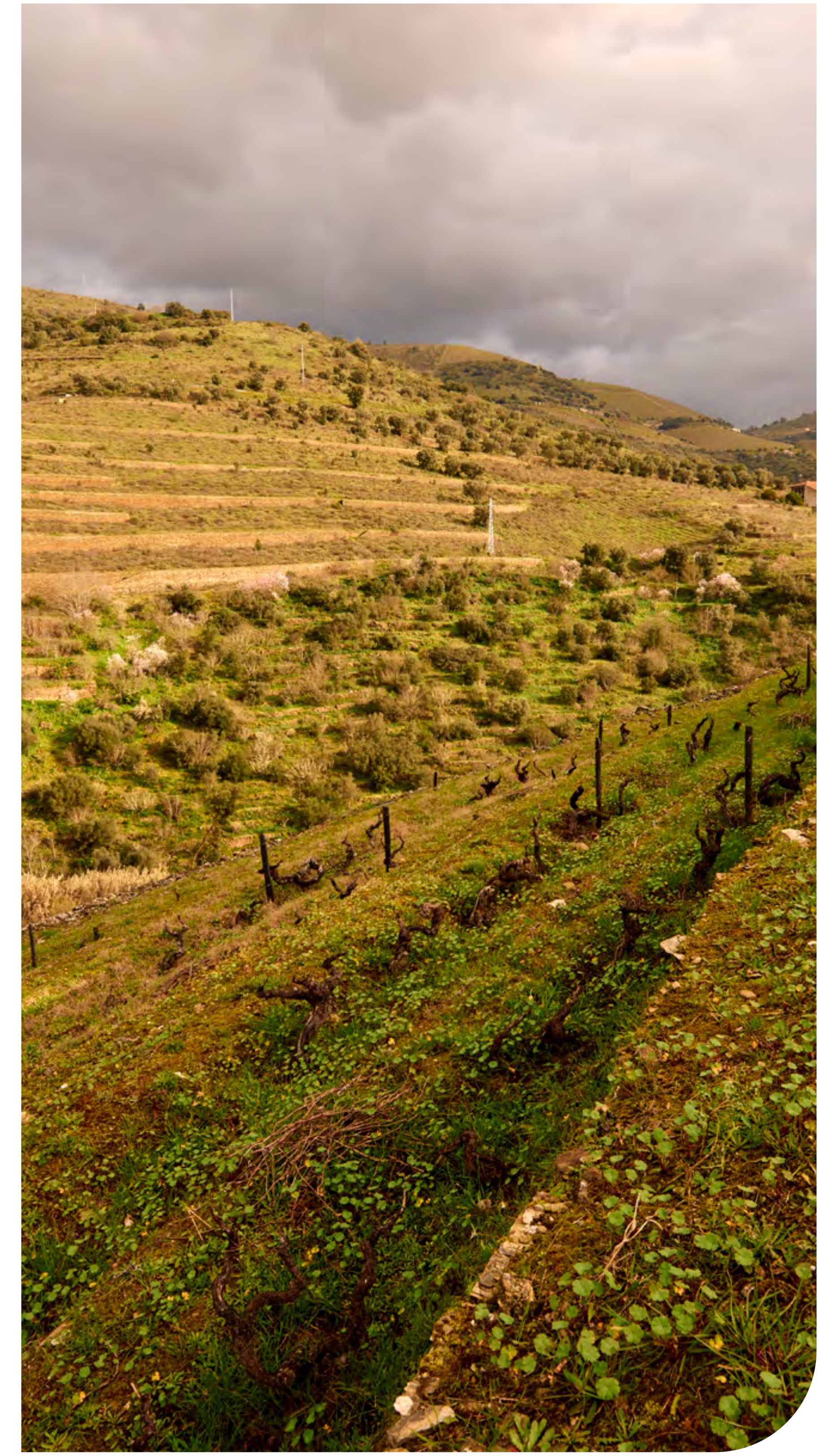
GRI 2-6



José de Mello Group stands out for its diversified intervention in several key sectors of the economy, through financial interests in companies with a competitive positioning. In 2023, it expanded its portfolio with the entry of a new business platform, WineStone, and a green lithium refining project, Lifthium.

The Group is subject to a set of external and internal risks that may have implications for performance, cash generation, or the value of José de Mello and its investees.

Portfolio diversification allows the partial mitigation of existing risks. Additionally, as a way of mitigating identified risks, José de Mello Group continually seeks to ensure the alignment of the capital structure with the defined risk profile, execute the business plans of the investees to capture efficiency opportunities and improve the capital structure, actively and transparently manage the relationship with shareholder partners and pursue the diversification strategy defined with the analysis and realisation of new investments, with a careful risk analysis by its investment committee.



BONDALTI

Holding: 100%

With a national and international presence, Bondalti is the main Portuguese private group in the chemical industry sector. Its production activities are essentially focused on the chlor-alkali (CAP) value chain, in the inorganic chemicals segment, and, in the organic chemicals segment, on the aniline and derivatives (ADP) value chain. It currently occupies a competitive position in these markets, being the Iberian leader in the production of chlorine and hypochlorite, the European leader in sales of aniline and mononitrobenzene (MNB), as well as one of the world's main non-integrated aniline producers.

Its business model also extends to the design of solutions and the execution of projects and services within the scope of the Integral Water Cycle, not only in the Iberian market, but also internationally.

For more information about Bondalti and its performance, please consult the respective website and/or the 2023 Integrated Report.

523 M€ of operating income	96 M€ of EBITDA	51 M€ of Net profit
1,7 kt industrial chemical products produced	1060 $ktCO_2e$ emitted (scope 1, 2[1] e 3)	752 employees
45 k training hours	2,4 € invested in the community	

Chemical production and water treatment

CUF

Holding: 65,85%

Leader in the provision of quality private healthcare in Portugal, CUF seeks daily to promote a range of services with the highest levels of quality and knowledge, respecting the primacy of life, without neglecting its environmental impacts.

To provide healthcare adapted to the individual needs of each person, CUF carries out its activity in an integrated and comprehensive manner, bringing together a network of 21 hospitals and clinics (32 as from 2024), digital tools and new forms of proximity care provision.

Since the beginning, it has promoted the constant evolution of Medicine, participating in the Country's development, namely through the establishment of partnerships with the main university and scientific institutions. Alongside this, it invests in the development of teaching, training and research programmes, which promote the permanent updating and innovation of its professionals and the scientific and medical community.

For more information about CUF and its performance, please consult the respective website and/or the 2023 Integrated Report.

756 M€ of operating income	120 M€ of EBITDA	38 m€ of Net profit
24 healthcare units	2,9 M medical appointments	64,5 k surgeries
4,3 k deliveries	165 $ktCO_2e$ emitted (scope 1, 2[1] e 3)	15 k employees
+97 k training hours	477 k€ invested in the community	

Healthcare provision

Grupo Brisa

Holding: 16,73%

Brisa is a mobility operator with strong national and international experience in operating road infrastructure. With a solid base in the development and management of mobility services, under the commercial brand Via Verde, it has played a key role in the financing, definition, construction and operation of a motorway network that covers the main road axes in Portugal, covering the country from north to south and east to west.

For more information about Brisa and its performance, please consult the respective website and or 2023 Integrated Report.

1 004 M€ of operating income	755 M€ of EBITDA	255 M€ of Net profit
1 549 Km concessioned	9,8 M Km patrolled	31 Colibri Via Verde units
1,7 M inspections	4,9 M€ vehicles equipped with Via Verde identifiers	2 995 employees
5,3 $ktCO_2e$ emitted (scope 1 e 2[1])		

Brisa doesn´t integrate the consolidation perimeter of José de Mello Group.

Road infrastructures and mobility

[1] Market-based

JOSÉ DE MELLO RESIDÊNCIAS E SERVIÇOS

Holding: 69,585%

José de Mello Residências e Serviços is a centre of excellence in the development of residential solutions and assistance programmes for orthopaedic, geriatric and neurological recovery and rehabilitation. To this end, it assumes the management of two residential units that operate under the brand Domus Vida, in Lisbon and in Estoril.

For more information about José de Mello Residências e Serviços and its performance, please consult its website.

8,5 M€ of operating income

1,6 M€ of EBITDA

53 k€ of Net profit

2 residential units

0,9 $ktCO_2e$ emitted (scope 1, 2[1] e 3)

215 employees

900 training hours

Solutions and services for seniors

WINESTONE GROUP

Holding: 100%

WineStone, founded in 2023 due to Ravasqueira Vinho's performance over the last decade, now manages assets not only in the Alentejo, but also in the Douro, "Vinhos Verdes" and, since the beginning of 2024, also in the Lisbon regions. It has a wide portfolio of brands, which includes Ravasqueira, Quinta do Retiro Novo, Krohn, Quinta do Côtto and Paço do Teixeiró. With a positioning focused on preserving the natural and human winemaking heritage of the past, the Company is currently committed to executing a development plan to take Portugal's most admired brands to the global market.

For more information about WineStone and its performance, please consult the website.

24 M€ of operating income

2,7 M€ of EBITDA

1,67 M€ of Net profit

23,3 M€ of wine sales

0,3 $ktCO_2e$ emitted (scope 1 e 2[1])

77 employees

496 hours of training

Production, trading and distribution of wine products

Lifthium

Holding: 100%[2]

Lifthium is a company, in the project phase, dedicated to the production of green lithium. It aims to become the main global player in green lithium refining, contributing to the electrification of mobility through renewable energy sources and advanced processes with a low carbon footprint.

For more information about Lifthium and its performance, please consult the website.

[2] 85% direct shareholding, 15% indirect shareholding through Bondalti.

Lithium hydroxide production

[1] Market-based

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3.5 Where we are located

GRI 2-1

Note
In January 2024 CUF concluded an acquisition process for Clínica Arrifana de Sousa Group, initiated in 2023, enlarging its presence in the North of Portugal, namely in the municipalities of Tâmega e Sousa (Penafiel, Paredes, Lousada, Marco de Canaveses and Amarante)

In January 2024, WineStone acquired Quinta de Pancas, situated in the municipality of Alenquer, in the Lisbon wine region

Click on the location to activate the list of units

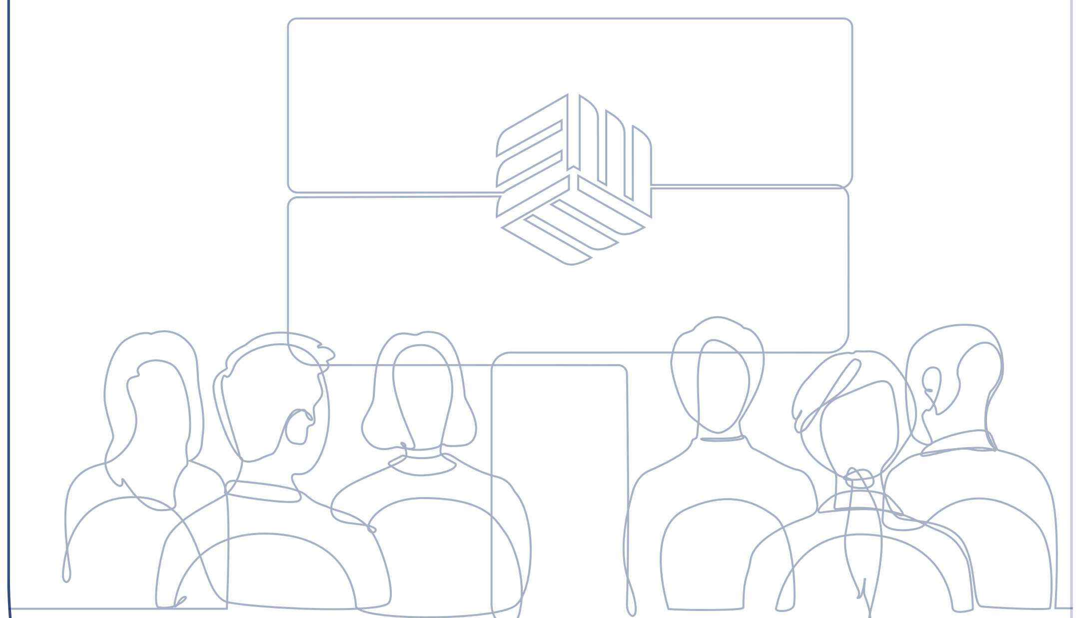
cuf | BONDALTI | JOSÉ DE MELLO | JOSÉ DE MELLO RESIDÊNCIAS E SERVIÇOS | WINESTONE GROUP

Offices Production units Logistics

01 02 03 04 05 06 07

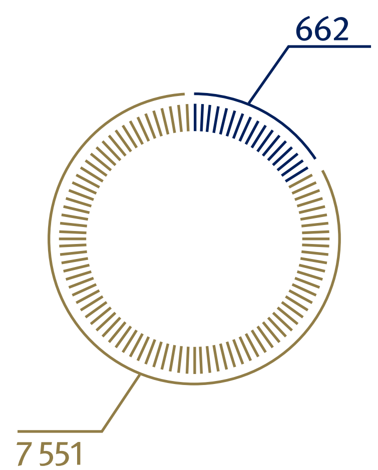
3.6 Our people

GRI 2-7, GRI 3-3, GRI 401-2, GRI 404-1, GRI 405-1, GRI 406-1



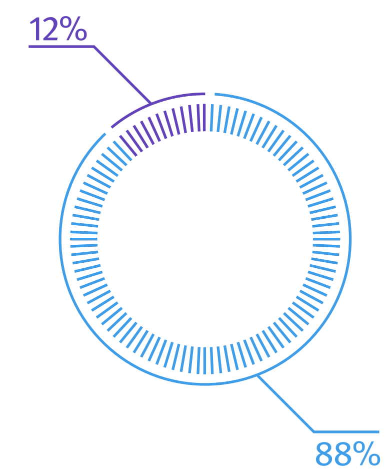
José de Mello believes that the knowledge and skills of each one of its People represent a valuable asset and, therefore, invests in their development and encourages the realisation of their full potential, in all areas of business.

Total employees by work regime



- Part-time employees
- Full-time employees

Total number of employees by type of contract



- Permanent employees
- Temporary employees

In this context, and placing People at the centre of its concerns, the Group has implemented, since 2021, a **Transversal Talent Project** with the aim of guaranteeing the sustainability of talent and promoting the development of employees. This project, which was continued in 2023, integrates a set of initiatives that directly impact the ability to implement the strategy of attracting and retaining talent in the short- and medium-/long-term.

TESTIMONY

"The importance of our People and the contribution of everyone, leaders and their teams, to José de Mello Group's success was the central theme of our Senior Management Meeting. An opportunity to reinforce the spirit of belonging and share testimonies and experiences that prove that our People and their talents are the force that moves us and a fundamental pillar of the Group's sustainability."

Luis Wissmann
People and Talent Management Manager
José de Mello

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Diversity and inclusion

Defending an inclusive, integrating and diverse culture, the Group's companies are spaces where all People are welcome, and where a work environment attentive to their well-being, health and safety is promoted, providing conditions that actively contribute to their motivation and productivity.

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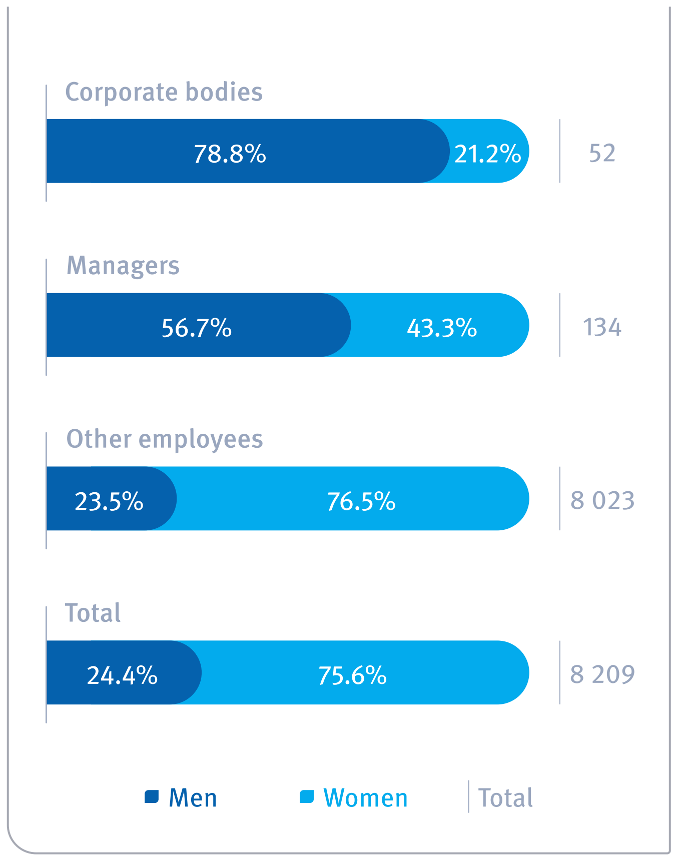
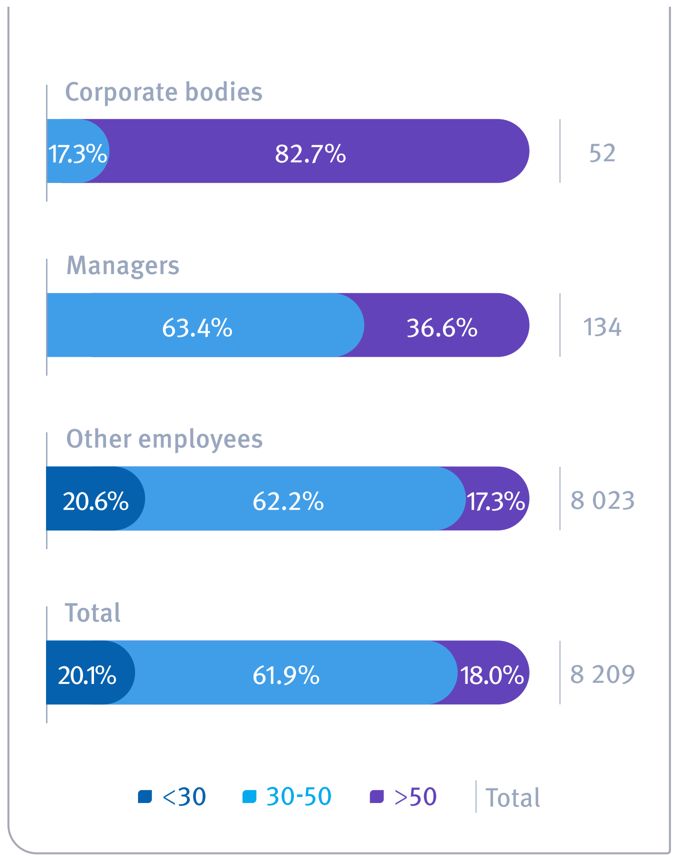
Cases of discrimination registered in 2023

Employees by gender and professional category



Employees by age and professional category



This approach is consolidated in the formal commitment to promote diversity and inclusion, assumed by José de Mello Group, which is focused on four fundamental pillars of intervention:

GENERATIONAL

Invests in the rejuvenation of teams, without neglecting their generational multiplicity, which is reflected in encouraging the sharing of knowledge and strengthening of intergenerational relationships

SOCIAL-CULTURAL

Integration of people with different backgrounds, cultures, ethnicities or personalities that enable new perspectives and ways of being, to better face current and future challenges

GENDER

Promotion of parity, effective balance and equal opportunities for all people, regardless of their gender

DISABILITIES

Promotion of equal opportunities for and integration of people with disabilities

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The operationalisation of the measures associated with this commitment is the responsibility of the Diversity and Inclusion work team, supported, whenever necessary, by specific areas or departments of José de Mello. Their approval and monitoring, in turn, is the responsibility of the recently appointed Diversity and Inclusion Committee.

In 2023, within the scope of the generational pillar, in particular the development of qualified senior professionals, based on values of cooperation, common objectives, and the commitment to transform contexts, mentalities and attitudes, José de Mello became a **promoting partner of Associação dNovo (Association)**.

Regarding the attraction of Young talent, José e Mello was one of the signatory companies of the **"Pacto para Mais e Melhores Empregos para os Jovens"** (**Pact for More and Better Jobs for Young People**), an initiative of Fundação José Neves ("FJN"), with the High Patronage of the President of the Republic, which promotes hiring, retaining and improving the conditions of youth employment, guaranteeing them quality employment with adequate salaries.

To better ensure a healthy and comfortable working environment, promoting teamwork, the feeling of belonging and the well-being of employees, a **workplace strategy project** was approved during 2023, to rehabilitate the José de Mello Group's headquarters' building on Avenida 24 de Julho. The aim of this is to promote new forms of work organisation, considering the current demands and needs of the Company's People, as well as ensuring the necessary accessibility changes to properly welcome and integrate people with mobility disabilities.

EFR - Entidade Familiarmente Responsável (Family Responsible Entity Certification)

In addition, while **Family Responsible Entity –**, José de Mello maintains a continuous focus on programmes and initiatives, based on five strategic pillars – family support, professional and personal development, temporal and spatial flexibility, equal opportunities and quality in the workplace –, which reflect a common commitment: the well-being of all employees (physical, emotional, social, professional and financial). In this context, 39 measures are currently mapped, including General Medicine and Nutrition consultations; leave to accompany parents or direct ascendants, and the José de Mello Group's Volunteer Program (more information in "5.2 We operate in Society").

During 2023, the audit process took place to renew the FRE certification at José de Mello and M Dados, attributed by Fundação Másfamilia, in early 2024. This process included carrying out a satisfaction assessment survey open to all employees of José de Mello covering the 39 FRE measures, which had a **participation rate of 82%**.

Through this, it became clear that all employees know the FRE team and recognise their effort to communicate existing measures, to improve existing measures and benefits and their value. The hybrid work regime (possibility of teleworking), applied at José de Mello, remains an option highly valued by employees, who recognise José de Mello as an organisation that cares about and values its People. Employees consider that the Board's commitment to Conciliation is clear and admit to the existence of good communication and working relationships with most of the various levels of management.

People Development

The Group continues to invest in the development and retention of its talent. The **assessments** made in 2022 of all C-Level employees and first-line managers, made it possible to determine the skills gap in relation to the Group's leadership profile. These results were analysed in two sessions of the Talent Committee and served as a basis for discussing the succession and development plans. To fill the gaps identified, an **"Advanced Leadership Program"** was developed in partnership with Universidade Católica and Kellogg, which, in 2023, included the **participation of 50% of the Group's First-Line Managers**. At the same time, with the purpose of strengthening the Group's leadership capabilities, the **"Leader as Coach"** program for C-Level employees was designed and implemented.

As in previous years, another edition of the Programa Avançado de Gestão para Executivos (**"PAGE"**) (Advanced Management Program for Executives) was promoted for the Group's senior management. At the start of this 20th edition, as a celebration, all the students who participated in it and personalities who contributed to its success and to the Human Development experience, while transversal value of the Group, were invited on-stage.

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BONDALTI

In the scenario of a business group in continuous expansion, the year 2023 at Bondalti appears as a milestone in the strengthening of skills aimed at the **digital transformation** and the **rejuvenation of Human Capital**, with special emphasis on **attracting and retaining new generations of professionals**.

In this context, to streamline and improve the transparency of all human resources administrative processes, the **Employee Portal** was launched, a platform that enables employees to update their data and carry out routine tasks, such as scheduling holidays or declaring overtime, thus promoting greater autonomy and efficiency in personnel management.

More information in
"Integrated Report Bondalti 2023"

Diversity and inclusion

Bondalti is committed to promoting an inclusive, integrating and diverse corporate culture, guiding its actions by welcoming, developing and providing equal opportunities for all those who work with it, in alignment with the approach established by the Group.

To promote the integration of people with different social-cultural origins, ethnicities or personalities, which enable new perspectives and ways of being within the organisation, Bondalti relies on **Blind CVs** to prepare the shortlist of candidates to a position in the organisation. This practice involves removing the identification of gender, age, nationality, social-cultural context and the base academic qualification from CVs, keeping only the experience and additional training.

In 2023, as with José Mello, it was one of the signatory companies of the **"Pacto para Mais e Melhores Trabalhos para os Jovens (Pacto for More and Better Jobs for Young People)"**, the objectives of which include an increase, by 2026, of 14% of young people hired, of 7% of qualified young people with adequate salaries and of a further 3% with adequate functions.

People Development

Every year, Bondalti's employees are invited to comment on their training needs, through a self-proposed training dynamic, which is integrated into the annual training plan. In addition to the training actions identified by employees, the Company promotes the development of transversal skills, on various topics such as languages, safety and digital productivity tools.

The training is also aligned with the talent management process, in that, based on the assessments carried out, training is incorporated into individual development plans, ensuring that it is adjusted to the needs of each person.

The involvement of employees in national and international events and congresses is also encouraged, with the aim of sharing knowledge, participating in debates and staying up to date with the latest developments in their area.

In 2023, Bondalti employees undertook **44 756 hours of training.**

TESTIMONY

"In addition to the excellent training program, the ALP (Advanced Leadership Program), was an opportunity to share experiences and good practices among peers. It was very special for me to be able to participate, from its design to its implementation. It was very gratifying to realise, in the end, just how much each one of the participants felt impacted by the experience. We left a more cohesive group with new individual perspectives, but also with new ideas for team management."

Rosa Calinas
People Manager
Bondalti Capital

Occupational Safety and Health (OSH)

Bondalti ambitions, in 2025, to have an interdependent culture in terms of Safety, which presupposes that all individuals must care about themselves and others, without the need to be corrected. Furthermore, it believes that any and all accidents can be avoided, with its objective being to achieve zero workplace accidents, even if the nature of its activities naturally involves high risks.

The year 2023 will be marked by the search for improving behavioural safety, particularly through the Rules Save Lives (RSL) project, within the scope of which, on 28 April, World Safety Day, posters and leaflets were launched and work sessions carried out, on a set of critical rules for the performance of the Company's activity without accidents at work. These efforts also included the development of best practices associated with these rules, with a view to making them more present in everyday behaviour and, some, even mandatory. In addition, the multidisciplinary review of procedures was continued, to improve implementation strategies that guarantee their acceptance by all People and their applicability to the real context.

STRATEGIC AXES IN THE MANAGEMENT OF BONDALTI'S PEOPLE

CONTINUOUS DEVELOPMENT

Empower leaders and teams, developing critical skills to achieve the goals defined for the business

COHESION AND WELL-BEING

Strengthen the organisation's identity and culture, maintaining respect for people, recognising their contribution to the objectives achieved and involving them in the path to be followed

REJUVENATION

Promote the rejuvenation of human capital, ensuring the construction of knowledge and experience between generations

CORPORATIVE MANAGEMENT

Ensure global management of employees, with models and policies that reconcile the transversality of the Company's strategy and values, with respect for the specificities of the business and geography

cuf

At CUF, the themes of attracting and retaining talent are fundamental to following through with its business plan. CUF promotes its employee value proposition, using an employer branding plan that comprises several instances of online (website, social networks) and offline (open days, job fairs, presence at conferences, opinion articles) communication, that make talent aware of what CUF does, what it values and what experience they can gain by working at the Company. Effective People management is directly reflected in several areas, including **health and well-being**, **talent attraction and retention**, and **competence and efficiency**.

Diversity and inclusion

CUF seeks to maximise talent retention and attraction, while fostering a value-adding **Performance Management** process. In addition to this process, CUF provides its employees with **training and development plans** and relies on internal recruitment.

The training plan includes face-to-face training actions, in the classroom, but also online training actions, accessible through the SIGA platform. In 2023, **97 380 hours of training** were provided on multiple topics, including Customer Focus training (Sorriso (Smile) training), Healthcare Management training and Mental Health in Management training.

Regarding employee development, there are multiple projects underway in the organisation, namely within the scope of the CUF Inspira (Inspire) Program, which are an excellent form of exposure to new topics and the development of new skills.

More information in “Integrated Report CUF 2023”

TESTIMONY

“The CUF Inspira initiative is a public affirmation of CUF's social, economic and environmental commitment. The impact results in 2023 were very significant, of note being the 7 844 aid grants awarded to employees and their families, as well as the strategic partnerships made with 25 social economy entities that intervene in the territories where CUF is present.”

Mariana Ribeiro Ferreira
Corporate Citizenship Manager
CUF

TESTIMONY

“The Go Up Scholarship not only helps us monetarily, but also reinforces some benefits, such as flexible working hours, the booking of holidays, time off for exam-taking. I am currently in the 3rd year of my degree in Sociology and work as an administrative assistant at CUF Alvalade, hoping to one day join the Company's HR team. Being a student-worker is complex and demanding and having a Company with initiatives like this gives us the strength to continue.”

Ana Rita Salsedas
Go Up Scholarship Holder
CUF Alvalade

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Diversidade e inclusão

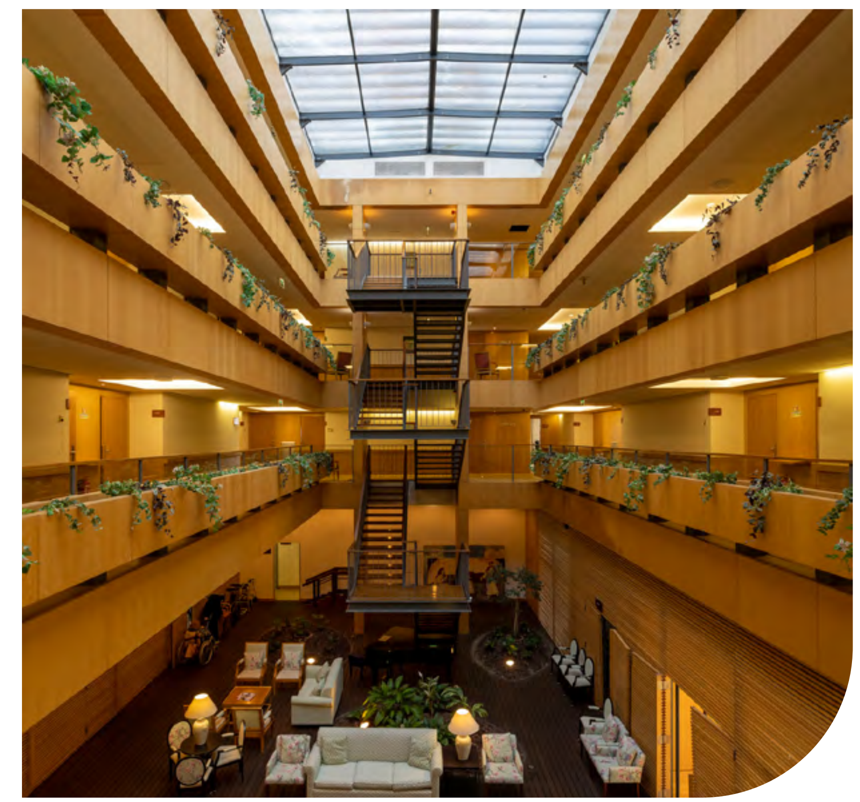
CUF recognises the importance of diversity, equity and inclusion, which is reflected in its organisational culture, through the promotion and development of a work environment where the differences and uniqueness of each individual are considered fundamental drivers for the Company's cohesion.

In this context, it integrates a set of work groups, and we highlight the realisation of and participation in training and awareness initiatives and the active participation in initiatives such as GRACE's SDG 5 Cluster, in BCSD's DEI Work Group and in the Inclusive Community Forum. In addition, in 2023, the President of the Executive Committee of CUF joined the Forum Leaders for Equality, a movement that seeks to contribute to diverse and inclusive workplaces and leadership, and partnerships were established with social organisations, from different geographies, which leverage social and economic contributions, through the employability and hiring of people at risk and socially excluded, such as APPJ - Associação de Promoção de Públicos Jovens em Risco, in Ponta Delgada; the Escola Segunda Oportunidade in Sintra, and the Associação ES+ or EPIS – Associação Empresários pela Inclusão.

In line with the commitment to contribute to the inclusion of people with disabilities, inclusive internships were also carried out in partnership with partner entities APSA and BIPP-Semear.

JOSÉ DE MELLO
RESIDÊNCIAS E SERVIÇOS

José de Mello Residências e Serviços' activities are carried out by people for people. Providing a service that provides comfort and well-being to its residents makes it crucial that employees at the Domus Vida Residences also play a central role in the Company. It is important to ensure the training, trust and motivation of employees, in order to promote the performance of functions with maximum rigor and competence.



Diversity and inclusion

José de Mello Residências e Serviços promotes inclusive recruitment, particularly through close collaboration with professional placement offices and employability support associations located in the nearest communities. This recruitment is essentially based on three diversity factors:

NEW GRADUATES

Through curricular internship partnerships, established with universities and training schools, so that new/recent graduates can carry out their internships in a real context

PEOPLE WITH LOW LEVELS OF EDUCATION

Without having completed their secondary education, investing in training under protocols with the IEFP and other entities

PEOPLE WITH DISABILITIES

Whenever possible and viable, in collaboration with CERCI Cascais, internship vacancies are made available to people with disabilities, even if, due to the nature of the activities carried out in the residences, their integration may prove to be complex

In 2023, collaboration with the **Conselho Português para os Refugiados** ("CPR") (Portuguese Council for Refugees) was strengthened, and new recruitment processes began in cooperation with the Associação Portuguesa de Emprego Apoiado ("APEA"). Working together with these promoters of social and professional integration of people in vulnerable situations allows José de Mello Residências e Serviços to contribute to employability and social inclusion.

Still in this context, the **first course for Geriatric Assistants** began, as part of the PRO_MOV program, aimed at the professional requalification of people in a situation of unemployment/with jobs at risk. This course, promoted by the Instituto do Emprego e Formação Profissional, I.P. ("IEFP"), has 18 participants and will have professional internships at the Domus Vida Estoril and Domus Vida Lisbon facilities.

People Development

Despite the challenges inherent in a sector with a high staff turnover rate, José de Mello Residências e Serviços seeks to adopt strategies that meet the needs and expectations of its employees, thereby promoting their retention and satisfaction. The Company invests in professional development programmes, recognition incentives and initiatives that foster a healthy and sustainable work culture.

As such, some benefits are available, such as breakfast and snacks. In addition to this, in 2023, José de Mello Residências e Serviços continued to support the professional training of employees, in partnership with Fundação Amélia de Mello. Among the courses promoted and ministered, training on "Leadership and team management", "Training for Trainers" and "Portuguese Language for foreigners", stand out. **43 Schoolbook grants** were also attributed to employees' children, through the reimbursement of part of their acquisition costs.

In terms of employee development, José de Mello Residências e Serviços resumed its investment in the partial contribution to specialised training, identified by employees, considering their area and function, or by the investee itself. In 2023, **900 hours of training were carried out**

Occupational Safety and Health (OSH)

In 2023, José de Mello Residências e Serviços continued its efforts to raise awareness among its employees regarding the prevention of work accidents and occupational diseases. As a result, the rate of mandatorily reported accidents at work decreased by approximately 37%, when compared to 2022, as did the number of accidents at work (from 9 accidents in 2022 to 6 in 2023), which correspond to stress injuries, collision with objects or other causes.

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WINESTONE GROUP

Aware of the current demands of the job market, WineStone assumes the mission of actively promoting the involvement and recognition of its employees.

Diversity and inclusion

The Company recognises the importance of the themes of diversity and inclusion for the performance and development of its human capital, regardless of any disabilities, and is therefore deeply committed to promoting this culture. To this end, it integrates the José de Mello Group's **Diversity and Inclusion Committee**, dedicated to monitoring and developing initiatives related to the topic.

In addition, it develops a set of **benefit** granting initiatives that aim to contribute to the well-being and reconciliation of the personal, professional and family lives of all its People.

People Development

Annually, WineStone carries out a performance appraisal process, which is based on the achievement of previously defined transversal and specific objectives for each area, as well as on the performance of certain key skills, considered fundamental to the respective functions.

This process results in the recognition of the work carried out and the identification of opportunities for improvement, skills to be worked on, and training modules to be applied.

- Offer of a welcome kit to employees.
- Offer of a Christmas hamper to all employees.
- Very attractive prices when purchasing wine.
- Transversal salary increases at the beginning of the year and of the existing food allowance.

Occupational Safety and Health (OSH)

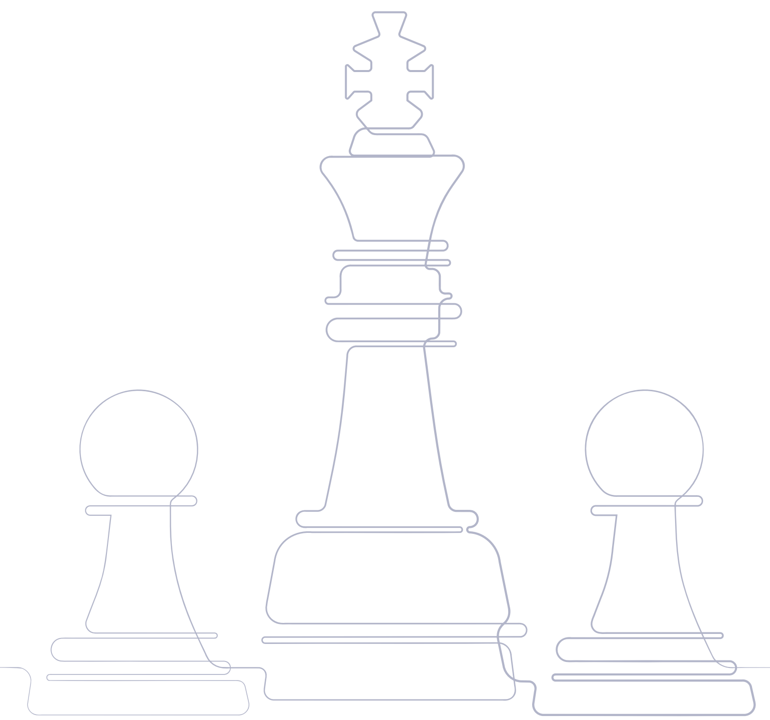
WineStone is attentive to mitigating risks related to accidents at work, assuming a commitment to guarantee safety conditions for its employees, preventing accidents and injuries, and promoting a safe working environment. This includes the provision of PPE, adequate signage, safety training and promotion of occupational health.

JOSÉ DE MELLO

04 Our strategy

01 02 03 04 05 06 07

4.1 How we create value

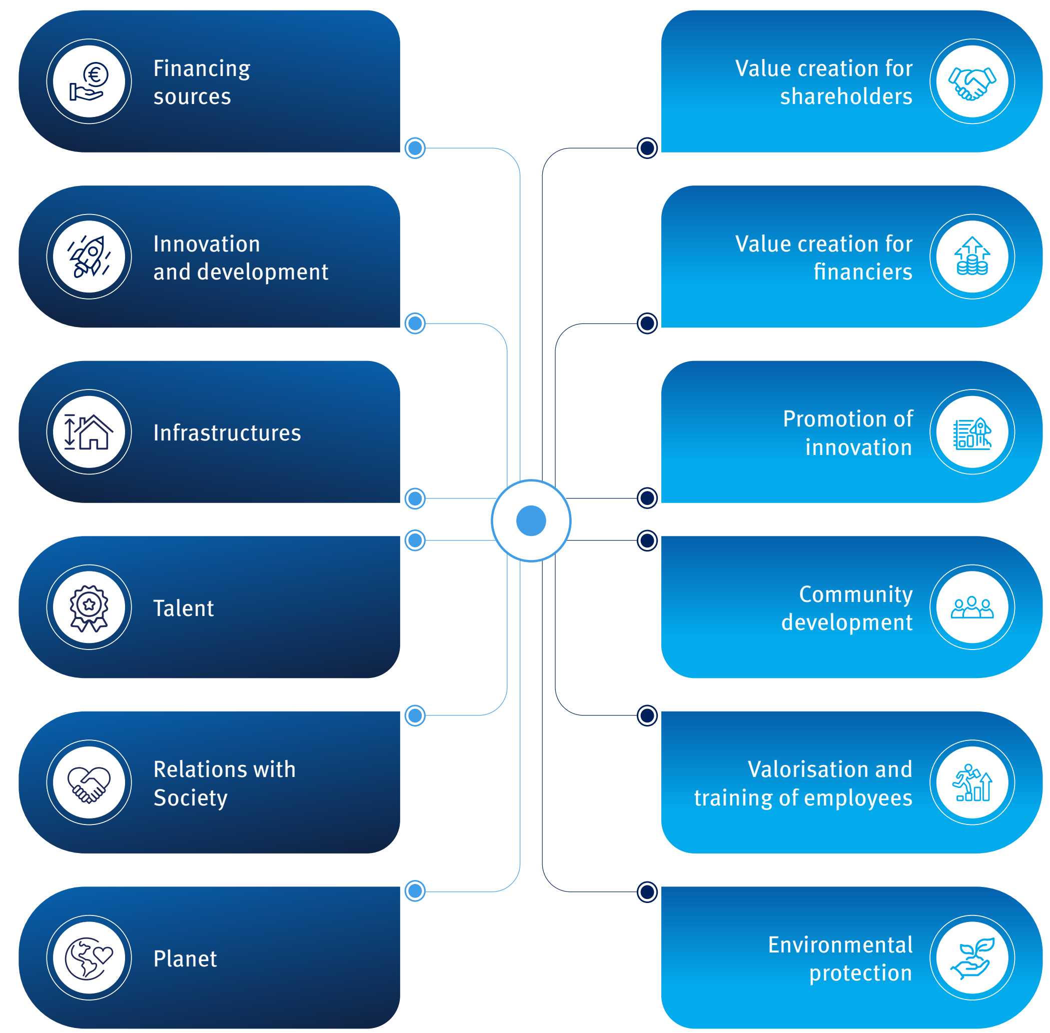


The José de Mello Group's business model is made up of a group of investees, the activities and operations of which are carried out by qualified teams that actively work to create value for all their stakeholders.

The Group continually invests in the diversification of its portfolio, assuming a highly competitive position, in the national and international market, characterised by the promotion of development and respect for its People, by the commitment to minimising its environmental impacts, and by integrity, competence and innovation in the management of its assets.

Macroeconomic context

Click to see more data



[1] Location-based

4.2 Our business strategy

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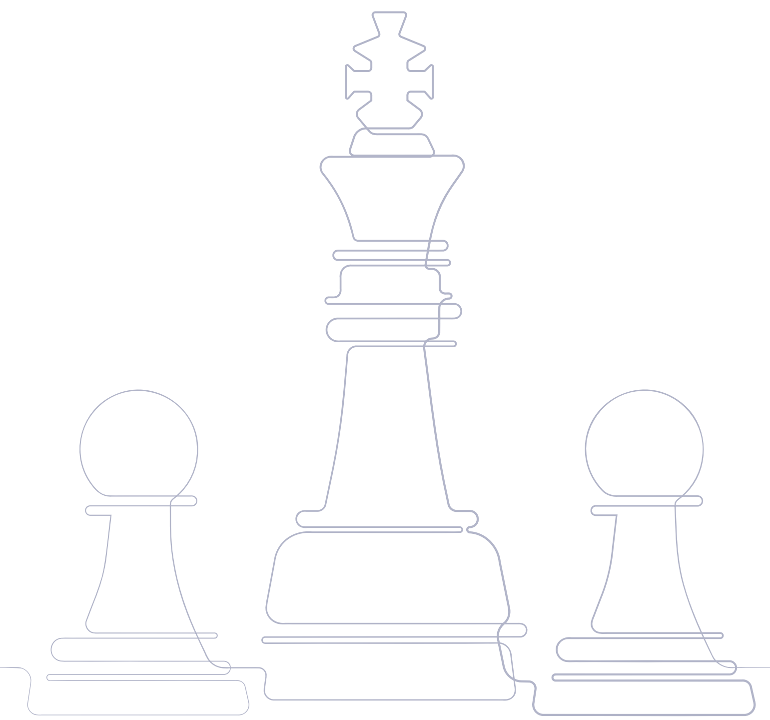

José de Mello Group seeks to fulfil its purpose and objective of creating value for all stakeholders, through a strategic development cycle that has the time horizon of 2021-2030.

The process of strategic reflection, which led to the definition of this cycle, also resulted in the definition of an ambition for growth for its business and investment in new areas, in Portugal and abroad, which materialised, in 2023, through the integration of WineStone in its portfolio and the incorporation of Lifthium.

This approach is guided by concrete strategic objectives, the fulfilment of which requires, on the part of José de Mello, a strong vision and the ability to be flexible in order to adapt its strategic guidelines, particularly in terms of talent management, performance, sustainability and innovation, to the contextual reality, which is in constant change.

The Group's operating strategy therefore integrates qualitative vectors as well as quantitative objectives, giving rise to short-, medium- and long-term business plans, defined by José de Mello's Executive Committee and approved by the Board of Directors and shareholders.

Ambition

ENSURE GRADUAL AND SUSTAINABLE GROWTH
Reference positioning in existing assets, new opportunities in Portugal and internationalisation

TRANSFORM THE ORGANISATION
Reinforcement of the organisational structure, talent and skills to execute the new cycle

GUARANTEE RETURN
Active risk management with demanding value creation on current platforms in new investments

Strategic objectives

- Current business growth
- Greater portfolio diversification
- Increased international exposure
- Robust capital structure
- Commitment to and focus on Sustainability
- Reinforced focus on Innovation
- Reinforced skills for the new cycle

TESTIMONY

"Oenology is the passion, but behind this there is the operation, efficiency and effectiveness of the processes. The opportunity to grow beyond Alentejo, where we have proven our capacity, and extend our presence to the Douro, Vinho Verde and Lisboa regions was a challenge we accepted, and it was crucial to find the right people close to each of these regions. Team building and complementarity were crucial for us. Now, with the serenity that the days and seasons calls for, it is up to us to consolidate this ambition with our wines, our culture and our people."

Vasco Rosa Santos
Executive Director - COO
WineStone

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As the equilibrium of its portfolio is fundamental to achieving its growth ambition, it is important to ensure, at the same time, the implementation of the strategies defined specifically for each business, which is the responsibility of the respective executive committees, with due monitoring by their boards and by the José de Mello Executive Committee.

Financial Sustainability and Shareholder Remuneration

To support the financing strategy and facilitate the growth ambition, José de Mello Group seeks to act in accordance with adequate financial prudence, which favours the resilience of its portfolio. To this end, it is governed by a set of guiding financial principles, which are reflected in its Financing Policy and in its Shareholder Remuneration Policy, duly aligned and articulated with each other.

Long-term vision guided by criteria of prudence and ifnancial resilience

FINANCING POLICY

- Balance and optimisation of the capital structure with the objective of efficiency in the cost of capital employed
- Flexibility abd diversification of financing sources/instruments that seek to ensure the necessary liquidity to finance assets
- Adequacy of financing to the porfolio profile depending on the investment maturity cycle

SHAREHOLDER REMUNERATION POLICY

- Sustained remuneration of equity aims to strike a balance beteween capital gains and dividend distribuition
- Balance with growth ambition and portfolio diversification

Responsible Investment

Any new investment opportunity, whether directed to José de Mello or to any of the investees, is subject to an investment analysis process, established in accordance with the shareholders' objectives and the Group's growth ambition. In this way, José de Mello Group seeks to speed up execution and decision-making, using a robust governance model, responsible for carrying out a structured and coherent analysis and selection process, consisting of pre-defined criteria, evaluation methodologies and approval phases, transversal to all investments. The investment analysis process takes place over three fundamental phases: preparation, execution and integration. The preparation phase is carried out by defining the strategy and updating the investment policy. This is followed by the execution phase of the potential investment, which includes its analysis and negotiation. The last phase of the process refers to the integration of the investment into the portfolio.

1 **Preparation**

In this phase, investment opportunities aligned with the defined portfolio strategy are identified. For this purpose, selection criteria relating to the type of assets, sector of activity and management team are considered.

Assets	with a solid market positioning and international exposure
Sectors	with long-term growth prospects, aligned with ESG trends
Management	with experience and good reputation, aligned with the José de Mello Values

2 **Execution**

The execution phase allows the prevention or mitigation of negative impacts and the enhancement of positive ones, whether through the alignment with the Purpose and portfolio strategy, or through the approach to ESG themes and profitability analyses, among others. To this end, a set of criteria are analysed against the defined objectives, with the final decision being based on the various dimensions, in an integrated manner.

Understanding the approach to **ESG themes** as a factor of competitiveness, José de Mello Group integrates criteria relating to these matters **into the evaluation of new businesses and investments**, in a phased manner, according to the depth of the evaluation. In an initial phase of the preliminary analysis, using the materiality of the sector, the most relevant ESG themes are identified considering the risks and opportunities of the asset. Subsequently, when carrying out a more in-depth analysis of the business or investment, the asset's ESG practices are qualitatively evaluated, as well as its performance, if quantitative data is available (for example: Greenhouse Gas emissions, investment in the community, or diversity indicators).

3 **Integration**

Finally, in the integration phase, a value creation plan is defined that explores potential synergies with the remaining entities of the Group, to be communicated, monitored and implemented effectively. To achieve this, the plan must include structured government models, planning and management control measures, in addition to innovation and sustainability projects, among others.

TESTIMONY

"The dedication and resilience of the teams involved in the integration of Hospital CUF Açores are a determining factor in the success of this operation, carried out in three major dimensions: people, processes and tools. It was essential to create an environment of collaboration and open communication from the beginning, to understand the needs and expectations of employees, ensuring a successful and inclusive transition."

Giovanni Nigra
Unit Manager
CUF Açores

Approach to Sustainability

The approach to ESG themes is integrated into José de Mello Group in a holistic manner. Environmental, social and governance impacts, risks and opportunities are therefore widely considered in the Group's and in each investee's strategy, from the analysis of new business opportunities and investments to the daily management of its People and operations.

To achieve sustainable development, as established in its Purpose, efficiently and effectively, José de Mello defined a Sustainability Agenda based on the Company's material themes, relevant to its ability to generate, maintain, or destroy economic, environmental or social value, for itself, for its partners and for society in general, considering the impacts, risks and opportunities associated with them.

The Sustainability Agenda was prepared in close collaboration with the Innovation and Sustainability Department ("ISD") and approved by the Board of Directors. It integrates José de Mello's commitment into three strategic axes - Value Creation, Planet, and People - which in turn bring together nine themes considered material, which support the importance of People at the centre of the strategy, the focus on creating competitive advantages and the responsibility to contribute to fighting climate change.

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Sustainability Agenda

Axes and material themes

Value creation

Create a sustainable competitive advantage

- Responsible investment
- Economic performance and operational efficiency
- Ethics, transparency and integrity
- Brand and reputation management
- Innovation

People

Place People's well-being at the centre of the strategy

- Attraction, retention and development of human capital
- Diversity and inclusion
- Involvement with society

Planet

Contribute to the global effort to combat climate change

- Climate change

The operationalisation of this Agenda is consolidated in a Sustainability Roadmap, structured around three strategic axes and nine material themes, which covers 17 commitments, 44 goals and 103 concrete actions, each with responsible parties, indicators and associated deadlines. Its monitoring is carried out quarterly in meetings promoted by the ISD with the Company's various departments. The Board of Directors is informed about the level of implementation of the goals and of the actions planned on a regular basis, at the beginning of each year. Additionally, extraordinarily, developments in this area are communicated to this body, whenever necessary.

Sustainability Roadmap

Commitments by axis

Value creation

1. Focus on responsible investment as a promoter of sustainable business growth and long-term value creation
2. Promote financial performance, favouring the implementation of strategies that enhance the efficiency of operations, internal agility and the profitability of José de Mello Capital
3. Ensure the legality of internal processes, operations, policies and regulations
4. Strengthen transparent and ethical management practices
5. Strengthen involvement with sectoral associations and other bodies
6. Periodically communicate, internally and externally, commitments, goals and performance in the area of sustainability
7. Monitor and manage José de Mello Group's reputation
8. Reinforce a culture that values the role of innovation as a vehicle for promoting business and new investment

Planet

9. Contribute to meeting the Group's emission reduction targets through decarbonisation

People

10. Strengthen employees' sense of belonging
11. Contribute to the personal and professional development of employees
12. Reinforce an organisational culture that promotes the attraction and retention of talent
13. Ensure the safety, health and well-being of employees
14. Raise awareness among employees about sustainability themes
15. Ensure a competitive remuneration policy in the market
16. Promote an inclusive, integrating and diverse culture, in which everyone is welcome, everyone is valued and can realise their potential
17. Contribute to the development of society

Of the actions operationalised in 2023, we highlight the publication of José de Mello's first Integrated Report, the formalisation of the ESG assessment approach for new investments (more information in "Responsible Investment") and the preparation of a Sustainability Bond, in partnership with Banco Montepio, to finance the rehabilitation works on the headquarters' building. Alongside this, in particular, in the Planet axis, we highlight the calculation of José de Mello's Greenhouse Gas (GHG) emissions, the consolidation, for the first time, of the Group's GHG emissions and the calculation of climate risks and opportunities for José de Mello (more information in "5.3 We preserve the Planet"). In the People axis, the Impact Investment Strategy was approved (more information in "5.2 We operate in Society").

TESTIMONY

"The goal of our headquarters' remodelling project was clear: to positively impact the working conditions of employees. The Sustainability Agenda was the investment and financing engine for this project which, due to its characteristics, was considered eligible for financing through Sustainability Bonds. It was very gratifying to see the involvement and active contribution of José de Mello's various areas of competence to this Agenda."

Miguel Pacheco
Finance Manager
José de Mello

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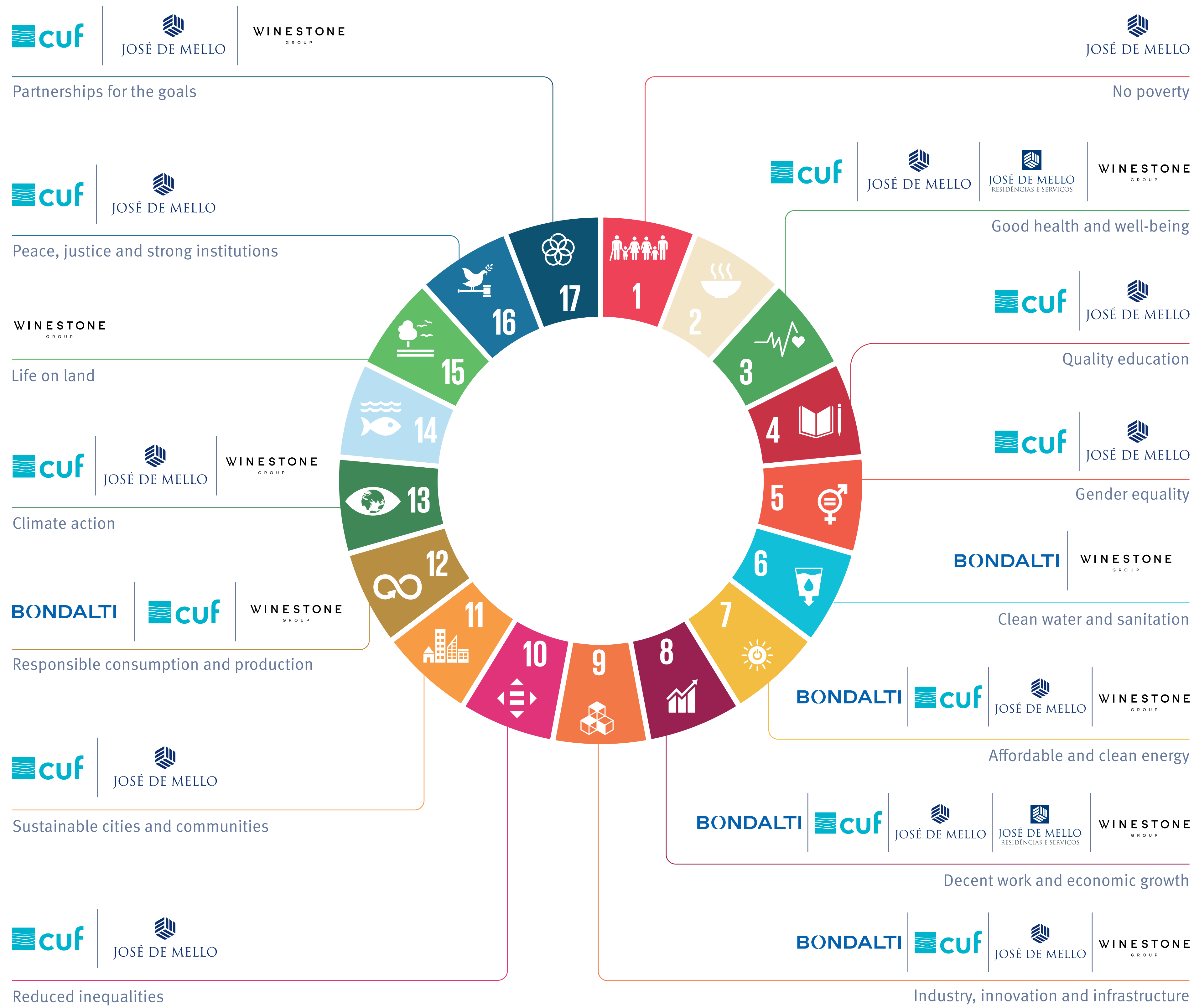
Contribution to the SDG

The impacts of José de Mello materialise, above all, through the operation of its businesses and of their repercussions on the economy and society. In this scope, one verifies positive contributions from 15 of the 17 Sustainable Development Goals (SDG) of the United Nations, namely those related to healthcare, water, renewable energies, innovation, fair work and economic growth. In turn, José de Mello directly contributes to 12 SDG, as a result of concrete actions mirrored in its Sustainability Agenda, namely regarding impacts related to its financial performance, human resource management, environmental preservation and involvement with communities.

Regarding compliance with SDG 17 "Partnerships for the implementation of the SDG", the José de Mello companies have been establishing several partnerships, assuming a set of commitments, implementing certifications and integrating private, public and social entities, which have as objectives to maximise their contribution to sustainable development.



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JOSÉ DE MELLO

BONDALTI

CUF

WINESTONE

BONDALTI

Bondalti's Purpose - Contributing to a better world, creating an innovative and sustainable Chemical Industry - reflects its strategic positioning and the responsibility with which it views its activity. Therefore, the Company actively seeks to contribute to the sustainable development goals, by reducing its own impacts, and, at the same time, through innovation with new products capable of contributing to the decarbonisation of the economy.

To ensure the pertinence and relevance of these efforts, Bondalti seeks to focus its activities on those themes on which it has the most impact, or which most impact its value creation potential. Therefore, in 2023, a new materiality analysis was carried out considering the new **dual materiality** perspective.

The dual materiality concept and analysis supports organisations in identifying and mitigating non-financial risks, including risks related to climate change, ethical issues, social impact and inadequate governance. It strengthens the resilience of organisations vis-à-vis their stakeholders and emerging challenges.

The process that took place in both of Bondalti's business areas, Industrial Chemicals and Water Treatment, resulted in a consolidated business matrix, which allowed the identification of sustainability themes that should, as a priority, be considered in its business strategy.

More information in
"Integrated Report Bondalti 2023"

CUF, in its daily operations, and in order to implement its strategy, seeks to create value in the communities in which it operates, in accordance with a set of sustainability criteria, in the social, environmental and governance dimensions, in order to guarantee its contribution for the common good and for the fulfilment of the SDG´s.

Sustainability themes and objectives have been integrated into the governance model, in the way strategic priorities are managed and also in the design of management policies and procedures. CUF's approach to sustainability is guided by 15 material themes, determined in the dual materiality analysis process, and by their link to the assets and axes of the 21-25 Strategy.

The year 2023 was marked by the publication of CUF's Sustainability Policy, through which the Company affirms its commitment to developing efforts to generate positive impacts on People, their well-being, health and development, as well as on the preservation of natural resources, which extends to its value chain. This commitment is consolidated in the identification of 11 ESG commitments, in the organisation's environmental, social and governance sphere, the progress of which is evaluated annually, through an integrated approach.

During 2023, CUF started several projects that will allow it to advance in meeting specific goals for each ESG commitment, monitored using concrete indicators, seeking to achieve a relevant performance that is perceived by all stakeholders.

Regular monitoring of projects and commitments assumed in terms of sustainability is ensured by the Innovation and Sustainability Committee.

Seeking to expand its cooperation network to fulfil its commitments, CUF joined the United Nations Global Compact ("UNGC"), being the first healthcare provider in Portugal to join the United Nations initiative dedicated to corporate sustainability.

With the same purpose, in 2023, the Company joined several work groups, which function as forums for discussion and sharing of good practices to work on sustainability issues, among which the following stand out:

GRACE Empresas Responsáveis

Sustainable Communication Work Group

Gender Equality Cluster

BCSD Portugal

Diversity, Equity and Inclusion Work Group

More information in "Integrated Report CUF 2023"

JOSÉ DE MELLO RESIDÊNCIAS E SERVIÇOS

José de Mello Residências e Serviços offers accommodation and support services for the elderly. Its business strategy relies on creating a wide range of services, provided by qualified professionals, with adequate and quality equipment and facilities.

Identifying the needs, requirements and preferences of residents and their families, and above all understanding the interactions and complexities of each case, are essential for adapting the services provided to each specific person.

In this way, the perceived usefulness and quality are greater and allow for greater enhancement of the value created.

WINESTONE GROUP

WineStone is committed to producing wines responsibly, with a positive impact on People, ecosystems and communities, creating value from Portugal.

Since its incorporation, the Company has integrated the management of ESG themes into its business model, namely through the definition of its Vision, Commitments and Sustainability Action Plan, based on the results of the materiality analysis process. This broad reflection came from an in-depth understanding of Ravasqueira Vinho's framing in the general external context and in the context of the sector, an analysis of reference companies in the wine sector, and José de Mello's own Sustainability Agenda, and includes the following phases:

- Internal training and extended internal discussion
- Identification of material themes for WineStone – 9 ESG themes
- Definition of Sustainability Commitments
- Identification of a Sustainability Action Plan - objectives, indicators and actions to respond to commitments

Commitments by material theme

1. Well-being and Workplace Safety

- Ensure the safety of People in all operations
- Strengthen organisational culture to attract and retain talent
- Foster a culture of inclusion and diversity
- Promote the personal and professional development of employees
- Encourage balance between employees' professional and personal lives
- Boost local employability

2. Resource Management and Circular Economy

- Ensure efficiency in water and energy consumption
- Promote the reuse of waste and by-products of the operation
- Promote the use of innovative and sustainable solutions in packaging

3. Biodiversity and Natural Ecosystems

- Ensure sustainable agricultural practices in the vineyards
- Protect the biodiversity of the natural ecosystems where it is found

4. Climate change

- Ensure the decarbonisation of activities
- Prepare the Company to adapt to climate risks

5. Economic Performance

- Grow in Portugal and in export markets, ensuring distinctive profitability and financial balance
- Diversify, producing in the main wine-growing regions of the Country

6. Product Quality and Safety

- Ensure quality and safety of all wines produced and bottled by the Company

7. Ethics, Transparency and Integrity

- Reinforce ethical and transparent management practices
- Ensure the continuous updating of processes, policies and internal regulations

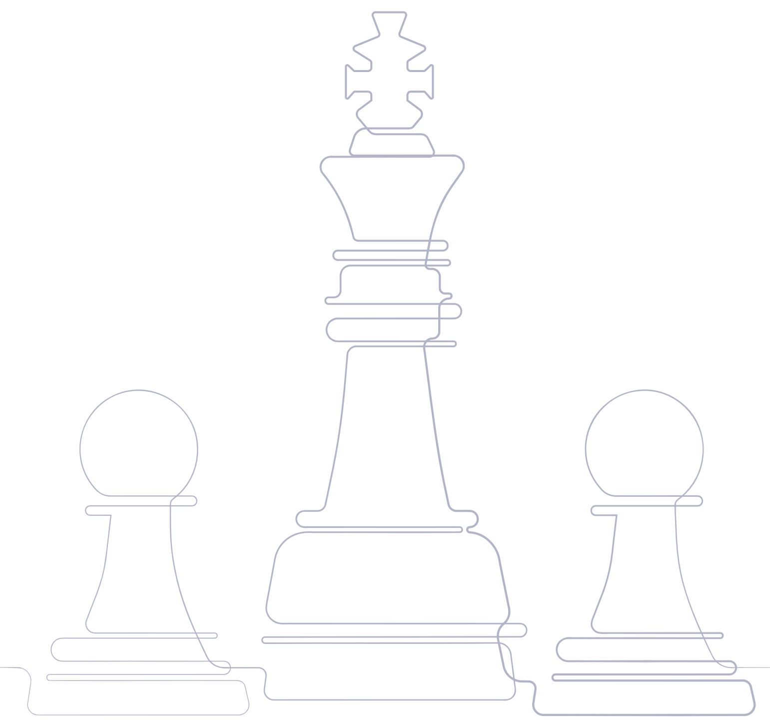
8. Sustainability in the Value Chain

- Support suppliers in complying with ESG criteria
- Support customers on their sustainability journey

9. Responsible Consumption and Marketing

- Promote knowledge and practices about responsible consumption
- Develop innovative products and solutions for the consumer of the future

4.3 Innovation at the core of our business



Innovation plays a key role in the competitive positioning of all companies of José de Mello Group. Understood, strategically, as one of the pillars of the Group's operations, it translates into a constant exercise of designing, experimenting and implementing new ideas and solutions, a catalyst of internal and external synergies, which guarantees the creation of value for all stakeholders.

Since 2020, innovation management has been carried out according to a model structured around five axes of action, under an annual activity plan, the implementation of which is the responsibility of the innovation team, in conjunction with the different José de Mello departments and the innovation teams of the investees.

436 proposals submitted by employees in competitions for ideas, of which **29** were approved

8 new pilots with startups representing an investment of **74** thousand €

146 contacts with startups of which **33** are under analysis for a potentional partnership

143 scientific publications in which Group Employees appear as authors

TESTIMONY

"CUF follows technological changes, adapting and implementing these in the clinical context. With "Clara", CUF's virtual assistant, developed in partnership with the startup Tucuvi, the use of artificial intelligence was demonstrated to be viable as a facilitating tool in the provision of safe and quality care, allowing nurses to manage their time more efficiently, prioritising Customer Care.

Célia Leitão
Nurse Manager
CUF Cascais

This team is also responsible for monitoring the main trends related to the current portfolio of companies and, consequently, identifying associated technological risks and opportunities, and evaluating new investment opportunities.

This work is closely monitored by the **Innovation Committee**, which annually brings together representatives from the innovation areas of all the companies, with the purpose of reinforcing the Group's culture in these matters, through the sharing of knowledge and the joint organisation of transversal initiatives. In 2023, the Group's companies organised, on a rotating basis, four innovation meetings on cross-cutting themes, such as the adoption of artificial intelligence, the digitalisation of infrastructure, change management, and the importance of an innovation strategy. These moments promote awareness of the main technological and societal trends and contribute to the establishment of synergies.

To reinforce the importance of this Committee, its composition was extended to four external guests who will be responsible, in the future, for supporting José de Mello in identifying the risks and opportunities associated, namely, with the areas of partnerships with startups, digitalisation, decarbonisation, and organisational culture.

Of the various initiatives developed in 2023, the activity of the GROW program stands out, which continues to be one of the main vehicles for promoting innovation across the Group, enabling partnerships with startups that allow testing and validating new solutions in a real environment, through the infrastructure and talent of the various companies. In 2023, nine new pilots were launched with startups and the third edition of the Grow Innovation Award took place, which distinguished MyCareforce, a platform for hiring clinical teams to fill shifts, whose pilot took place at Hospital CUF Tejo.

Also noteworthy is the creation of an internal community of beta-testers, made up of more than 800 People from the various companies, who made themselves available to test new products, services and technologies and thus accelerate their market launch.

Alongside this work, external synergies continued to be promoted, facilitating the connection of businesses to the startup ecosystem, through their presence at various networking events with entrepreneurs (for example: South Summit, WebSummit, among others).

The Group's companies also joined forces with Fundação Amélia de Mello and Casa do Impacto[5], to develop a pioneering program to support young entrepreneurship.

Finally, José de Mello carried out an internal reflection on its innovation model, in order to ensure its ability to respond to current challenges. This reflection was based on an internal and external consultation process (with representatives of the businesses and the innovation ecosystem), and a benchmark of the innovation models of the main Portuguese companies. This reflection led to a broad revision of José de Mello's innovation model, with a greater alignment between the strategy and the activity plan.

The new innovation model, which will be implemented as from 2024, establishes four intervention axes:

MINDSET

Strengthen the capacity for innovation through new ways of thinking and being, methodologies and innovation tools, which contribute to the development of talent

EXPLOIT

Contribute to the growth of existing businesses, fostering a culture of innovation at Group level, leveraging synergies between businesses, promoting connection to the ecosystem and developing partnerships

EXPLORE

Contribute to the Group's growth through new business opportunities, leveraging knowledge of innovation ecosystems to identify opportunities and risks of potential investments

IMPACT

Contribute to the community and society on specific impact themes where José de Mello intends to accelerate social innovation

[5] Social entrepreneurship and innovation centre at Santa Casa da Misericórdia de Lisboa ("SCML").

BONDALTI

In terms of innovation, 2023 was an equally remarkable year for Bondalti. The Company defined a new innovation strategy and approach for the following three years, and redesigned the Innovation Program to create, develop and implement new ideas that have an impact on People, the business and the transition to a greener and more digital economic model.

The new Innovation Program is based on a model of experimentation and collaboration with the surrounding ecosystem, with the aim of anticipating needs, learning, and translating this learning into value creation opportunities for stakeholders, differentiating and guaranteeing the Company's ability to respond to future challenges of the industry and ensure its competitiveness in a more sustainable economy. This strategy is operationalised through the brand - ImpactLab - which gives the name to a new digital platform designed to bring innovation to all levels of the organisation and to foster an entrepreneurial and inter-departmental spirit. At the same time, Bondalti also counts on the contribution of the ‘Open Innovation’ platforms that connect ‘Seekers’ (organisations seeking someone to solve challenges) with ‘Solvers’ (startups, individual entrepreneurs) that have or develop specific solutions to challenges.

To manage the strategy and the innovation portfolio, an Impact Committee was created. This Committee is responsible for providing a forum to discuss and evaluate new ideas, assess their viability and potential impact, and prioritise initiatives, leading these to a successful launch.

More information in “Integrated Report Bondalti 2023”

Bondalti's vision in terms of innovation is to foster an entrepreneurial culture while exploring new green opportunities, in the following macro-areas:

- New business models
- Operational efficiency and effectiveness
- Circularity
- Low carbon footprint products
- Incorporation of renewable energies

As a reference organisation, with relevant activity in several key sectors of the economy, Bondalti develops R&D projects in a systematic and continuous manner. Focused on the Company's core areas, these actions have a broad scope, covering both solutions to existing challenges, as well as improving operational efficiency, environmental performance or process safety.

Bondalti seeks to realise the full potential offered by new digital tools in the industrial context. In 2023, two data analysis projects were implemented with a strong focus on the area of automation and control. The work “Operating Model of Aniline Reactors”, in partnership with Universidade de Coimbra, developed computational models to understand the pattern of production stops and starts, with a view to developing new predictive software to support decision-making. A tool called “Heat exchanger performance monitoring” was also developed to monitor the thermal performance of this equipment and improve its energy efficiency.

TESTIMONY

“Bondalti’s ‘Impact Lab’ is the heart of innovation, a space for collaboration where solutions are created and developed with an impact on people, business, and the transition to a greener and more digital economic model. Here we listen to stakeholders, to understand and anticipate their needs, we unleash creativity and courageously explore new opportunities that allow us to differentiate ourselves, shaping a more sustainable future and inspiring others to do the same.”

Patrícia Rodrigues
Innovation Coordinator
Bondalti Capital

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Innovation is part of CUF's DNA, covering the full impact on the provision of healthcare and of internal transformation. The Company's approach to innovation aims to make CUF a pioneer in implementing solutions and technologies that bring real added value to the provision of healthcare and operational efficiency.

This culture of searching for innovative solutions is strongly rooted in the entrepreneurial spirit of the clinical and management teams that drive the search for new opportunities that generate value and knowledge. To achieve this aim, CUF remains constantly updated on the best international practices and closely monitors emerging trends in the area of healthcare.

CUF focuses its strategic action in terms of innovation in three scopes:

Click on the icone to learn the scope

This approach results in a set of procedural solutions and new technologies, which effectively contribute to improving the efficiency and effectiveness of the services provided to patients. Highlighted note are a set of initiatives related to the development of digital tools that facilitate patients' accessibility to healthcare, and the use of Artificial Intelligence in the area of Imaging, which has brought benefits in several areas.

More information in "Integrated Report CUF 2023"

TESTIMONY

"Prevent so as not to fall! This was the motto for CUF's teams to come together to reflect on how to prevent falls in hospitals. The diversity of perspectives generated innovative ideas linked to the implementation of new procedures and patient monitoring technologies. The ideas generated were evaluated by the risk management teams, most of which have already been implemented."

Sara Marques
Production Manager
CUF Tejo

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JOSÉ DE MELLO
RESIDÊNCIAS E SERVIÇOS

José de Mello Residências e Serviços does not have a formal area responsible for innovation management. However, the Company regularly participates in the Group's transversal activities, which ensure the identification and promotion of opportunities and updates on relevant themes. The Company's size promotes greater proximity between teams and, consequently, a simplification of processes, which contributes to great flexibility and speed in evaluating pilots or projects.

In 2023, the pilot project underway was continued with the startup Actif, providing a set of physical and cognitive exercises digitally. Throughout the year there were important developments in the solution offered, which now has objectives and remuneration models adapted to the sector in which it operates.

WINESTONE
GROUP

WineStone views innovation as an intrinsic theme of organisational culture, in a decentralised way, which has demonstrated increasing maturity as a result of the development of the business. Innovation is seen above all as a tool for improving efficiency in management, processes and technology, with direct impacts on the Company's production and profitability.

In terms of process and focus on the future, WineStone identifies major opportunities for evolution, particularly in three fundamental areas:

01

PRODUCT

- Margin management using a fine analysis of product composition, joint negotiation and search for more sustainable alternatives
- Continuous customer/market customisation capacity
- (Dry) product component standardisation processes and centralised negotiation to increase economies of scale

02

PROCESSES

- Digitalisation of the business, from production to marketing
- Improvement of internal communication with the purpose of reducing time-to-market

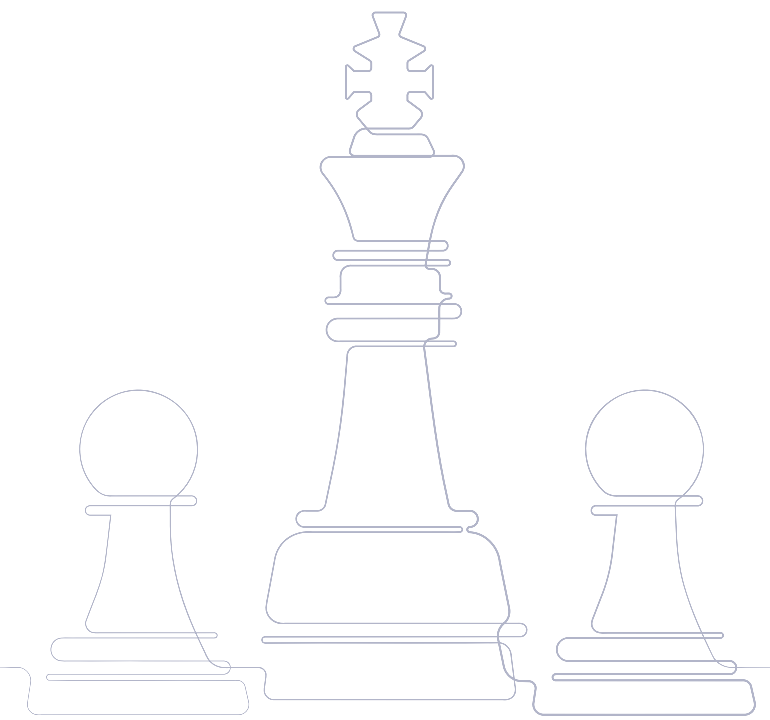
03

BUSINESS

- Redefinition of new project portfolios so that they are complementary both in the national market and in exports
- Promotion of the analysis of market segments and categories related to the wine industry (new concepts)

4.4 Involvement with stakeholders

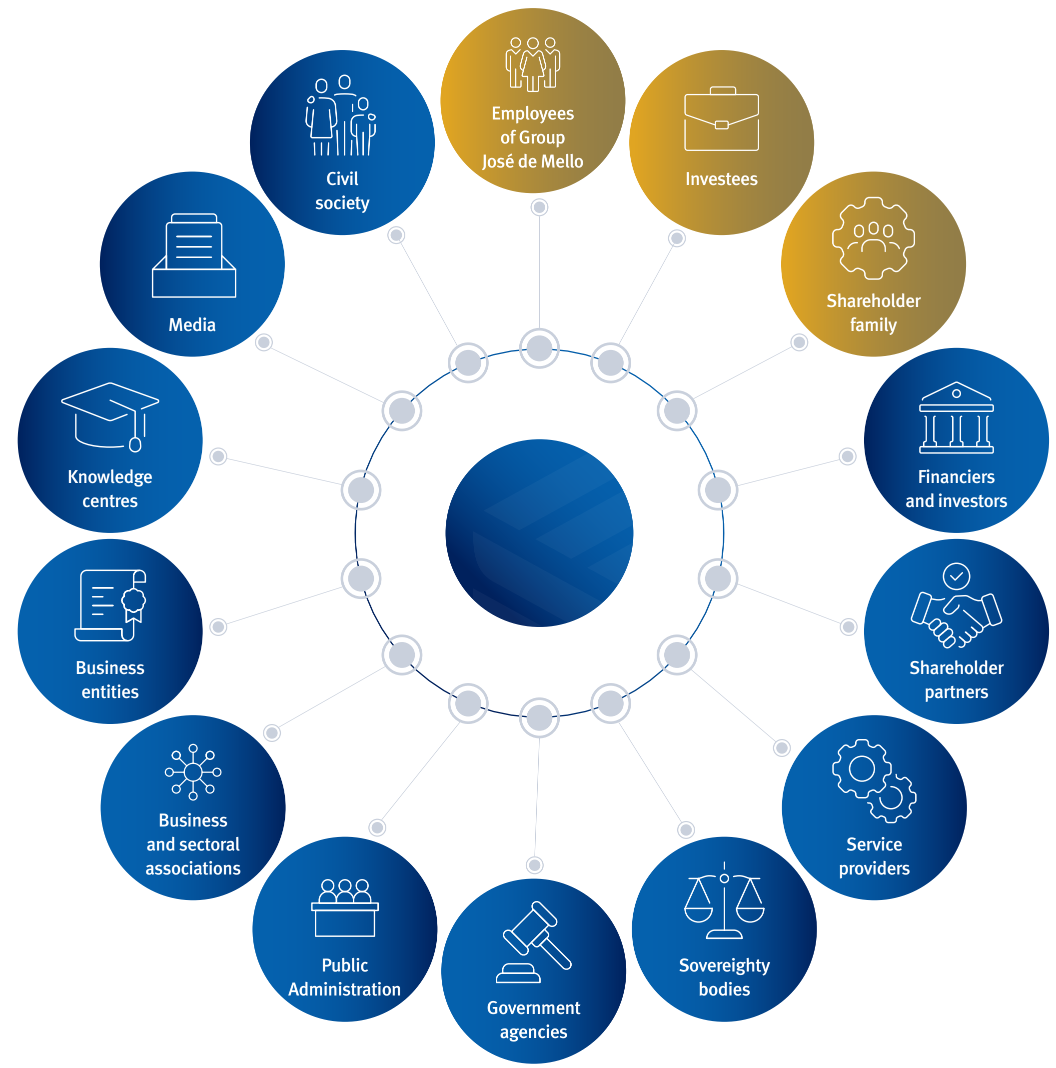
GRI 2-12, GRI 2-25, GRI 2-26, GRI 2-29



José de Mello views dialogue and the establishment of proximity and partnership relationships with its internal and external stakeholders as a success factor in its business strategy. In this sense, the Group assumes the mission of encouraging, in its activities and in its investees, active listening to the opinions, experiences, needs and expectations of all interlocutors.

This way of operating allows it to identify risks and opportunities, align the interests of stakeholders with the business and sustainability strategy, inspire innovation, creativity and continuous improvement, generate relevant economic, social and environmental impact for society as a whole, create shared value and strengthen the José de Mello brand reputation.

In this context, José de Mello developed a set of engagement initiatives with stakeholders, customising different forms of communication according to the specificities and requirements of each group. Complementing these are a set of transversal tools, such as social networks, the corporate website, events and relations with the media.



● Internal stakeholders
● External stakeholders

There is also a channel for whistleblowing and communicating irregularities, through which stakeholders can present their concerns regarding the conduct of José de Mello. In this context, the Company ensures compliance with current legislation, namely in the protection of whistleblowers and the guaranteeing of confidentiality and non-retaliation, an example of which is the creation of an internal process that guarantees the analysis and monitoring of all complaints received, thus allowing situations with potential negative impacts for the Group and its stakeholders to be detected as early as possible.

José de Mello has also developed a set of mechanisms to manage the main impacts, risks and opportunities related to brand and reputation management, namely:

- Regular participation of the Communication Department, while functional area responsible for reputational risks, in the identification, assessment and mitigation actions of
- Daily monitoring of news about José de Mello and its investees
- Development of brand and reputation studies
- Continuous dialogue with communication areas of the investees and regular holding of Communication Committees
- Preparation of communication reports, with the aim of evaluating published news and identifying, in advance, topics with mediatic potential and possible related risks

Regarding the analysis of the perception of different stakeholders, José de Mello uses, among others, brand and reputation studies, and participates in initiatives that allow it to gauge the views of investors, risk assessment agents and society regarding its reputational position in the market.
In 2023, José de Mello participated in a new edition of RepScore, reinforcing the importance it attaches to analysing the evolution of reputational risk and the attributes for which it stands out, as well as its relevance as a source of information for more informed decision-making regarding possible actions to develop.

In this study, and compared to the previous edition, José de Mello's global reputation index (which combines the assessment of four dimensions – rational, emotional, social responsibility and ESG) evolved from “moderate” to “robust”, which corresponds to a "low" reputational risk. This result allowed José de Mello to occupy the Top 3 in terms of reputation in the “Holdings” category.

In addition to this, a market study was carried out, developed in partnership with the Centro de Estudos Aplicados (Centre for Applied Studies) of Católica Lisbon Business & Economics, which aimed to understand the main perceptions and attributes associated with the brand José de Mello for different stakeholders, and evaluate its positioning as an employer brand (employer branding). This study made it possible to collect a set of data and information to support management and define the strategy.

Regarding presence with the media, and despite a low-profile communication policy, personalised contacts were developed with opinion makers and the media, maintaining a regular media relations policy, always seeking to generate a good level of brand equity. In addition, the executive president, Salvador de Mello, held an in-depth interview with Observador (March) and a meeting with some media (June), the under the pretext of a public presentation of the results and growth strategy.

BONDALTI

Bondalti's stakeholders are identified, mapped and evaluated through a relevance matrix according to their influence and dependence on Bondalti (and vice versa), as are its responsibilities in relation to these groups. Among the groups that deserve greater emphasis are suppliers and customers.

With suppliers, due to the general awareness that the impacts of organisations do not only occur in respect of their own operations, it is important to ensure strong alignment regarding the principles and values defended, namely the principles of sustainable development. In this way, Bondalti expects its suppliers to recognise and act in accordance with the content of its Code of Conduct for Suppliers, in addition to complying with their contractual obligations and Bondalti's General Conditions of Purchase (more information in "Responsible supply chain management").

As Product Quality and Customer Satisfaction are one of the material themes for Bondalti, the processes of involvement with this group are under the focus of Bondalti. At Bondalti Chemicals, in Estarreja, a survey is carried out every second year with the aim of determining the level of customer satisfaction in relation to the products and services that Bondalti provides, as well as possible opportunities for improvement in the areas of customer service, commercial service, product, documentation, supply and technical assistance. The last survey carried out was for the year 2022.

More information in
"Integrated Report Bondalti 2023"

CUF seeks to promote a relationship of openness, partnership, excellence and continuous improvement with its stakeholders, recognising that they are fundamental in identifying challenges and opportunities. This is part and parcel of the daily work to ensure an increasingly positive experience for everyone.

In this way, it implemented a set of communication mechanisms, which allow all its stakeholders to present and share their comments. Comments received, regardless of the channel used, are evaluated, responded to and, whenever applicable, integrated into activity improvement processes.

Whistleblowing channel[6]

Exposition form

Interaction through various social media platforms

[6]In compliance with legal and ethical responsibility requirements, it guarantees the possibility of submitting confidential and anonymous reports.

With the aim of understanding the opinion of its customers regarding their experience in the CUF network, the **Programa de Voz do Cliente** (Customer Voice Program) was continued, which involves listening to these stakeholders, through surveys, differentiated by assistance area, which include an assessment of Global Satisfaction and the Net Promoter Score (NPS). Responses to the questionnaires are analysed and aggregated, thus allowing opportunities for improvement to be identified. Additionally, a report is produced monthly with the main indicators, results and recommendations for the organisation. **In 2023, there was an NPS of 62.6% (+5 p.p. than in 2022).**

In parallel, CUF has carried out pilots to review internal processes, with the aim of making the relationship with the customer more consistent, as these processes directly impact the customer journey and, consequently, their experience. After the implementation of each pilot, CUF consults customers impacted to understand their satisfaction and opinion, with the outputs of this process being subsequently incorporated into the definition of the processes in question. **In 2023, 92 000 customers were consulted.**

CUF was once again recognised in 2023, namely through the award of the following distinctions:

- MARKETEER AWARD
  promoted by Marketeer magazine, distinguishes the brands with the best performance in Portugal in the scope of Marketing, Advertising and Communication
- “MARCA DE CONFIANÇA 2023” AWARD
  Private Clinics and Hospitals category - by the Seleções Reader’s Digest magazine, which reflects consumers’ opinions on the trust they place in various brands of different products and services.

More information in “Integrated Report CUF 2023”

José de Mello Residências e Serviços recognises that the specificities of the sector in which it operates require that, in a consistent, regular and transparent manner, relationships of trust be established with residents, families and employees. In this sense, it seeks to associate the brand Domus Vida with an excellent service that promotes, above all, the well-being and quality of life of customers.

The brand's credibility and reputation are based on experience, quality and care, associated with all daily tasks, regardless of the degree of external visibility. In this way, the Company undertakes, as its natural practice, the permanent search for adequacy in its physical and human resources, aware that a good reputation is one of the most important assets in its business.

To understand the needs and expectations of its stakeholders, identify opportunities for improvement, implement new procedures and practices, evaluate the quality of its services and the satisfaction of residents and their families, José de Mello Residências e Serviços carried out **satisfaction surveys**.

WINESTONE GROUP

WineStone ensures that the responsible management of its brand and reputation is considered throughout the value chain and at different levels, by promoting moments of interaction with its various stakeholders:

Suppliers

Satisfaction and evaluation surveys on certain dimensions (e.g.: sustainability)

Customers

Service level assessment

Community

Pilot project involving a collaboration protocol with Agrupamento de Escolas de Arraiolos (internships and scholarships for local students)

Consumers

Monitoring of consumption Apps (e.g.: Vivino, Social Networks) and review of all content available on the platform about the WineStone brands

Media

Clippings and quantitative and qualitative categorisation of media exposure

WineStone's reputation is assessed at two different levels: B2B - seeking to strengthen trust, transparency, security and, consequently, its commercial performance; B2C - through the brands it manages, and which represent its aspirational values and reinforce consumer loyalty.

To the effect, a **set of indicators to evaluate WineStone's performance** in terms of brand and reputation perception were monitored:

+300M mentions in the media, with a positive tone rate above **59%** (neutral **39%** and negative tone only **2%**)

3.95 out of 5 - average score in the application ***Vivino*** (growth of **5%**)

6.5 out of 10 - suppliers' perception of Ravasqueira's performance in relation to Sustainability

Additionally, in 2023, WineStone received the following recognitions:

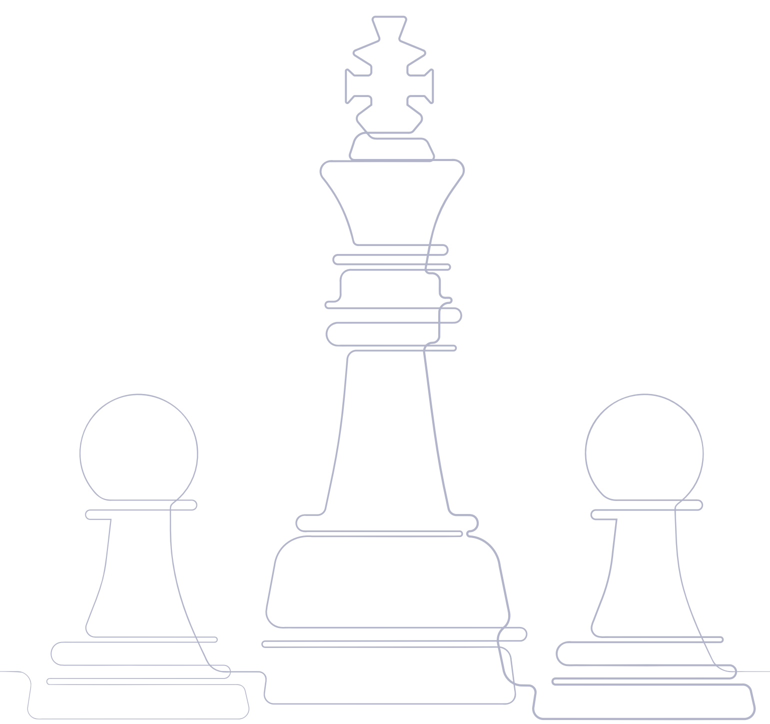
- Nomination as Brand of the Year by Revista de Vinhos
- Five bronze medals at the Lusophone Creativity Awards, for the "Guarda Rios Simplifica"campaign
- 182 medals in wines produced by WineStone
- 20 wines with scores above 90 points awarded by national and international specialised critics

4.5

The resilience of our operations

risk and opportunity management

GRI 2-23, GRI 2-25, GRI 201-2



The continuity and growth of José de Mello Group's business depend on a process of considered and informed decision-making and the permanent monitoring of the main factors that influence its activity, which constitute challenges to the fulfilment of its strategic objectives. The identification and adequate management of risks allow for greater preparation, proactivity and speed in responding to them, in order to minimise or eliminate associated potential negative effects, boosting its ability to create value.

In José de Mello the risk identification process is guided by its **Risk Management Policy**, which encourages the establishment of a risk management culture in the organisation, especially in the first lines of response to risks. Its implementation is carried out by a group of multidisciplinary actors with different focus areas and responsibilities.

Board of Directors

Executive Committee

Responsible for risk management, including:

- **Approval of the Risk Management Policy** and respective amendments
- **Decisions in cases of high risk** and of breach of defined limits

Risk management team

- Continuous assessment of the **Risk Policy** and identification of any revision needs, coordinating its development and updating process
- **Aggregation of risk management information** from the different responsible areas/people **and preparation of reporting documents**
- **Analysis of the evolution of risk exposure** (globally and for each risk), challenging the areas responsible for the risk
- **Monitoring and alignment of the Risk Management Policies of the investees**

Functional areas of JdM (responsible for risk)

Administrative and Social Responsibility	Communication	Accounting and Consolidation	Finance	Business Development
Innovation and Sustainability	Legal	People and Talent Management	Strategic Planning and Management Control	Information Technologies

- **Identification and continuous assessment** of risks of the respective area
- **Day-to-day risk management** to mitigate the probability of occurrence and impact of the different risks
- **Preparation of response mechanisms** in case of breach of defined risk limits
- **Periodic update of the evolution of risks** for reporting

In the event of an escalation of risk, José de Mello´s response is based on the following steps:

	01 Risk identification and reporting	02 Assessment of the situation and definition of a response plan	03 Development of a mitigation / correction plan	04 Discussion at Executive Committee and/or Board of Directors level
TIMING	Continuous	Immediate	Dependent on decision made in stage 2. (Assessment of the situation)	Dependent on decision made in stage 2. (Assessment of the situation)
DESCRIPTION	• Identification of a high-risk situation (calling into question tolerance or defined limits) • Communication between risk officers and the risk management team	Depending on the risk, decide on: • Immediate need to communicate to the Executive Committee and/ or Board of Directors (including timing for discussion) • Time to prepare the mitigation / correction plan	• In the event of a high probability that the risk materialises, preparation of a mitigation plan for the occurrence or impact of the risk • Preparation of a response plan in case of risk materialisation	Discussion and approval at Executive Committee and/or Board of Directors meetings
RESPONSIBLE AREAS/ PEOPLE	Areas responsible for the risk or risk management team	Risk management team together with risk officers (and Director responsible for Area)	Areas responsible for the risk with support from the risk management team	Executive Committee and/or Board of Directors

RISK MATRIX

For each risk identified in the matrix, the respective **mitigation actions** are presented below, in a non-exhaustive manner.

Legend

A.	Attraction, retention and development of human capital
B.	Responsible investment
C.	Innovation
D.	Economic performance and operational efficiency
E.	Ethics, transparency and integrity
F.	Brand and reputation management
G.	Climate change
H.	Involvement with Society
I.	Diversity and inclusion

1 INTEREST RATE

Description

- Increase in the index due to macroeconomic changes and monetary policies, reflected in the cost of variable rate debt or new financing
- Increase in José de Mello's debt spread on new financing

Probability of occurrence:	Correlation with Risks:	Materiality:
High	2, 3	B, D

Mitigation Actions

- Analyse the impact of reference rates on financial costs and dividends received by José de Mello influenced by the impact of interest rates / Inflation on the Group's businesses portfolio
- Continuously analyse the market situation, seeking the correct balance between fixed and variable rates, depending on José de Mello's portfolio profile
- Ensure active and prudent financial management to ensure competitive debt costs in each financing

2 FINANCING AND LIQUIDITY

Description

- Reduction of dividends from businesses or worsening of other expected flows (between receipts and payments) that impact José de Mello's cash management
- Inability to service debt and other liabilities due to lack of liquidity
- Excessive indebtedness
- Inability to access capital to execute the defined portfolio strategy, caused by the Group's situation or the external and regulatory context of financial markets and the economy

Probability of occurrence:	Correlation with Risks:	Materiality:
Limited	1, 3	B, D, F

Mitigation Actions

- Monitor the evolution and projection of indicators relevant to financing covenants to foresee and act in advance on possible deviations
- Monitor the execution of business plans and the dividend policy of investees
- Monitor the evolution of annual budgets to ensure sufficient liquidity to serve the operational and strategic needs of José de Mello

3 PORTFOLIO

Description

- Macroeconomic changes (economic growth, inflation, monetary policy, among others) with an impact on performance, cash generation and the value of José de Mello and its investees
- Risk of fluctuations in the value of each asset implying strong fluctuations in the Group's economic results and equity
- Geographical and sectoral concentration
- Execution of new investments, both in the entry assessment and in the performance of the new assets
- Relations with different shareholder and operating partners

Probability of occurrence:	Correlation with Risks:	Materiality:
High	1, 2	B, C, D, E, F, G

Mitigation Actions

- Ensure alignment between José de Mello's capital structure and the defined risk profile
- Continue to execute the business plans of the investees, allowing the capture of efficiency opportunities, reducing risks and improving the capital structure
- Continue to diversify the asset portfolio, in accordance with the defined strategy
- Ensure the functioning of the investment committee and application of the investment manual (criteria, governance, responsibilities, among others), to mitigate risks in executing new investments
- Actively and transparently manage the relationship with shareholder partners

4 LEGAL AND TAX

Description

- Failure to comply with legislation and compliance obligations
- Tax responsibilities related to actions taken in the past contested by the Tax Authority or other State bodies
- Legislative and regulatory changes
- Non-compliance with the General Data Protection Regulation (GDPR)

Probability of occurrence:	Correlation with Risks:	Materiality:
Limited	2, 6	B, E, F

Mitigation Actions

- Ensure a detailed assessment of the potential legal implications of decisions adopted following a logic of prudence
- Ensure the existence of a qualified legal and accounting team, using external support, when necessary, whether in respect of decisions adopted in relation to their legal and/or tax impacts or legislative changes
- For situations of greater risk and/or complexity, obtain formal (documented) justification from external entities
- Disclosure of legislative changes and standards published with greater relevance

5 HUMAN RESOURCES

Description

- Ability to attract and retain talent
- Dependence on key resources
- Lack of adequate skills in the organisation
- Work accidents

Probability of occurrence:	Correlation with Risks:	Materiality:
Medium	3, 6	A, C, D, E, F, H, I

Mitigation Actions

- Ensure the strength of the employer branding and enrich the employee value proposition
- Empower and develop teams, namely through training
- Develop and structure succession plans for key resources

6 REPUTATIONAL

Description

- Damage to José de Mello's image as a result of the operation and actions of José de Mello, its investees or partners of the Group

Probability of occurrence:	Correlation with Risks:	Materiality:
Medium	1, 2, 3, 5	A, D, E, F, H, I

Mitigation Actions

- Monitor communication reports, applying a preventive approach to the most critical topics
- Promote and monitor annual reputational reports
- Maintain a permanent dialogue with those responsible for communication of the Group's businesses portfolio
- Monitor articles in the press and developments on social networks about José de Mello and about the investees, developing internal or external response plans, if necessary

7 INFORMATION TECHNOLOGIES

Description

- Cyberattacks caused by risky behaviour of employees or the use of inadequate information systems, jeopardising the privacy and security of data and the continuity of the operation
- Failures in the performance of IT systems and infrastructure

Probability of occurrence:	Correlation with Risks:	Materiality:
Medium	6	C, D, F

Mitigation Actions

- Carry out regular updates of infrastructure and security software, ensuring that in case of implementation latency there is dynamic virtual patching
- Ensure identity management
- Implement a behavioural analysis system
- Train users in cybersecurity
- Perform internal and external penetration tests
- Periodically perform security audits

8 OPERATIONAL

Description

- Inadequate processes or non-compliance with defined processes
- Occurrence of fraudulent actions caused by People, internal or external to the organisation

Probability of occurrence:	Correlation with Risks:	Materiality:
Limited	6	B, C, E, F

Mitigation Actions

- Ensure that all employees are aware of the Code of Conduct
- Ensure that the irregularity reporting channel complies with whistleblowing legislation
- Inform and enable new employees on general processes and those related to their specific area

9 NATURAL DISASTERS, TERRORISM OR PANDEMICS

Description

- Occurrence of disasters, acts of terrorism or pandemics that jeopardise the safety of employees, the Group's assets and/or the Group's operations

Probability of occurrence:	Correlation with Risks:	Materiality:
Limited	2, 3, 5	D, G

Mitigation Actions

- Follow the recommendations of health, safety and civil protection authorities
- Define an emergency plan for each situation
- Ensure that investees map the risk and identify and develop mitigation actions

In 2023, no new risks were identified when compared to 2022. However, those responsible, in coordination with the risk management area, implemented the respective mitigation measures, which are regularly reviewed and updated, depending on risk scenario developments. These processes are duly monitored by the Executive Committee and the Board of Directors.

BONDALTI

Bondalti integrates into its culture an approach to risk management that is characterised by proactivity, mobilisation of the organisation and systematic improvement. This culture goes beyond compliance with regulatory obligations, encompassing the voluntary adoption of various Quality Management Systems and the continuous management of risk controls and the assessment of new internal and external challenges.

The **Risk Assumption Policy** establishes that Bondalti only accepts a very low level of risk of impact on People and the Environment, and a low level on economic, reputational and operational continuity impacts. Based on these criteria, the Company identified 26 risks that, given the potential uncertainty they represent for the pursuit of its objectives, are managed in a structured, systematic, shared and transparent manner.

The risk management process is based on the ISO 31000:2018 Standard and COSO ERM (Enterprise Risk Management) and is structured according to the **Three Lines Model**, with the **first line** associated with the activities of delivering products and services to the organisation's customers and with the responsibility for risk management assigned to the activities where the risk originates, **the second line** supporting risk management and comprising functions with specific risk management objectives (compliance, technology and information security, sustainability, quality assurance ,...), including the Risk Management area, and, in the third line, Internal Audit and external audits, which, in an independent and objective manner, provide guarantees and advice on the effectiveness and adequacy of governance and risk management.

In 2023, a **Project Risk Management model** was implemented **for transversal application** in projects of high strategic value for the Company, which allows identifying, analysing and evaluating the risks of a project, and monitoring the management of these risks in each investment phase.

Also in 2023, Bondalti approved the creation of an **Audit Committee**, which is responsible for evaluating and monitoring governance processes and risk management processes and controls. It is also responsible for proposing improvement measures and receiving reports of irregularities presented by employees and any other stakeholders.

More information in
"Integrated Report Bondalti 2023"

CUF's Risk Management aims to support sustained business growth and safeguard the Company's value, acting as a catalyst and promoter of a risk culture in all areas, capitalising on internal knowledge to identify, understand and mitigate risks.

The **risk identification and supervision process**, including ESG risks, is supported by a transversal and systematic methodology. Starting from the identification of the organisation's objectives, each department, service and/or business segment identifies the events that may eventually influence their achievement, those responsible, the causes, the consequences and the ongoing mitigation measures. The risk assessment follows, which foresees the attribution of degrees of "probability of occurrence" and "impact" by those responsible, according to the scales in force.

Depending on the level of risk, the **strategy** to be adopted for its handling - eliminating, transferring, mitigating or accepting the risk – is defined and **continuous monitoring** is carried out through the obtaining of indicators and the reporting to recipients on a regular basis.

Depending on the management maturity of each risk, in 2023, the management and mitigation strategy considered its characterisation, the definition of an approach plan, the reinforcement or development of measures and the respective monitoring, using concrete indicators.

Regarding ESG risk management, in line with CUF's and José de Mello Group's Decarbonisation Strategy, an exercise was also carried out to identify risks and opportunities, in light of the Taskforce on Climate-Related Financial Disclosures, which resulted in the identification of new climate risks, included in the dictionary of risks, and new opportunities. During 2024, these risks will be subject to further development within the scope of the risk management process, namely through the definition of climate scenarios and also through financial modelling to reduce and/or mitigate some of these risks and view others as opportunities.

More information in "Integrated Report CUF 2023"

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WINESTONE
GROUP

Recently incorporated, WineStone was unable to develop a formal plan for Risk Management by the date of completion of this Integrated Report. However, the business' major points of vulnerability have been identified, namely changes in consumption and in its regulation, climate change, dependencies in the value chain and the uncertainty of the global socioeconomic context.

In the field of Food Security, Food Fraud and Food Defence Plans were developed for Ravasqueira Vinhos. The **Food Fraud Plan** aims to identify the possibility of occurrences of deliberate and intentional adulteration in the products supplied (such as organoleptic adulteration, substitution, improper labelling, counterfeiting, etc.), as well as define the respective control and mitigation measures. This plan results from a risk analysis, which allowed the identification of potentially fraudulent activities, considering historical incidents of fraud, economic factors, ease of fraudulent activity, complexity of the supply chain, implemented control measures and the level of trust in the supplier.

The **Food Defence Plan** consists of assessing the vulnerability of facilities and implemented procedures to the occurrence of fraud, deliberate contamination and improper access. This plan is based on carrying out a risk analysis that considers the probability of occurrence of a certain unfavourable situation, the ability to implement preventive measures and the reversibility or not of situations. To ensure continuous improvement and the reduction and/or mitigation of identified risks, both plans must be reviewed annually.

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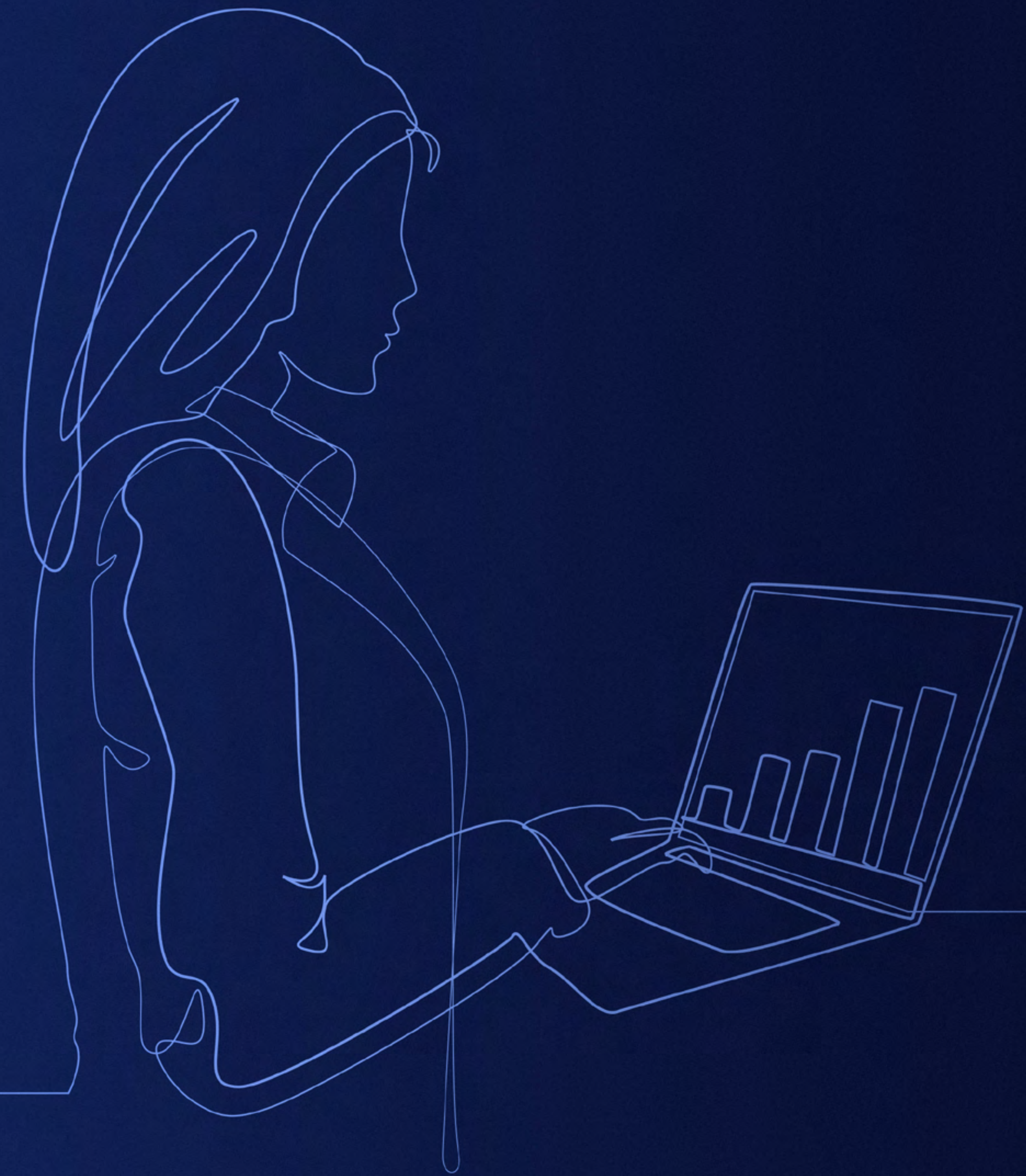
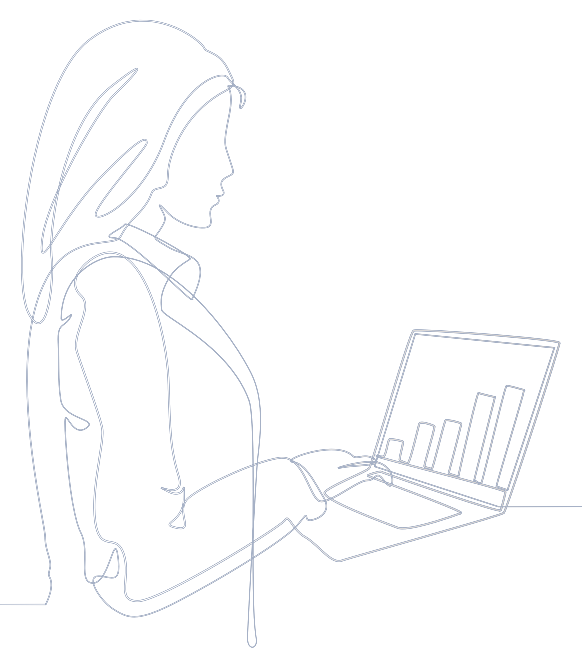
JOSÉ DE MELLO

05
Our performance



5.1 Our financial results

GRI 201-1



Financial Performance

Operating income (M€) ↗ 5%

2022	1 255
2023	1 319

EBITDA (M€) Margin (%) ↗ 6%

2022	192	15,3%
2023	204	15,5%

Net profit (M€) ↗ 3%

2022	92
2023	95

Net debt (M€) ↘ 21%

2022	917
2023	721

Investment (M€) ↗ 119%

2022	77
2023	168

Note: consolidated indicators

The year 2023 was characterised by the maintenance of adverse factors, such as the increase in reference interest rates, the continuation of the war between Russia and Ukraine and the conflict between Israel and Hamas, which had a negative impact on the energy market and the goods and services distribution chain, causing a general increase in prices, with a special impact on fuel, energy and raw materials.

The Portuguese economy, after a certain dynamism at the beginning of the year, stagnated and then grew 0.8% in the last quarter of 2023, escaping a technical recession, having, however, guaranteed a GDP growth of 2.2% for the entire year. Public debt decreased (in absolute terms in relation to 2022) and came in, for the first time in 14 years, below 100%. Domestic demand made a positive contribution to the annual variation in GDP, with a slowdown in private consumption and investment. Despite the downward trend in recent months, particularly in food prices, the average annual inflation rate was 5.2% in 2023.

In this context, José de Mello Group, even so, maintained its growth trajectory and achieved very positive results and indicators, some of which even historic.

Consolidated **operating income** reached 1 319 million euros, which represents a 5% growth compared to 2022.

The evolution of **operating expenses** followed the growth in activity of the various business units, with an increase of 5%, totalling 1 115 million euros.

Based on the aforementioned evolution of operating income and expenses, **EBITDA** increased Euros 12 million euros to 204 million euros, with the EBITDA margin growing 0.2pp to 15.5%.

The caption **amortisation, impairment and provisions**, net of reversals, totalled 78 million euros (+15% compared to 2022), giving rise to a consolidated EBIT of 126 million euros (growth of 1% compared to the homologous period).

The **financial results** for 2023 were a negative 5 million euros, decreasing 1 million euros compared to the previous year, negatively impacted by the rise in interest rates.

The profit before tax (consolidated **EBT**) did not change between the two years, being 121 million euros. Even so, the **net profit** was 95 million euros, calculated based on an income tax of 11 million euros and non-controlling interests of 13 million euros. **Earnings per share** increased to 19.03 euros, as a result of the aforementioned growth in activity.

In December 2023, **assets** totalled 2 471 million euros, consisting essentially of tangible fixed assets, goodwill, financial investments and bank deposits, which, combined, represent 80% of the Group's consolidated assets.

Throughout 2023, **investment** exceeded 168 million euros, more than doubling the previous year's investment.

Despite the increase in investment levels, the Group maintained its path of reducing its financial liabilities, reducing consolidated **net debt** by 197 million euros, reaching an amount of 721 million euros.

For the first time, **equity** exceeded one billion euros an increase of 77 million euros compared to the previous year, to which contributed, despite the distribution of dividends (through the distribution of retained earnings) of 6.6 million euros, the consolidated net profit for the year.

CONSOLIDATED INDICATORS:

(Million euros)	2022	2023	Variation
Operating income	1 255	1 319	5%
EBITDA	192	204	6%
EBITDA margin %	15.3%	15.5%	+ 0.2 P.P.
EBIT	125	126	1%
EBIT margin %	9.9%	9.6%	- 0.3 P.P.
Net profit	92	95	3%
Investment	77	168	119%
Net assets	2 485	2 471	-1%
Equity	969	1 045	8%
Net debt	917	721	-21%

CONTRIBUTION BY BUSINESS:

	Consolidated		Bondalti		CUF		JMRS		WineStone		Other [1]	
(Million euros)	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Operating income	1 255	1 319	609	523	636	756	7.7	8.5	N.A.	24	3	9
EBITDA	192	204	105	96	99	120	1.2	1.6	N.A.	3	-12	-16
EBITDA margin %	15.3%	15.5%	17.2%	18.3%	15.5%	15.9%	15.1%	18.5%	N.A.	11.1%	N.A.	N.A.
EBIT	125	126	80	69	58	73	-0.1	0.6	N.A.	2	-14	-18
EBIT margin %	9.9%	9.6%	13.2%	13.1%	9.1%	9.6%	-1.5%	7.6%	N.A.	10.2%	N.A.	N.A.
Net profit	92	95	52	51	35	38	-0.48	0.05	N.A.	2	18	17
Net debt	917	721	72	45	483 [2]	503 [2]	7	6	N.A.	6	355	160
Investment	77	168	18	36	58	102	-	0.3	N.A.	29	1	2

[1] Includes Instrumental Companies (José de Mello Capital and José de Mello Investimentos), Small Platforms (M Dados, Lifthium and José de Mello Imobiliária) and elimination of intra-group transactions
[2] CUF considers, in the calculation of financial ratios for the purpose of its management report, that its net debt is net of financial instruments

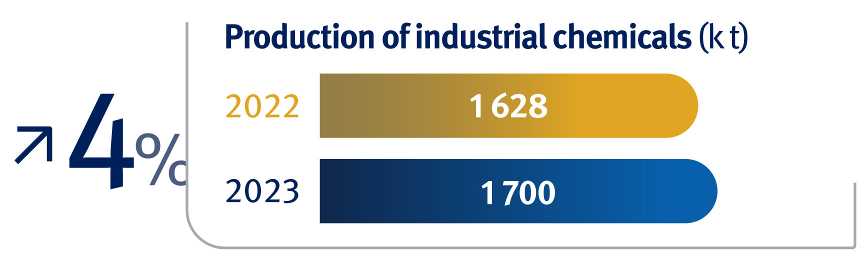
BONDALTI

Operational Performance

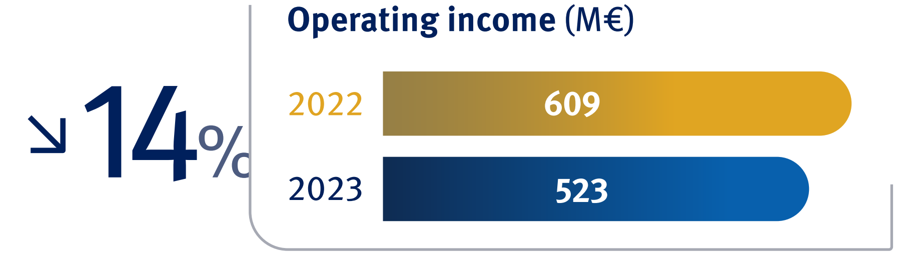
Bondalti achieved very positive results in 2023, in line with 2022, in a year once again marked by the reliability and safety of the operations.

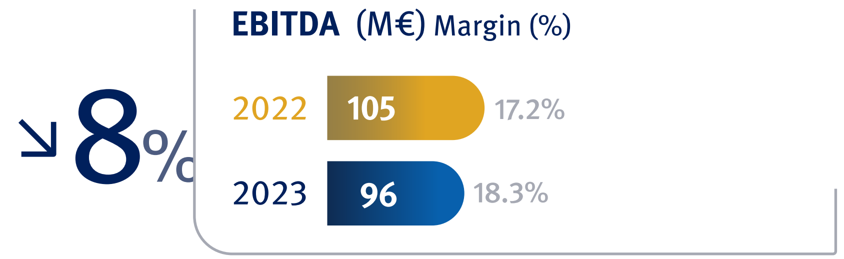
Bondalti Chemicals, in the year 2023, was marked by an increase in production volume in the organic segment and in most of the inorganic segment, with the highlight being the entry into new customers and new markets and an increase in market share in Spain, in inorganic products, contributing to the consolidation of the activity in Bondalti Cantábria. Sales prices underwent a correction compared to 2022, although it was possible to defend margins through careful management of production costs. During the year, the NaCl electrolysis conversion project began, with a relevant impact on the year's investment volume.

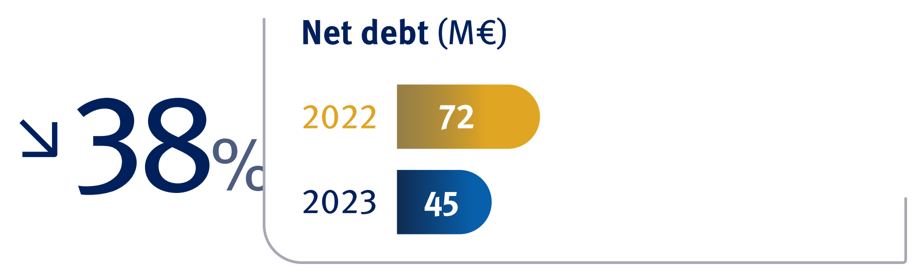
Bondalti Water Solutions recorded, in 2023, a turnover similar to the previous year's. It should be noted that as a result of the commercial activity carried out, it was possible to close the year with a very robust order book, which envisages, for 2024, a growth in business volume and increased margins. The year 2023 was also of consolidation of the current management model, with the corresponding articulation of operational and commercial activities carried out in different geographies.



Financial Performance







The financial performance recorded by Bondalti in 2022 had made historical records, and a variation in the same was already expected in the 2023 financial year. Despite the decrease observed, the results are, nevertheless, very positive when compared to Bondalti's historical values.

Operating income was **523 million euros**, which represents a decrease of 14% compared to 2022.

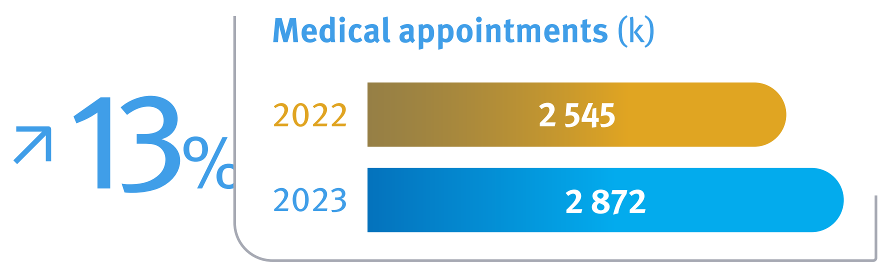
EBITDA reached an amount of 96 million euros, 8% lower than the amount recorded in 2022, with an EBITDA margin of 18.3%.

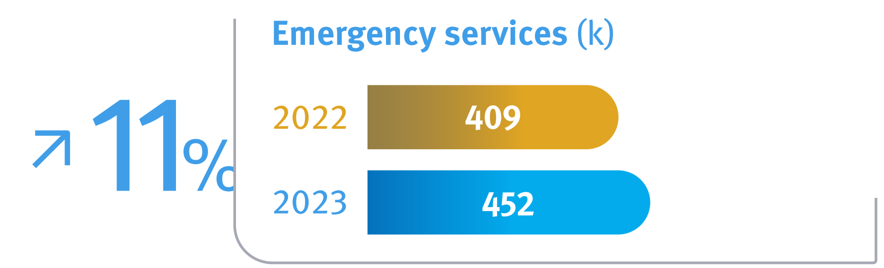
The **net profit** was **51 million euros**, with a deterioration of 1 million euros compared to 2022.

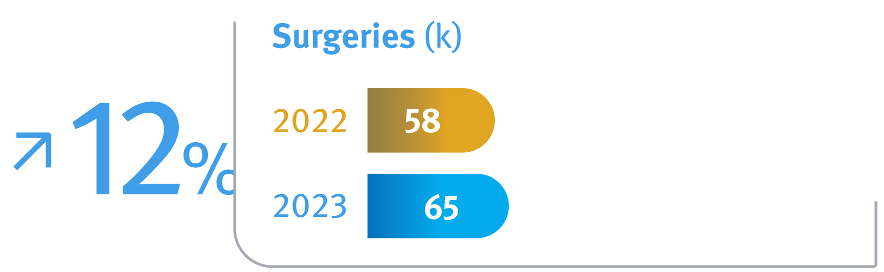
During 2023, Bondalti invested **36 million euros**, and in parallel reduced **net debt** by 28 million euros, bringing it down to **45 million euros**.

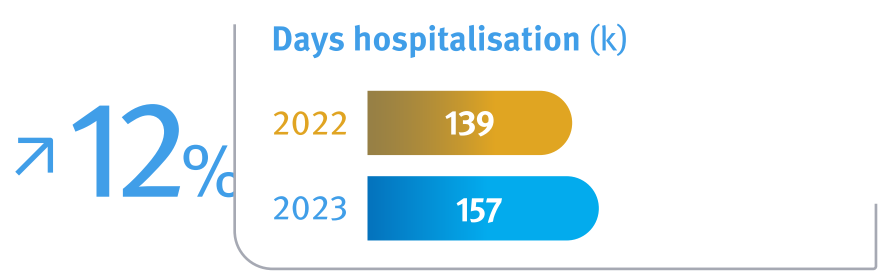
More information in "Integrated Report Bondalti 2023"

Operational Performance





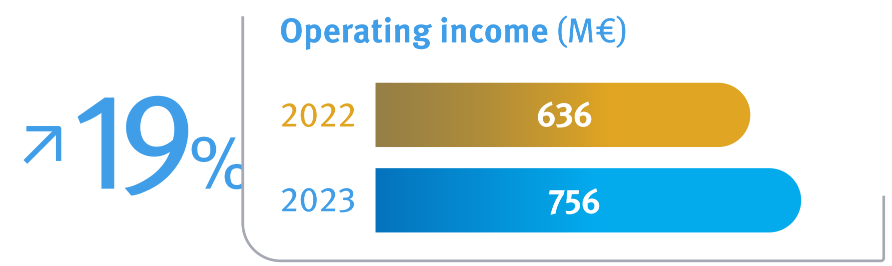


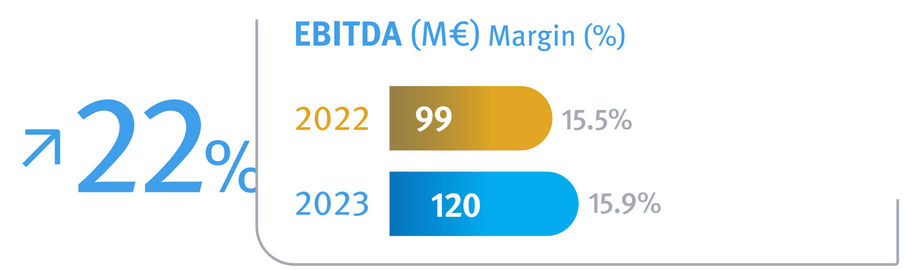


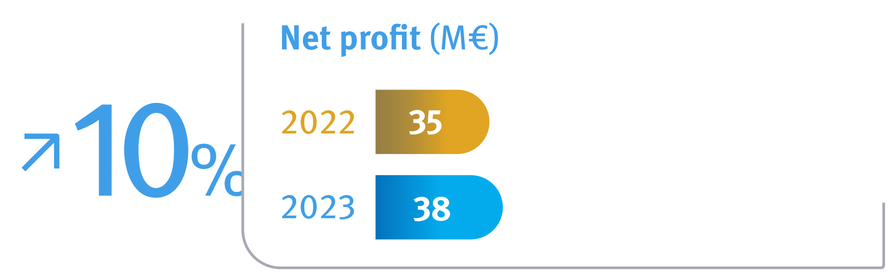
In the 2023 financial year, CUF maintained the sustained growth of its assistance activity, with a positive evolution in these indicators compared to previous periods, which demonstrates the population's confidence in the CUF network. Medical appointments, hospitalisation days and surgeries stand out, with increases of more than 12% compared to 2022. Emergency services and deliveries (births) increased by 10.5% and 7.2%, respectively, when compared to values from the previous year.

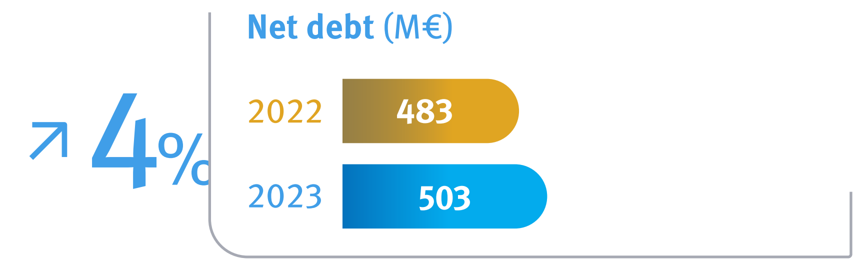
Additionally, the opening of the new units - Clínica CUF Leiria in January, Clínica CUF Medicina Dentária de Santarém and CUF Montijo in February, and Hospital CUF Açores in March – is to be highlighted.

Financial Performance









In 2023, CUF recorded very positive results.

CUF achieved **756 million euros in operating income**, which represents a growth of 19% compared to 2022, and reached an **EBITDA of 120 million euros**, an increase of 22% compared to the amount recorded in 2022. The EBITDA margin was 15.9%, with an increase of 0.4p.p. relative to the homologous period.

The net profit was **38 million euros**, higher by 3 million euros than the amount observed in the previous year.

Investment in 2023 was **102 million euros**, relatively higher than that observed in the same period last year. In line with the high level of investment, there was an **increase in net debt** of 20 million euros to **503 million euros**, with an improvement in financial ratios due to increased activity levels and improved financial performance.

More information in "Integrated Report CUF 2023"

JOSÉ DE MELLO
RESIDÊNCIAS E SERVIÇOS

Operational performance

The year 2023 at José de Mello Residências e Serviços was marked by historic occupancy levels, with an average occupancy rate of 96%, an increase of 8pp compared to 2022.

↗ 8%

Occupation rate (%)

2022	88
2023	96

Financial performance

↗ 9%

Operation income (M€)

2022	7,7
2023	8,5

↗ 34%

EBITDA (M€) Margin (%)

2022	1,2	15.1%
2023	1,6	18.5%

↗

Net profit (M€)

2022	-0,48
2023	0,05

↘ 8%

Net debt (M€)

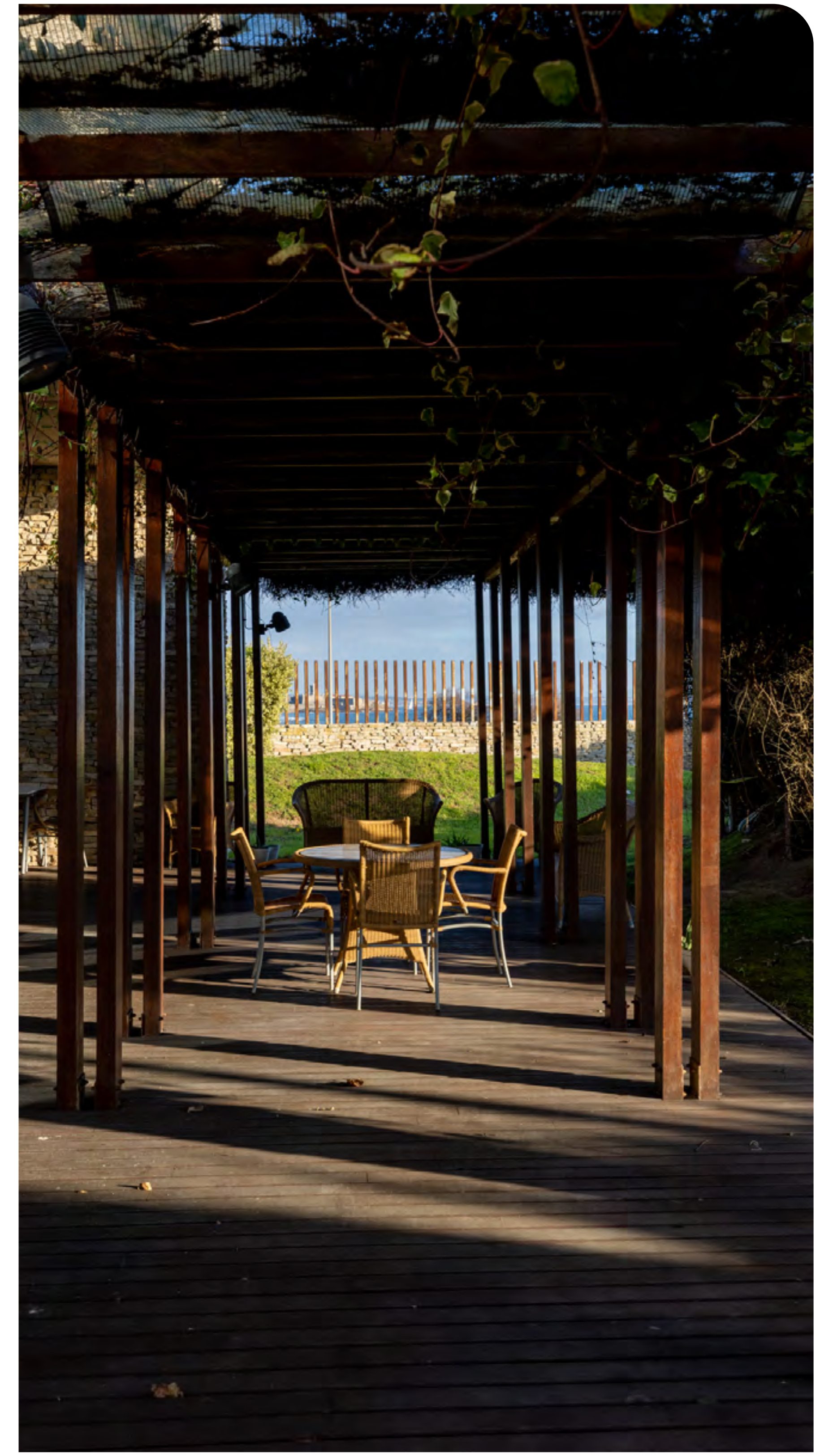
2022	6,8
2023	6,2

In 2023, **operating income** was **8.5 million euros**, which represents an increase of 9% compared to the same period last year.

EBITDA grew by 34% compared to 2022, reaching an amount of **1.6 million euros**, with the pressure felt on operating expenses continuing.

The **net profit was positive, reaching 53 thousand euros**, with an increase of 528 thousand euros compared to 2022.

In 2023, there was a decrease in **net debt** of 1 million euros, to **6 million euros**.



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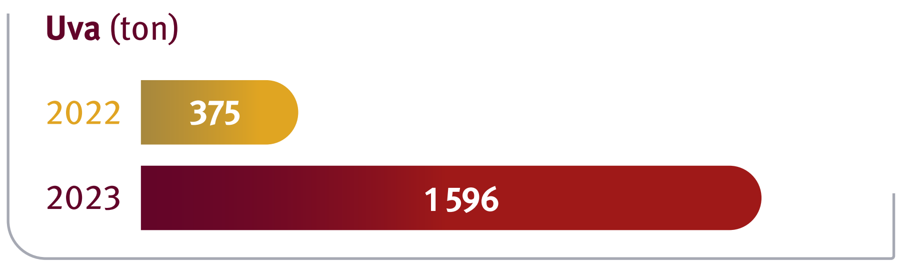
WINESTONE
GROUP

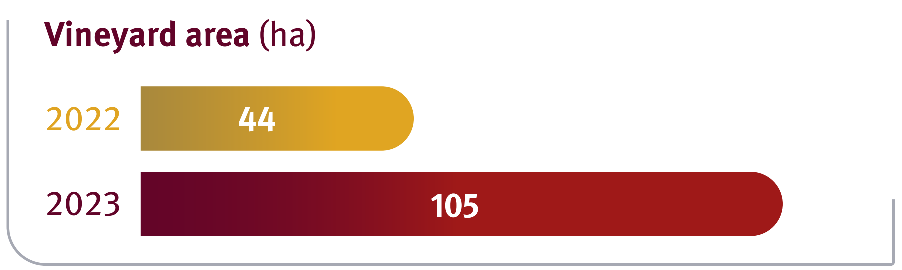
Operational performance

For WineStone, the first quarter of 2023 was marked by the organisation of the WineStone Group and the integration of Ravasqueira Vinhos in José de Mello.

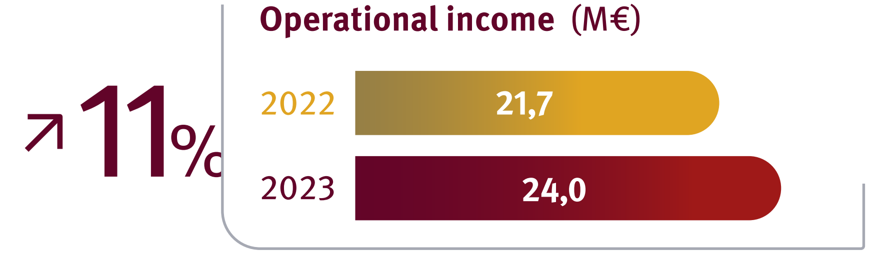
As a follow-up to the defined growth strategy, the acquisitions of Quinta do Côtto and Paço de Teixeiró, in September, and Quinta do Retiro Novo and the brands Weise and Krohn, in October, were completed.

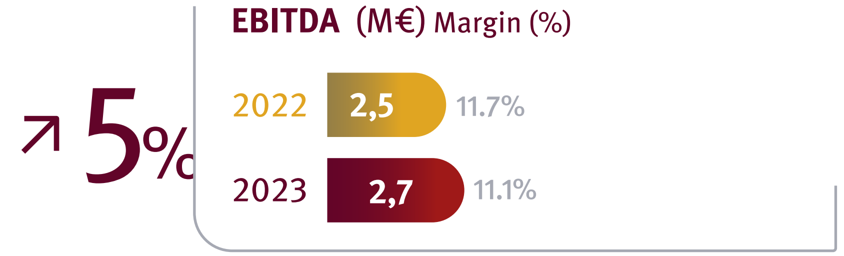
At the end of 2023, WineStone had 105 hectares of vineyards and processed 1.6 thousand tonnes of grapes.

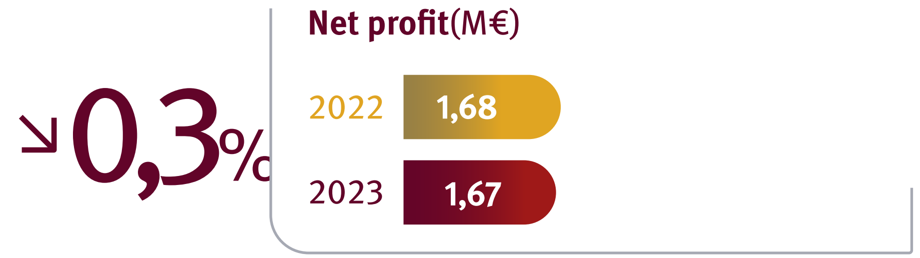


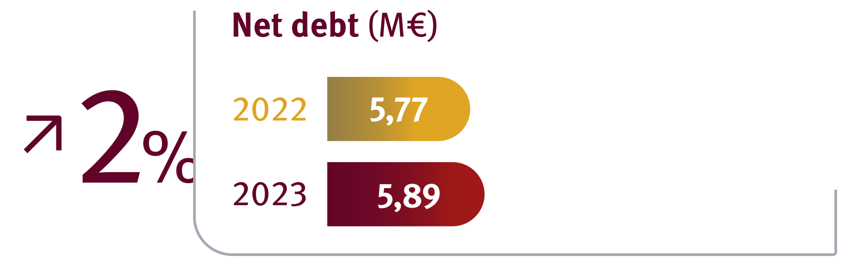


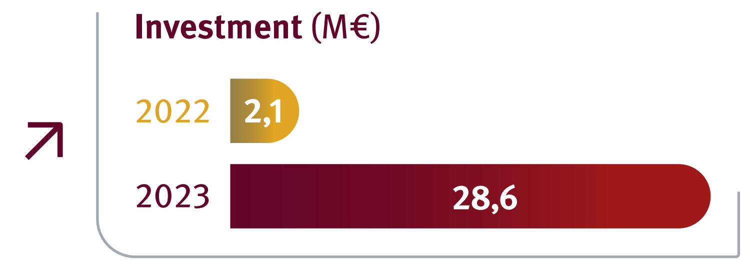
Financial performance











Note: Indicators for 2022 refer to the company Ravasqueira Vinhos. WineStone was included for the 1st time in the José de Mello perimeter in 2023

In 2023, WineStone records activity essentially related to Ravasqueira's financial year, with that of the remaining estates still being residual, with **operating income** of **24 million euros**.

WineStone achieved an **EBITDA of 2.7 million euros**, with a margin of 11.1% and a **net profit of 1.67 million euros**.

In 2023, an **investment of 29 million euros** was made, an amount that mostly the integration of Ravasqueira into José de Mello Capital. **Net debt** reached **6 million euros**.

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Individual economic and financial situation

At the end of 2023, the Company's financial investments totalled 601 million euros (623 million euros, in 2022), reflecting, above all, the effect of measuring the financial holdings held using the equity method.

Total assets, in the amount of 1 267 million euros, reflect a reduction of approximately 18 million euros compared to the previous year, justified by the recognition of an impairment loss on the total credit resulting from the conversion of the Mandatorily Convertible Securities of MGI (73 million euros) in previous years and the decrease in financial investments, as a result of reserves and profits distributed by the investees, partially offset by the positive changes from the application of the equity method and the reinforcement of shareholder loans and ancillary capital contributions made. The decrease in liabilities, from 319 million euros to 223 million euros, is essentially due to the reduction in loans obtained, as well as the reversal of the provision set up in previous years, replaced by the aforementioned impairment loss.

Equity totals 1 044 million euros and its increase compared to the previous year (967 million euros, in 2022) is essentially due to the result recorded in the financial year and adjustments to financial holdings resulting from the valorisation of its investees. The payment of dividends to Shareholders in the amount of 6.6 million euros also contributes to this change.

The expenses for the year total 104 million euros, and include 73 million euros of impairment losses, 15 million euros of personnel expenses, 6.4 million euros of financial expenses, 4.4 million euros of other expenses and losses (that include 3.7 million euros of coverage for losses in an investee) and 4.3 million euros of external supplies and services. The income amounts to 200 million euros and results, essentially, from gains attributed to Group companies resulting on the application of the equity method in the valuation of financial holdings, in the amount of 102 million euros, and from the reversal of provisions and impairment losses, totalling 75 million euros. The total services provided amount to 3.5 million euros.

From the above, the financial year ended with a positive result in the amount of 95.9 million euros.

It is considered that the Company has adequate resources to continue its service provision activity and fully comply with its obligations, despite the context of global uncertainty.

In compliance with the provisions of current legislation, it is hereby declared that, at the balance sheet date, there are no outstanding debts to Social Security, nor are there any debts to the State Public Sector the payment of which is in arrears.

Conformity statement

In compliance with legal and statutory provisions, the Board of Directors submits the Integrated Report for the 2023 financial year to shareholders for consideration, in the firm belief that, to the best of its knowledge, i) the information contained therein was prepared in accordance with the applicable accounting standards, providing a true and fair view of the assets and liabilities, the financial situation and results of José de Mello and the companies included in its consolidation perimeter; ii) faithfully exposes the evolution of the business, performance and position of José de Mello and the companies included in the consolidation perimeter; and iii) contains a description of the main risks José de Mello faces in its activity.

EUROPEAN UNION TAXONOMY

The European Union (EU) Taxonomy works as a classification system for environmentally sustainable activities, through a set of technical criteria established by Delegated Acts, which reflect the EU's climate and environmental objectives. Activities are defined that can contribute substantially to six environmental objectives – Mitigation of climate change, Adaptation to climate change, Sustainable protection of aquatic and marine resources, Transition to the circular economy, Prevention and control of pollution and Protection and restoration of biodiversity and ecosystems.

With the implementation of this regulation, new obligations to report financial indicators fall on the companies covered: proportion of turnover, proportion of capital expenditure and proportion of operating expenses of activities aligned with the Taxonomy. To define an activity as aligned with the Taxonomy, it must contribute substantially to one of the six defined environmental objectives, not significantly harm any of the other five and be carried out in accordance with minimum social safeguards.

Although José de Mello is not currently covered by the Taxonomy regulations, it is in the Group's interest to assess in advance the application of the Taxonomy across all its investees through an analysis of the eligibility and alignment of their activities.

Outlook for 2024

After a growth of 2.2% in 2023, the Portuguese economy will continue to show growth based on investment and exports, converging with the Eurozone, although there is a relevant range between the economic outlook according to the different institutions. On average, growth is projected to slow down to 1.4% in 2024 and increase to 1.9% in 2025.

The downward risks to the evolution of the activity arise from a more pronounced slowdown in China and in international trade, from a more adverse impact than that incorporated in the projections of current financing conditions and from a tightening of the monetary policy restrictiveness. For inflation, the risks of new shocks on raw material prices or greater persistence of internal pressures will be offset by the materialisation of downward risks on economic activity.

Even so, despite the uncertainty associated with supply chains, purchase prices and logistics costs, José de Mello Group will continue to monitor developments and impacts on its value chain, with no significant impacts on its financial performance being expected.

Proposal for appropriation of Results

The net profit for the 2023 financial year was Euros 95 936 226.26, and it is proposed that it be appropriated to Retained Earnings.

Lisboa, 9 May 2024

THE BOARD OF DIRECTORS

Vasco Maria Guimarães José de Mello
Chairman

Pedro Maria Guimarães José de Mello
Vice-Chairman

Salvador Maria Guimarães José de Mello
Vice-Chairman

António Mota de Sousa Horta Osório

Gonçalo Maria Guimarães José de Mello

João Maria Guimarães José de Mello

João Pedro Ribeiro de Azevedo Coutinho

João Pedro Stilwell Rocha e Melo

Luís Eduardo Brito Freixial de Goes

Maria Amélia Guimarães José de Mello Bleck

Maria Isabel Torres Baptista Parreira Jonet

Pablo Arturo Forero Calderon

Raúl Catarino Galamba de Oliveira

Rui Alexandre Pires Diniz

5.2 We operate in Society

GRI 3-3

Since its foundation, José de Mello Group has always attached great importance to its involvement with Society, implementing initiatives that have shaped its culture and Values over time.

By adopting this approach in its sustainability strategy, the Group reaffirms its role as an agent of positive change and seeks innovative solutions to the social and environmental challenges faced by local and global communities, on an ongoing basis.

In 2022, this commitment was reinforced by José de Mello, having been highlighted as a material theme during the stakeholder consultation process for the preparation of the Sustainability Agenda, and subsequently integrated into the respective Sustainability Roadmap.

During 2023, José de Mello promoted a deep reflection on its impact on the community, resulting in the approval of its Impact Investment Strategy.

With this Strategy, José de Mello commits to contributing significantly to the transformation of Portugal, through its activities in the areas of Education and Entrepreneurship.

This Strategy identifies 4 pillars and 10 themes of action, which cover 13 objectives and more than 50 actions on which the Company will focus from 2024 onwards.

During 2023, in addition to the Internal Social Responsibility initiatives currently existing within the Group, such as the Árvore do Apadrinhamento (Sponsorship Tree), Programa Ser Solidário (Being in Solidarity Program) and Programa de Voluntariado (Volunteer Program), it was also possible for employees of José de Mello to support social organisations chosen by them, through the use of the Passo-a-Passo (Step-by-Step) application, which measures the daily physical activity and converts movement into Euros.

Also noteworthy is the participation of 114 volunteers, including employees and employees' families, in the World Youth Day Lisbon 2023, which took place from the 1st to the 6th of August, in Lisbon.

TESTIMONY

"Experiencing World Youth Day as José de Mello's team leader was extraordinary! The objective was to give my time, but I ended up receiving infinitely more. Being able to accompany each of our volunteers and be part of the team that welcomed more than 1 500 pilgrims with disabilities was truly transformative. Thanks to the initiative of José de Mello there is a "before" and an "after" WYD!"

Mafalda Alegria
People and Talent Management Technician
José de Mello

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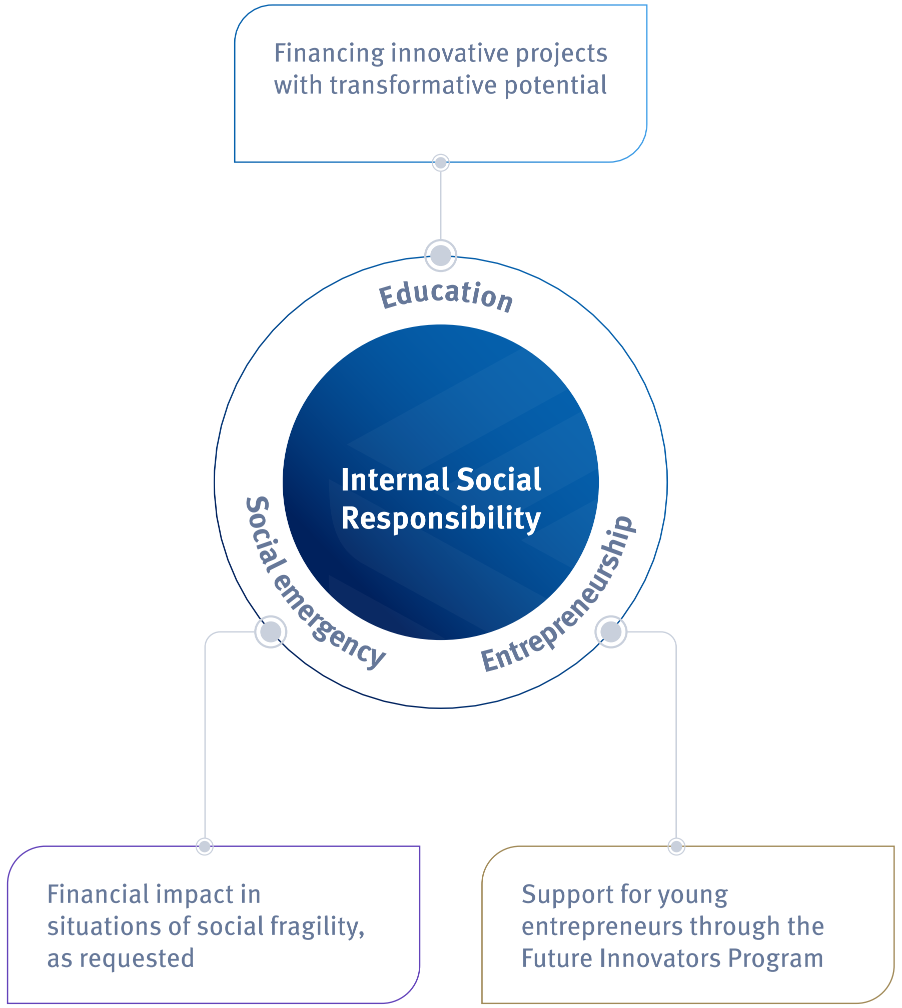

This year, several donations under Social Emergency situations were distributed, including support for Academia do Johnson, which promotes education and citizenship values in the prevention of risk situations for children and young people living in neighbourhoods in the municipality of Amadora. In 2023, the support given by José de Mello was only monetary, but it is anticipated that this will also acquire a mentoring format, under the responsibility of employees of the José de Mello team.

TESTIMONY

"I have always found the history of CUF's relationship with its employees and the community admirable. In 2023, when I joined José de Mello, I was given the opportunity to structure the Company's Impact Investment Strategy. Recognising the Group's historical legacy, I am very pleased with the result of our work, carried out in collaboration with various departments of the Company, and which reflects the serious commitment of José de Mello's Management to this topic."

Ana Lopes
Innovation and Sustainability Assistant Manager
José de Mello

In total, José de Mello contributed around 315 k€ in donations to social organisations in 2023.

Programa de Voluntariado Grupo José de Mello

The Volunteer Program aims to strengthen community ties by promoting volunteering action and personal and professional growth of participants. Each partner institution has a dedicated Volunteer Manager, responsible for coordinating volunteer participation and communication with the Coordinating Committee, which includes representatives of the Group. At the end of each academic year, an evaluation of the program is carried out through a survey of employees and institutions.

José de Mello also has a volunteer pool available to carry out specific actions

343 volunteers

18 partner institutions

Ser Solidário

Initiative that provides support, by employees, to social solidarity institutions. Each employee has the option to voluntarily contribute a minimum of 1 euro, deducted monthly from their salary. At the end of the year, each Group company contributes a complementary amount. The institutions that will benefit from donations are chosen by employees through a vote.

3 institutions supported

15 000€ donated

caminhar para ajudar PASSO A PASSO

Innovative project with double impact: promoting the health and well-being of employees and contributing to the implementation of projects and initiatives with social impact in different areas of activity. Walking, running, climbing up and down stairs or cycling, the movement of José de Mello's employees counts as a donation to social organisations.

9 institutions supported

12 000€ donated

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BONDALTI

Aiming to transform the Company's impact on the world around it, Bondalti intends to progressively move from a philanthropy model to a social investment dynamic. During 2023, the Bondalti's 2030 Corporate Responsibility Strategy – Together Matters Program, aligned with the Sustainable Development Goals of the United Nations 2030 Agenda, was defined. Its implementation will begin in 2024, comprising medium-term objectives and annual programs to identify strategic partners, as well as the best opportunities to generate a positive impact on Society and the Planet.

Bondalti's 2030 Corporate Responsibility Strategy

+Education and Citizenship

- Programs for education, from pre-school to vocational education
- Inclusion of ethnic minorities, migrants and refugees (children and young people)
- Training of children and young people on ESG themes
- Support for cultural programs for children and young people

+Home and Energy

- Housing support for people in situations of poverty and at risk of social exclusion
- Promotion of intelligent and sustainable housing
- Promotion of access to green energy
- Promotion of sustainable mobility

+Life

- Support for people with physical and mental disabilities
- Support for people with long-term illnesses
- Victim protection
- Access to clean water and sanitation
- Investment in long-term care infrastructure

+Entrepreneurship and Fair work

- Sustainable innovation
- Support for young entrepreneurs
- Scholarships and internships for young university students
- Entrepreneurship and sustainable innovation awards
- STEAM Programs (Science, Technology, Engineering, Arts and Mathematics)

+Nature

- Protection and promotion of biodiversity
- Decarbonisation and carbon capture
- Sustainable and accessible tourism
- Circular economy
- Disclosure and environmental awareness

In 2023, Bondalti made an investment of **2.3 M€ within the scope of the actions of its Social Responsibility program,** still in force.

Pacto para Mais e Melhores Trabalhos para os Jovens

Bondalti is one of the signatory companies of the "Pacto para Mais e Melhores Trabalhos para os Jovens (Pact for more and better jobs for young people)", an initiative of the Fundação José Neves ("FJN"), with the High Patronage of the President of the Republic, whose objective is to unite efforts, public and private, to promote and improve youth employment conditions, in line with individual and national expectations. The "Pact" involves, in addition to Bondalti and other José de Mello Group companies, several business organisations and public entities, such as the Conselho Nacional da Juventude (National Youth Council), the Instituto do Emprego e Formação Profissional (Employment and Professional Training Institute) and the Observatório do Emprego Jovem (Youth Employment Observatory).

Solidarity in Torrelavega

Bondalti carried out a social solidarity action in Torrelavega, with the delivery of donations to the local Red Cross delegation. This support resulted from the increase in requests for food assistance in the surrounding community, and the action permitted an increase in the capacity to respond to requests. Part of the goods were donated by factory employees and part by the Company itself.

Bondalti and Fundação Amélia de Mello Scholarships

Bondalti and Fundação Amélia de Mello awarded Scholarships – created in 2018 – to nine students at the Instituto Superior Técnico, in 2023: five students from different courses had their scholarship renewed and four new scholarships were awarded.

More information in "Integrated Report Bondalti 2023"

TESTIMONY

"Since 2019, we have been supplying drinking water produced in our reverse osmosis systems to Escola do Bairro do Sossego (School), in Kilamba, Angola, daily. More than 600 children enjoy quality water with a positive impact on their health and school attendance and performance. We ensure the transport of water to the School and all maintenance of the supply system. We are, therefore, fully part of the community around us."

Mário Freire
Executive Director
Bondalti Water Solutions

cuf

CUF works actively to establish itself as an entity close to the communities in the territories where it operates. To this end, it establishes partnership and cooperation relationships with local entities and promotes initiatives that aim to promote the common good and sustainable development of communities, considering their concerns and needs. In this context, among others, CUF is part of Local Social Action Councils, invests in the community, promotes health literacy actions, promotes inclusive employment, promotes management and mentoring training and carries out corporate volunteering actions. During 2023, more than 7 700 hours were made available during working hours to more than 230 volunteers, in various corporate volunteering initiatives, with four actions being organised by CUF.

477 k€
donated

38,4 k
goods donated to institutions

+ 7 745
hours of volunteering

42
institutions supported with donated goods

+ 230
volunteers

482 k€
invested in internal Social responsibility measures

In 2023, focused on generating positive social impacts, CUF strengthened its operations among local communities, namely, through an increase in investment in health training and skills, both for employees and beneficiaries of social economy entities, in a total of more than 41 000 hours of free training, for more than 400 trainees.

Training Program for Professional Caregivers

In collaboration with Fundação Calouste Gulbenkian, CUF launched a free training program for IPSS Professional Caregivers and the unemployed, focused on family and community support, aiming to train professionals. This certified course, taught by CUF Academic Center and Associação Portuguesa de Apoio à Vítima (“APAV”) (Portuguese Victim Support Association), aims to improve the quality of IPSS services, promote the biopsychosocial well-being of those assisted, valorise the profession and increase employability.

+ 960
hours of in-person training

InPulsar

In 2023, CUF consolidated its partnership with InPulsar, an institution in Leiria, which operates in economically and socially challenging regions, focused on supporting children, young people, families and community integration. This partnership includes the donation of clinical goods for preventive healthcare actions and the provision of training for InPulsar's technical team, with more than 1 000 clinical and non-clinical goods being donated in 2023. In addition, the Company was recognised for the quality of its community involvement, receiving sustainability awards in 2023.

More information in “Integrated Report CUF 2023”

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WINESTONE GROUP

In 2023, WineStone formally began its work on managing involvement with society, based on the results of the process of determining the Company's materiality. The work carried out in 2023 focused, in terms of geography, on the Alentejo region.

WineStone is, therefore, committed to generating value for society, especially in the communities where it operates. Believing that involvement with society is essential for the development of a sustainable business, its approach is centred on topics such as:

Employability and local economy

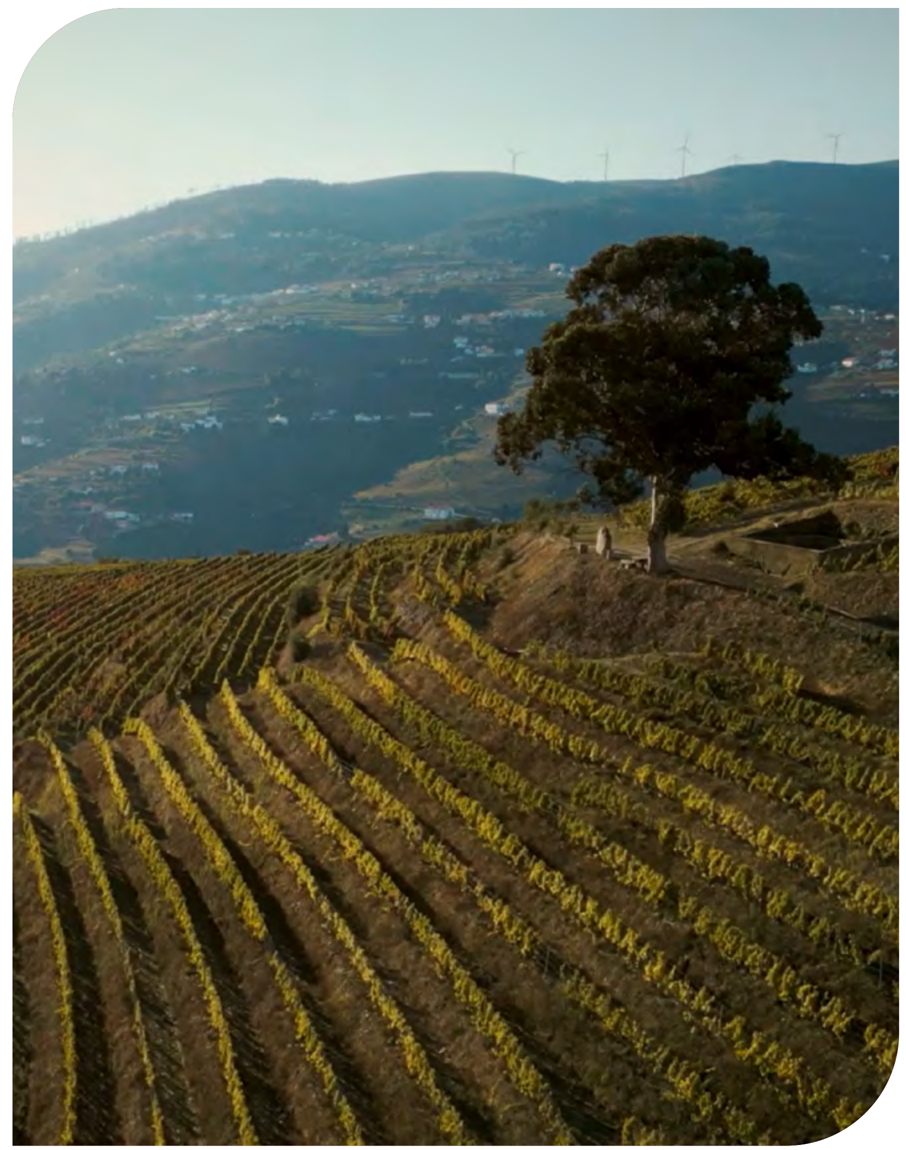
Education to identify and capture talent

Education for responsible consumption

Social entrepreneurship

Employee involvment

Strategically, and for the initiatives to be effectively meaningful and effective, the Company established its scope of intervention in areas such as education, tourism, viticulture and oenology and innovation, depending on the realities and geographies in which it operates, and developed an Agenda and Sustainability Roadmap for 2024 and beyond. The established goals, commitments, actions, goals and initiatives will be evaluated regularly, to ensure the maximisation of their positive impacts.



Seeking to create a tangible positive impact on the communities where it operates, WineStone began implementing a set of concrete initiatives.

Celebration of a collaboration protocol with the Arraiolos School Grouping in partnership with Fundação Amélia de Mello, which involves scholarships and internships

Promotion of Social Entrepreneurship through the Impact Journey, operated by Casa do Impacto, in collaboration with Fundação Amélia de Mello

Participation in transversal José de Mello Group initiatives, such as the Volunteer Program, Ser Solidário and Natal Solidário (Christmas Solidarity)

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JOSÉ DE MELLO
RESIDÊNCIAS E SERVIÇOS

José de Mello Residências e Serviços, as a residential structure for elderly people, plays a fundamental role in society. It offers accommodation and support services to one of the most vulnerable groups. By its nature, it not only meets the needs of support in the daily living activities of elderly people, but also contributes to the general well-being of the community, promoting inclusion and quality of life.

Through this commitment, the Company provides an essential service, with a significant positive impact on society, helping to strengthen community ties and promote a culture of respect and care for the elderly.

Furthermore, José de Mello Residências e Serviços also operates on several fronts:

Partnerships in the cultural and leisure fields to **promote intergenerational contact and learning**, restarting joint initiatives with schools and local institutions after the post-pandemic normalisation of activities

In addition to its main activity, the Company encourages employee participation in Group initiatives, such as the **Sponsorship Tree** and the **Volunteer Program**

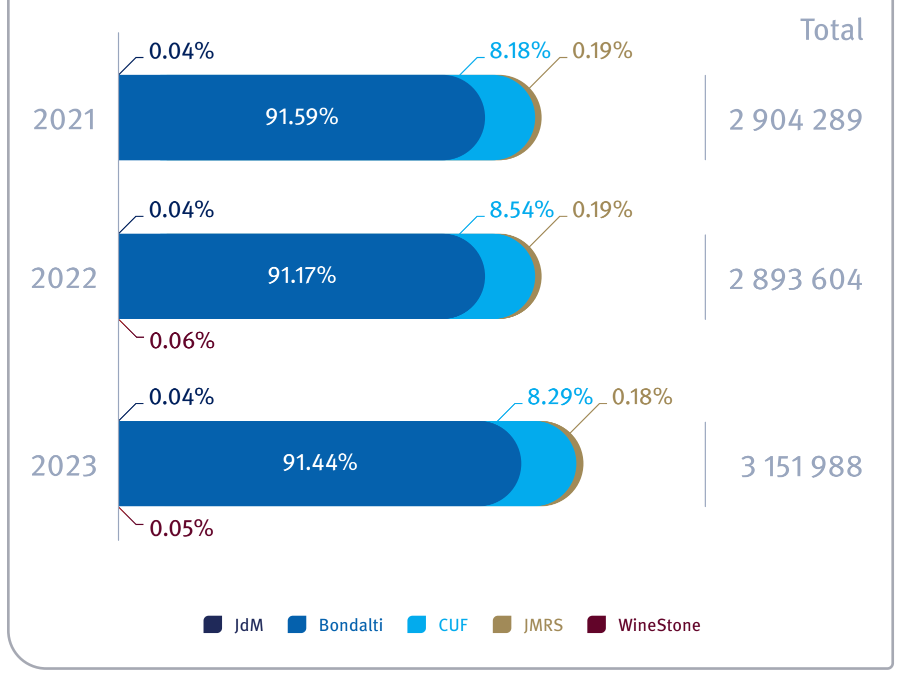
In addition to these, it has a partnership with Refood, where it delivers unused meals when there are leftovers, is regularly present in debate panels on social issues, namely those held by the Centro Nacional de Refugiados (National Refugee Centre) or, in 2023, at the "PERSPECTIVES AND OPPORTUNITIES FOR THE SENIOR SECTOR IN PORTUGAL" conference organised by AESE Business School in collaboration with Universidade Católica Portuguesa.

5.3 We preserve the Planet

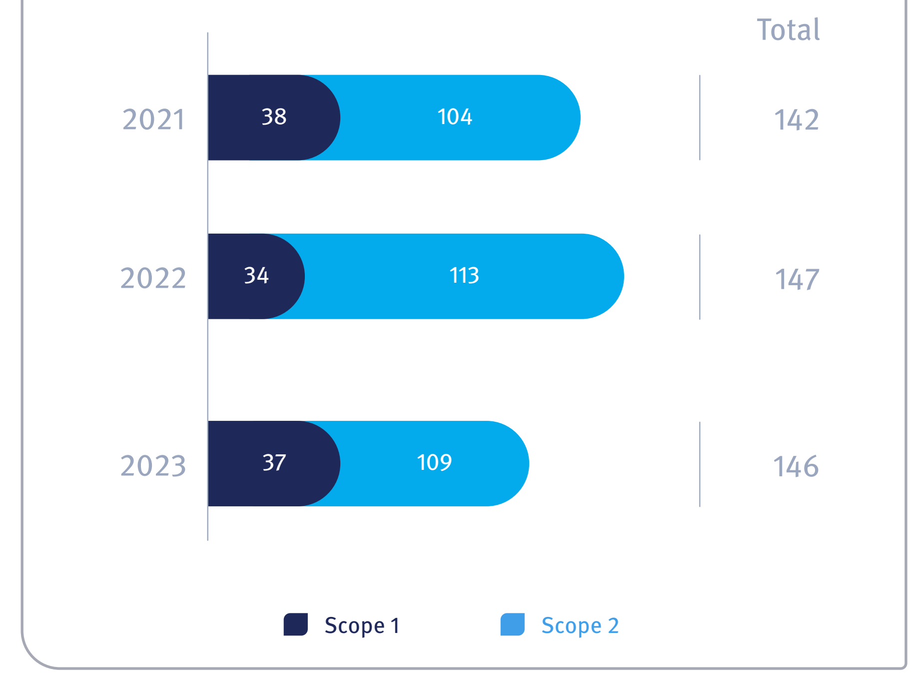
GRI 3-3, GRI 302-1, GRI 303-3, GRI 305-1, GRI 305-2

José de Mello Group actively seeks to promote environmental responsibility and sustainable development holistically across all its operations, maintaining the success, growth and financial resilience of its business, without neglecting its environmental impact.

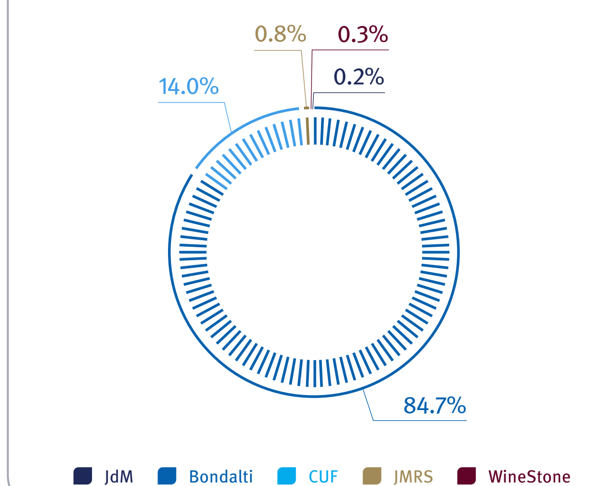
Energy consumption (GJ)



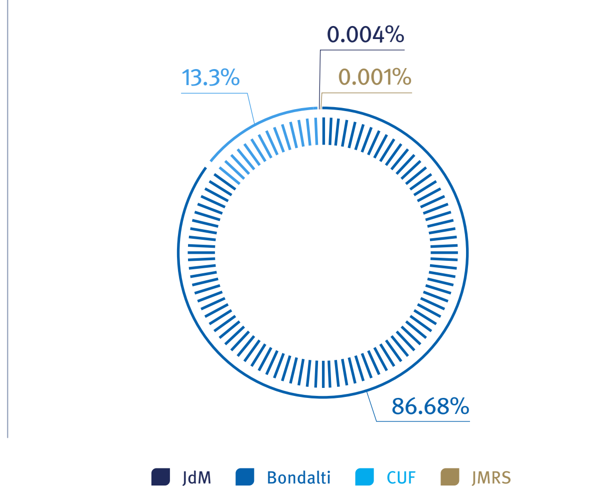
GHG emissions (scope 1 e 2[1]) of José de Mello Group (ktCO2e)



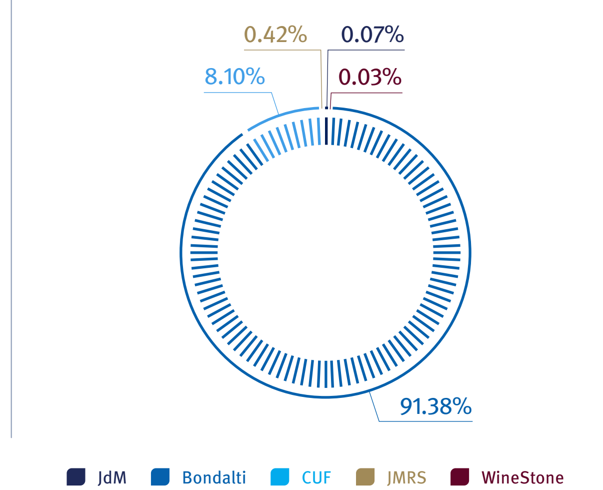
GHG emissions (scope 1 e 2) by company (ktCO2e)



GHG emissions (scope 3) by company (ktCO2e)



Water catchment 2023



[1] Location-based

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The main environmental impacts associated with José de Mello's activity arise from the consumption of non-renewable fuels in the motor vehicle fleet and non-renewable energy in the mix of electricity consumed in the headquarters building, meaning climate change is a material issue for the Company.

As such, José de Mello began, in 2023, the process of structuring its Climate Transition Plan, identifying the respective axes of action, instruments and actions to reduce its impact on the climate, based on the Carbon Footprint calculation exercise, and an assessment of climate risks and opportunities, including associated financial impacts:

Risk	Type	Potential Financial Impact
Asset devaluation	Current and emerging regulations	• Income reduction • Decline in the values or useful life of assets, leading to depreciation or loss of asset value • Difficulty accessing credit • Lower returns on its investments
Extreme weather events	Acute physical	• Increase in insurance premiums • Drop in income of investees, due to the decrease in their operational capacity • Increase in costs associated with the acquisition of consumables and materials (José de Mello and investees) • Increase in expenses associated with the acquisition of water or energy (José de Mello and investees)
Legal non-compliance	Current and emerging regulations	• Restrictions on access to capital due to non-alignment of the activity with the criteria established by the Taxonomy • Restrictions on access to capital due to a negative reputation
Negative reputation	Reputational	• Reduction in income due to reduced demand for products and services
Carbon price	Current and emerging regulations	• Increase in costs associated with the acquisition of consumables and materials (José de Mello and investees) • Increase in operating expenses (investees)

Risk	Type	Potential Financial Impact
Investment in renewable energy sources	Energy sources	• Greater access to capital, in the context of Taxonomy • Reduced operating expenses due to lower energy prices
New products and services	Products and services	• Increased income due to greater increase in demand • Increased income through access to new markets and consumers
Green financing	Markets	• Greater access to capital
Anticipation of the carbon neutrality strategy	Resilience	• Greater access to public and private capital • Increased income due to increased demand • Reduction of operating expenses

From the analysis carried out in 2023, it is possible to anticipate the importance of implementing measures to reduce electricity consumption in the José de Mello headquarters building, particularly those that are already underway, such as the replacement of air conditioning equipment and window frames. On the other hand, it will be equally important to continue the progressive transition of the motor vehicle fleet. At present, the range of vehicles offered to José de Mello employees already includes only hybrid and electric vehicles.

BONDALTI

Continuing with its Climate Transition Program, which has the main objective of substantially reducing the carbon footprint of its operations until carbon neutrality in 2030 (50% in terms of direct emissions (scope 1) and 100% in terms of indirect emissions (scope 2)), Bondalti achieved a reduction of 23% compared to 2020, of its carbon emissions (scope 1 and 2) at the level of chemicals per productive tonne compared to 2022. At the level of the global carbon footprint (including scope 3), Bondalti achieved a reduction of 6% in relation to the three-year average, representing a reduction of 7% per tonne of product produced. In this context, we highlight the intensive investment in the development of the green hydrogen project, which allows the decarbonisation of the aniline production process – one of the products sold by Bondalti – as well as creating a positive environmental impact for society in general, through injection into the gas network.

Additionally, new more sustainable solutions and practices were developed and the implementation of those already started were continued. Among them, the Technological Reconversion Project, which aimed to replace old devices (electrolysers) with more advanced equipment with lower consumption, the installation of a new electric boiler, to replace gas with electricity in the production of steam and, thus, significantly reduce the emissions produced in this process, and the calculation of the product carbon footprint at Bondalti Chemicals, among many other actions, stand out.

In terms of water resources management, an extremely important topic for Bondalti given its production process, the definition of an efficient use strategy, centred on the circularity of water in the industrial system, was carried out. This strategy made it possible to reuse 23% of the water catchment. Within the scope of this measure, wastewater originating from cooling operations are reincorporated into other processes, and in the case of systems that, instead of consuming, produce water, this is purified to be used again, for example, in the production of steam.

As in the previous year, in 2023 water consumption was directly proportional to its production. In terms of wastewater management, all business units forward their wastewater to treatment plants.

In addition to these, other achievements and contributions of Bondalti stand out in terms of reducing its environmental impact and promoting the preservation of the planet:

Waste recovery rate
of 97% of non-hazardous waste and 94% of hazardous waste

Environmental non-conformities
Reduction greater than the goal of 50%. Real reduction of 85%

Environmental licensing
Completion of Parque de Aveiro licensing and 1st stage of licensing by Bondalti Chemicals of 8 new projects

Project Earth
Study the dispersion of possible soil contaminants

Actions among the community
Environmental awareness (Estarreja)

More information in "Integrated Report Bondalti 2023"

TESTIMONY

"BTT – Bondalti Tech Talks - is an initiative that encourages debate around emerging technological solutions that can contribute to carbon neutrality. We were able to identify opportunities to improve industrial processes and develop new businesses aligned with our strategic objectives. An excellent moment for sharing knowledge and experience between employees and specialists, with different visions that complement each other and add value to our business."

Filipa Franco
Investigation and Development Team Leader
Bondalti Chemicals

cuf

In 2023, CUF carried out an exercise to identify climate risks and opportunities, aligned with the Taskforce on Climate-Related Financial Disclosures ("TCFD") (more information in CUF's Integrated Report 2023), which resulted in the identification of four themes in each one of the axes, with a short-term perspective of their development within risk management, including the definition of the due diligence process for sustainability issues in CUF.

Risks

- Extreme weather events
- Water shortages
- Carbon price
- Legal non-compliance

Opportunities

- Investment in renewable energy sources
- Research and innovation
- Research in more efficient equipment
- Green financing

Still in this context, CUF has been preparing its hospital technical infrastructures, which naturally require very specific conditions, to potential climatic risks, right from the design phase, with the integration of analyses of variations in climate indices. In this context, in a recently built hospital, for example, automatic barriers were installed, activated by sensors, to prevent flooding in the event of excessive rainfall.

In energy terms, CUF continued its actions to reduce consumption, through the implementation of best practices, updating processes to more efficient options, and investing in plans to integrate renewable energy into its facilities, namely through installation of solar panels. It also began analysing the potential for using new energy self-consumption methods to install.

-1.6% OF TOTAL ENERGY CONSUMPTION IN 2023, COMPARED TO 2022
(does not include the expansion of the registered network)

Despite the increase in activity and the opening of Hospital CUF Açores and Clínica CUF Montijo, there was a reduction in CUF's overall water consumption (less than 1%). Not considering the consumption of these units, a reduction in water consumption of 3% was obtained, demonstrating the maturity of the organisation in the use of this resource and the measures implemented to raise awareness among employees about its reduction. Also noteworthy is the reduction in water consumption of 35% in Hospital CUF Porto and of 25% in Clínica CUF Alvalade.

More information in "Integrated Report CUF 2023"

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JOSÉ DE MELLO
RESIDÊNCIAS E SERVIÇOS

In line with the Group's Decarbonisation Strategy, José de Mello Residências e Serviços carried out its first Carbon Footprint measurement, covering scopes 1 and 2 and six scope 3 categories. This was an exercise that allowed the Company to know its true impact on the climate, enabling it to identify associated risks and opportunities.

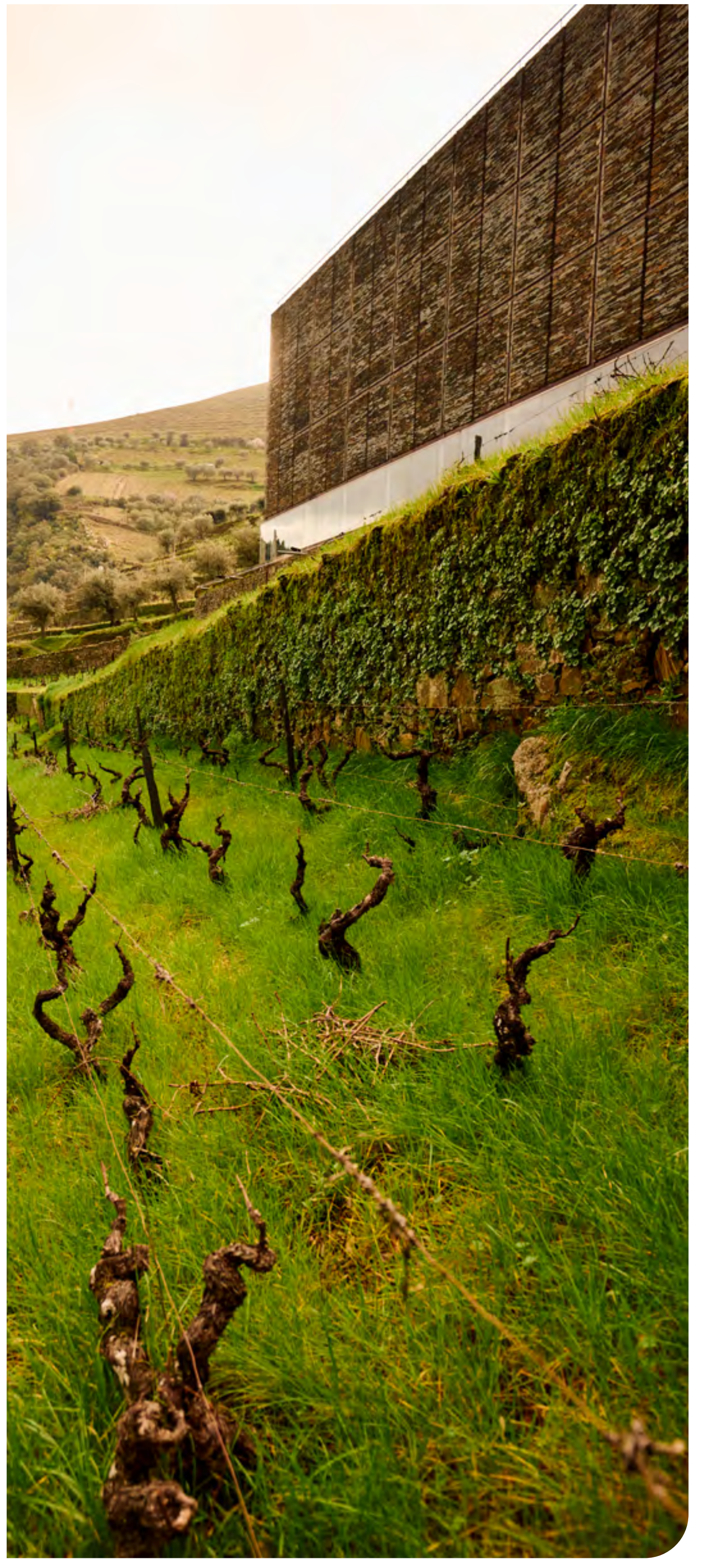
The main impacts related to José de Mello Residências e Serviços' activity relate to the consumption of fossil fuels, associated with the mix of electricity and gas consumed in its facilities. The main risks and opportunities that the business faces in these matters are related to compliance with legal requirements and the possibility of investing in renewable energy sources, respectively.

WINESTONE
GROUP

In 2023, WineStone defined its Sustainability Agenda, based on a materiality analysis, which led to the establishment of the Company's material themes, which include Resource Management and Circular Economy, Biodiversity and Natural Ecosystems and Climate Change. WineStone's Sustainability Agenda will be operationalised into a Roadmap the actions of which will be implemented as from 2024.

Regarding the theme of Biodiversity and Natural Ecosystems, a first characterisation of biodiversity in the vineyard and area of influence of Ravasqueira's agricultural action was carried out in 2023. This will be the basis for a future system for managing natural capital and promoting the quality and diversity of the vineyard, and the wine itself, on this property, which will be further developed in 2024.

Also during the year 2023, WineStone carried out its first Carbon Footprint calculation exercise, focusing only on Ravasqueira's activity, including scope 1, 2 and seven scope 3 categories. It plans, in the short term, to carry out the same analysis in relation to the remaining companies owned and managed by WineStone. In addition, WineStone's Sustainability Roadmap foresees the preparation of a roadmap for Ravasqueira's Decarbonisation by 2024 and the start of work on WineStone's climate change adaptation plan.



JOSÉ DE MELLO

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Our governance model

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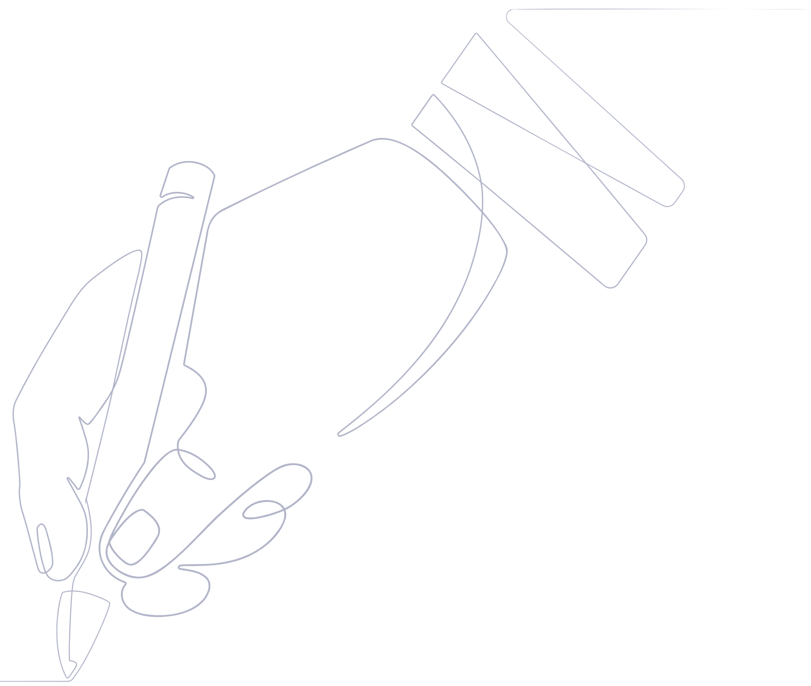
6.1 Who governs us

GRI 2-9, GRI 2-11, GRI 2-12, GRI 2-13 and GRI 2-18



José de Mello's governance model was designed to support the achievement of its Purpose, ensuring excellence in the management, ethics and integrity of its portfolio and respective activities, respecting the best governance practices in their sectors of activity.

The functioning of the Board of Directors and the Executive Committee, and the conduct of its members, are governed by legal requirements, the Articles of Association, the Code of Conduct and the respective Regulations. The members of the Board of Directors are elected by the General Meeting, in accordance with the law and the Articles of Association. The Executive Committee is appointed by the Board of Directors, in accordance with the Articles of Association and the respective Regulation. The mandates in force as at 31 December 2023, refer to the period 2021-2023.

Board of Directors

- Vasco de Mello (chairman)
- Pedro de Mello (vice-chairman)
- Salvador de Mello (vice-chairman)
- António Horta Osório
- Gonçalo de Mello
- João de Mello
- João Azevedo Coutinho
- João Pedro Rocha e Melo
- Luís Brito de Goes
- Maria Amélia Bleck
- Maria Isabel Jonet
- Pablo Forero
- Raúl Galamba de Oliveira
- Rui Diniz

Executive Committee

- Salvador de Mello (presidente)
- João de Mello
- João Azevedo Coutinho
- João Pedro Rocha e Melo
- Luís Brito de Goes
- Rui Diniz

Company Secretary and Compliance
Leonor Sampaio

Management

Administrative and Social Responsibility	Duarte Meirelles
Business Development	Vasco Luís de Mello Bárbara Santos
Communication	Fernando Marques
Accounting and Consolidation	Paula Quintas Teresa Moutinho
Financial	Miguel Pacheco
Innovation and Sustainability	João Mil-Homens
Legal	Rui Ramalhal Maria Ana Manoel
People and Talent Management	Luís Wissmann Susana Brito
Strategic Planning and Management Control	Francisco Meneses Nuno Cochito
Information Technologies	Rui Gil

General Meeting Board

Composition

Chairwoman
Leonor Sampaio Santos

Vice-chairwoman
Maria Ana Pinto da Fonseca Manoel Falcão

Secretary
Rute Isabel Dias Salgueiro

Powers and responsibilities

It is incumbent upon the General Meeting Board, through its chairperson, to convene and direct the meetings of the General Meeting of the Company's shareholders.

Board of Directors

Chairman
Vasco Maria Guimarães José de Mello

Vice-chairmen
Pedro Maria Guimarães José de Mello
Salvador Maria Guimarães José de Mello

Members
João Maria Guimarães José de Mello
João Pedro Ribeiro de Azevedo Coutinho
João Pedro Stilwell Rocha e Melo
Luís Eduardo Brito Freixial de Goes
Rui Alexandre Pires Diniz
Gonçalo Maria Guimarães José de Mello
Maria Amélia Guimarães José de Mello Bleck
António Horta Osório (Independent)
Maria Isabel Torres Baptista Parreira Jonet (Independent)
Pablo Forero (Independent)
Raúl Catarino Galamba de Oliveira (Independent)

The Company's management is carried out by a Board of Directors composed of fourteen members, elected by the shareholders at the General Meeting.

This body is responsible for managing the Company's businesses and for defining and monitoring its strategic guidelines.

It is also responsible for deliberating on all matters that, by law, cannot be delegated to the Executive Committee.

Vasco Maria Guimarães de Mello

He is chairman of the Board of Directors of José de Mello Capital and of Brisa and also managing director of Fundação Amélia de Mello and of Associação Business Roundtable Portugal, in addition to being chairman of the General Meeting of COTEC Portugal.

He started his professional career at Citigroup in New York, when he attended, in 1978 and 1979, the training program of this institution, after which he was challenged by his father, José Manuel de Mello, to participate, in Portugal, in the process of rebuilding the business group, being mainly responsible for the financial area. Between 1992 and 2000, he was chairman of Banco Mello and of Companhia de Seguros Império, having carried out, for part of that period, functions as a member of the Board of Directors of SIC. Following the reconfiguration of José de Mello Group in 2000, after the merger of the financial assets in Banco Comercial Português, he assumed the role of vice-chairman of José de Mello, which he became chairman of in 2004. He was also vice-chairman of the Senior Board of Banco Comercial Português (2000 through 2007), member of the General and Supervisory Board of EDP and member of the boards of directors of ONI and the Spanish concessionaire Abertis.

He holds an honour's degree in Business Management from the American College in Switzerland.

Pedro Maria Guimarães José de Mello

He is vice-chairman of the Board of Directors of José de Mello Capital and Chairman of the boards of directors of Sociedade Agrícola D. Diniz and Sociedade Agrícola do Vale de Perditos.

He began his professional career in the early 1980s, in the textile sector, in the United States of America and Switzerland, after which he returned to Portugal, to assume executive management functions in several companies in the same sector in Porto. He then took on numerous management positions in different investees of José de Mello Group, namely at Soponata, Lis Sado, Efacec and M Dados, as chairman of the Board of Directors, and Lisnave, CUF and Bondalti Capital, as vice-chairman of the Board of Directors. He was also a member of the Board of Directors of Petrogal.

He holds an honour's degree in Textile Engineering from Universidad de Barcelona.

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Salvador Maria Guimarães José de Mello

He has been vice-chairman of the Board of Directors of José de Mello Capital and president of the Executive Committee since January 2021, in the context of a new stage of development of José de Mello Group. He is also chairman of the Board of Directors of CUF.

He started his professional activity at Lisnave, having been director of the company between 1992 and 1995, after which he became executive director of José de Mello Capital. In 2001, he became president of the Executive Committee and chairman of the Board of Directors of José de Mello Saúde (presently CUF), having been responsible for a strong growth dynamic, resulting in the company's expansion into a network of two dozen hospitals and clinics, affirming it as the leader in the provision of private healthcare in Portugal and positioning it as the most recognised healthcare brand by the Portuguese. He was also Chairman of Health Cluster Portugal between 2017 and 2021.

He holds an honour's degree in Economic Sciences and Business Administration from the University of Neuchâtel, in Switzerland.

António Horta Osório

He is a non-executive director of José de Mello Capital, chairman of the Board of Directors of BIAL and vice-chairman of Grupo Impresa. He is also a non-executive director of Fundação Champalimaud and of Stichting/ Enable INPAR and Senior Advisor at Mediobanca and Cerberus, among other companies.

With over 30 years of experience in the financial services industry, he has built a successful international career. In 2021, he was knighted by Queen Elizabeth II for his work in banking in the United Kingdom and for volunteer services in the areas of mental health and culture. He was chairman of the Board of Directors of Credit Suisse Group, between May 2021 and January 2022, having previously been Chief Executive Officer of Lloyds Banking Group, at the invitation of the UK government, having managed to return the bank back to the private sphere, with full reimbursement of the taxpayers' money. Prior to joining Lloyds, he held various management roles at Santander Group, in particular as Chief Executive Officer in Portugal, in Brazil and in the United Kingdom, where he merged several banks in Santander UK. He was also non-executive director of the Bank of England, in a personal capacity, between 2009 and 2011, and worked for Citibank and Goldman Sachs, between 1987 and 1993.

He holds an honour's degree in Management and Business Administration from Universidade Católica Portuguesa in Lisbon, an MBA from INSEAD and an Advanced Management Program from Harvard Business School. He is a Doctor Honoris Causa from the University of Edinburgh, University of Bath, University of Warwick, University of Birmingham and Universidade Católica Portuguesa.

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Gonçalo Maria Guimarães José de Mello

He is a non-executive director of José de Mello Capital and a founding partner of Menlo Capital.

He developed his career at José de Mello Group for over 15 years, passing through the financial area, at M Fiduciária, and the chemical area, having been, among other functions, director at Quimitécnica and at Fisipe. In 2012, he founded his own private equity firm, Menlo Capital, in which he has developed his professional activity, managing several companies owned by the funds and vehicles managed by the company.

He holds an honour's degree in Business Management from the University of Lausanne (HEC) and an MSc in Management from the University of Stanford.

João Maria Guimarães José de Mello

He is an executive director of José de Mello Capital and chairman of the Board of Directors and president of the Executive Committee of Bondalti Capital.

With over 30 years of professional experience in the chemical sector, he is a member of the General Council of COTEC – Associação Empresarial para a Inovação, representing Bondalti Capital, and is vice-chairman of the General Assembly of Associação da Indústria Portuguesa. He was managing director and chairman of the General Meeting Board of APQuímica – Associação Portuguesa da Química, Petroquímica e Refinação.

With a degree in Business Management from École d'Administration et de Direction d'Entreprises, in Switzerland, he later completed university studies in Industrial Textile Techniques at Universidade Católica de Lovaina, in Tournai, having also undergone training in various areas of management and completed the Leadership for Top Managers program, at the International Institute for Management Development (IMD), in Switzerland.

João Pedro Ribeiro de Azevedo Coutinho

He is an executive director of José de Mello Capital, non-executive director of Bondalti Capital and chairman of the boards of directors of Ravasqueira, M Dados and José de Mello Residências e Serviços.

With over 35 years of professional experience, he started his career at Coopers & Lybrand, later becoming director of investment banking at Deutsche Bank in Portugal. He was also an executive director of Banco Mello de Investimento and of Brisa, in which he was director responsible for the financial area and assumed responsibility for various areas and subsidiaries. He was also a director and later chairman of the Board of Directors of Companhia de Concessões Rodoviárias, in Brazil.

He has an honour's degree in Business Administration and Management from Universidade Católica Portuguesa, completed the Leadership Management Training Program for Top Managers at IMD International, in Switzerland, and the Advanced Management Program at Harvard Business School, in the United States of America.

João Pedro Stilwell Rocha e Melo

He is an executive director of José de Mello Capital, non-executive chairman of CUF and non-executive director of Bondalti Capital.

He began his professional career in investment banking, having been president of the Executive Committee of Banco Mello de Investimentos, director of Banco Mello, Companhia de Seguros Império and Mello Valores. He was also executive vice chairman of Brisa, between 2002 and 2020 and chairman of Via Verde Portugal, between 2003 and 2008. He was also vice-chairman of ACEGE – Associação Cristã de Empresários e Gestores, between 2015 and 2022, and director of the Portuguese Chamber of Commerce and Industry, between 2006 and 2019.

He has an honour's degree in Mechanical Engineering from Instituto Superior Técnico and an MBA from Universidade Nova de Lisboa.

Luís Eduardo Brito Freixial de Goes

He is an executive director of José de Mello Capital and chairman of the boards of directors of MGI Capital, José de Mello Imobiliária, José de Mello Investimentos, Tecnocapital, Comitur Imobiliária, Sociedade Imobiliária e Turística do Cojo and Herdade do Vale da Fonte – Sociedade Agrícola, Turística e Imobiliária. He is also a non-executive director of Brisa, José de Mello International and GEMP Invest.

With over 30 years of professional experience, Luís Brito de Goes started his professional career at Deloitte, and later became a specialist in the corporate and financial areas at the law firm Vieira de Almeida. He joined José de Mello in 2000, as Legal manager, having assumed, over the years, numerous management functions in different areas and investees of José de Mello Group.

He holds an honour's degree in Law from Universidade Católica Portuguesa.

Maria Amélia Guimarães José de Mello Bleck

She is a non-executive director of José de Mello Capital and a member of the Board of Directors of Sociedade Agrícola do Vale de Perditos.

She started her professional career 40 years ago, dedicating herself, for a period of 10 years, to the nursing area in several hospital institutions, public and private, having also been a volunteer in other institutions of a social nature, in Portugal and São Tomé e Príncipe. She was later an executive director of Hospital CUF Infante Santo and, at different stages, executive and non-executive director of José de Mello Saúde (presently CUF).

After attending, in Lausanne and Lisbon, two Early Childhood Education schools, she began her basic training as a nurse at École d'Infermières Bois-Cers, in Lausanne, having completed her higher education in nursing, already in Lisbon, at Escola de Enfermagem de São Vicente de Paulo. In the area of management, she accumulated different training courses provided by KPMG (Financial Management for Non-financial professionals), Mölnlycke Health Care (Quality in Health Services) and AESE Business School (Advanced Seminar on Management and Investment in Health Services).

Maria Isabel Torres Baptista Parreira Jonet

She is a non-executive director of José de Mello Capital.

She started her career at Sociedade Portuguesa de Seguros and worked for the Economic and Social Committee, in Brussels, between 1987 and 1992. She collaborates as a volunteer at Banco Alimentar, since 1994, being chairwoman of Banco Alimentar contra a Fome de Lisboa and of Federação Portuguesa dos Bancos Alimentares, having structured an innovative management model that allowed the creation of a national food support network. She is Founder and Chairwoman of ENTRAJUDA, focused on the management of social sector organisations, and has extensive experience in sustainability and volunteer management. She was chairwoman of the European Federation of Food Banks between 2012 and 2017. She has also designed and implemented several innovative technological solutions aimed at combating poverty, social inclusion and social responsibility.

She has an honour's degree in Economics from Universidade Católica Portuguesa and completed a post-graduate course in Information Technology Management at Universidade Nova de Lisboa.

Pablo Forero

He is a non-executive director of José de Mello Capital, chairman of the Board of Directors of Caixabank Asset Management SGIIC and independent director of the bank HSBC Europe.

With over 40 years of professional experience, he started his career at Arthur Andersen, and was later responsible for the treasury and capital markets areas at Manufacturers Hannover Bank, Chief Investment Officer of J P Morgan Asset Management, where he was also executive director. He was also executive director of Banco Caixabank and president of the Executive Committee of Banco BPI, in Portugal.

He holds an honour's degree in Economics and Macroeconomics from Universidad Autonoma de Madrid.

Raúl Catarino Galamba de Oliveira

He is a non-executive director of José de Mello Capital, chairman of the Board of Directors of CTT – Correios de Portugal and member of the Board of Directors of Banco Bilbao Vizcaya Argentaria and of CUF.

He was a senior partner at McKinsey, developing his customer service activities in the financial sector (banks, insurance companies and payment operators) in Europe, South America and the Middle East. Throughout his career, he has held a variety of management responsibilities at McKinsey, including managing partner of Portugal and Spain, managing partner of the global risk management practice and member of the global Board of Directors.

He has an honour's degree in Mechanical Engineering from Instituto Superior Técnico, where he also completed a master's in systems, and an MBA from Universidade Nova de Lisboa.

Rui Diniz

He is an executive director of José de Mello Capital and executive chairman of CUF. He is also a member of the Board of Directors of Fundação Alfredo de Sousa and a member of the board of ACEGE - Associação Cristã de Empresários e Gestores.

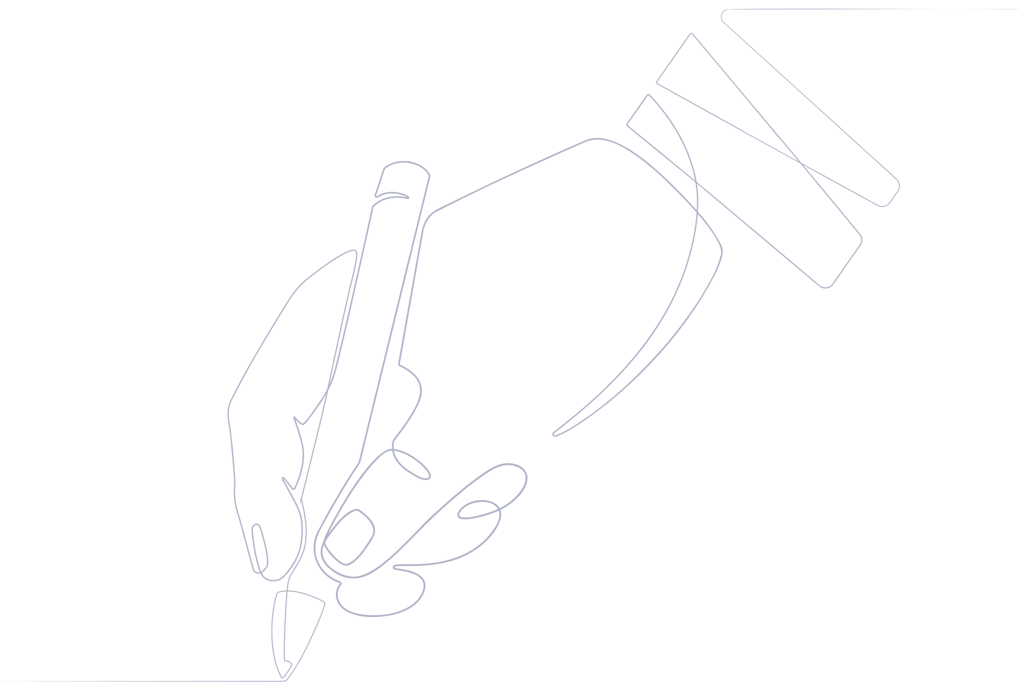
He started his professional activity at McKinsey, where he worked for 14 years, having worked as a consultant, senior partner and office manager of the consultant's office in Portugal. He was also executive vice-chairman of Efacec and non-executive director of Brisa for 10 years, in addition to being promoter and founder of Nova SBE's Inclusive Community Forum, an initiative which mission is to structure and develop initiatives aimed at a better inclusion of people with disabilities in the community.

He holds an honour's degree in Economics from Universidade Católica Portuguesa.

	Composition	Powers and responsibilities
Executive Committee	**President** Salvador Maria Guimarães José de Mello **Members** João Maria Guimarães José de Mello João Pedro Ribeiro de Azevedo Coutinho João Pedro Stilwell Rocha e Melo Luís Eduardo Brito Freixial de Goes Rui Alexandre Pires Diniz	The Executive Committee carries out the day-to-day management of the Company's activity, within the scope of the delegation of powers conferred upon it by the Board of Directors, being responsible, namely, for the coordination and permanent monitoring of the management and the projects developed by José de Mello and its investees.
Company Secretary	Leonor Sampaio Santos **Alternate** Rute Isabel Dias Salgueiro	The Company Secretary provides specialised support to the governing bodies in the exercise of their respective duties, ensuring the compliance of their actions with applicable legislation, the Company's Articles of Association and its internal regulations.
Sole Supervisor	RSM e Associados – SROC, Lda. **Alternate** António José Lino do Patrocínio Santos	The main responsibility of the Sole Supervisor is to supervise the Company's activities.
Remuneration Committee	**President** Luís Miguel Nogueira Freire Cortes Martins **Members** Maria Luísa Guimarães José de Mello do Amaral Cabral Pedro Norton de Matos Pedro Maria Guimarães José de Mello Vasco Maria Guimarães José de Mello	It is incumbent upon the Remuneration Committee to prepare and propose, for approval by the General Meeting, the remuneration policy for the members of the corporate bodies, as well as to establish their remuneration.

6.2 The accountability of our management

GRI 2-15, GRI 2-23, GRI 2-26, GRI 2-27, GRI 204-1, GRI 205-3, GRI 206-1



José de Mello Group's good name and reputation are the result of actions led by an attitude of transparency, rigor and ethics, guided by the Values of Human Development, Innovation, Competence and Integrity, as well as a transversal approach to Sustainability.
José de Mello Group recognises the adoption of responsible management as a factor in the success and growth of its business. For this reason, it governs all activities, both its own and those of its investees, by the most demanding ethical principles. The Group also recognises that each stakeholder, especially its People, are an important element in this journey of integrity and excellence and, as such, embraces the challenge of transforming this culture into a collective mission.

In this sense, José de Mello implemented an Integrated Compliance Program, developed according to the specificities of its activities and critical areas, in accordance with the most recent legal standards and regulations. This Program is made up of the following strategic tools:

COMPLIANCE PROGRAM

Click on the icon to see each regulation

These documents are available to all stakeholders, and their disclosure is ensured, via email or intranet, and updated whenever necessary. Additionally, training and awareness-raising actions are promoted for employees, and all entities that establish a relationship with the Group are informed of its existence and mandatory compliance.

In this context, it is José de Mello's responsibility to ensure that there are no situations of retaliation of any kind, due to whistleblowing on violations of the provisions of strategic documents, this being a reason for dismissal with just cause. Likewise, anyone who submits a report of a violation they known to be false shall be subject to disciplinary action, including dismissal, where appropriate.

In 2023, in line with best practices in this matter, the Compliance area was made autonomous from the Legal Department, with a view to ensuring greater independence and the absence of conflicts of interest.

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BONDALTI

In 2023, Bondalti implemented a set of actions and mechanisms that aim to strengthen ethics in the management of its business. Following the entry into force of the General Corruption Prevention Regime (GCPR), the Executive Committee of Bondalti developed a **Regulatory Compliance Program**, which aims to prevent, detect and sanction acts of corruption and related infractions, carried out against or through the organisation.

Within the scope of this Program, Bondalti carried out the following actions:

- Review and update of the code of ethics, now known as the Code of Ethics and Conduct, as well as the Regulation of the Ethics Ombudsman and Officer Responsible for the Regulatory Compliance Program of Bondalti;
- Adoption of the Plan for the Prevention of Risks of Corruption and Related Offenses (PPR), which identifies, analyses and classifies the risks and situations that may expose Bondalti to acts of corruption and related offenses and the preventive and corrective measures that allow to reduce the probability and the impact of their occurrence;
- Modification of the Whistleblowing Channel, which allows the safe presentation and follow-up of reports;
- Appointment of an Ethics Ombudsman, and officer responsible for Regulatory Compliance – position assigned to João Fugas, Non-executive Director.

During 2024, Bondalti also plans to carry out internal training programmes for all its employees, including managers, so that they know and understand the policies and procedures implemented.

More information in
“Integrated Report Bondalti 2023”

In line with José de Mello Group's approach, CUF believes that its management model must follow the highest levels of integrity, justice, compliance, good commercial practice and responsible behaviour.

In this sense, it has implemented its Code of Conduct – A Community that is Dedicated to Caring for People, an orienting guide, which aims to mirror the Company's organisational culture, and establish guidelines for the internal conduct of employees and relationships with all its stakeholders. In 2023, CUF's ethics mechanisms were reinforced, namely its Code, on topics such as the prevention of corruption, integrity and loyalty to the Company, partnerships with suppliers, and environmental responsibility.

More information in "Integrated Report CUF 2023"

Additionally, CUF has a set of Internal Policies and Procedures, which complement the aforementioned Code, accessible to all employees, on which it launched, in 2023, a complete training action, mandatory for the entire organisation:

- **Anti-corruption policy**
- Conflict of interest management
- **Offer policy**
- Sponsorship attribution
- Relationship with suppliers and partners
- **Support and donation attribution**
- Harassment prevention and management in the workplace
- **Promotion of personal, family and professional life balance**

Furthermore, CUF presented its Plan for the Prevention of Risks of Corruption and Related Offenses (PPR), a strategic management tool, which reinforces and consolidates the procedures and mechanisms to combat corruption. In this context, this document was shared with all employees, and was subsequently disclosed to its external stakeholders.

To regulate all these issues, a **Code of Conduct Monitoring Committee** was defined, a consultative body that has, among others, the function of promoting the dissemination, application and compliance with policies and procedures. To this end, an open communication channel is also available for matters related to this topic, which is monitored by this body.

In terms of the whistleblowing channel, CUF guarantees confidentiality, data protection, secrecy and the absence of conflicts of interest in the handling and analysis of reports received, safeguarding the whistleblower's protection against any form of retaliation, enabling anonymous communication, complying with all legal terms.

codigodeconduta@cuf.pt

JOSÉ DE MELLO
RESIDÊNCIAS E SERVIÇOS

José de Mello Residências e Serviços assumes the daily mission of prioritising the health and well-being of its residents, holistically promoting its corporate values, and governing its activities in accordance with its own Code of Conduct.

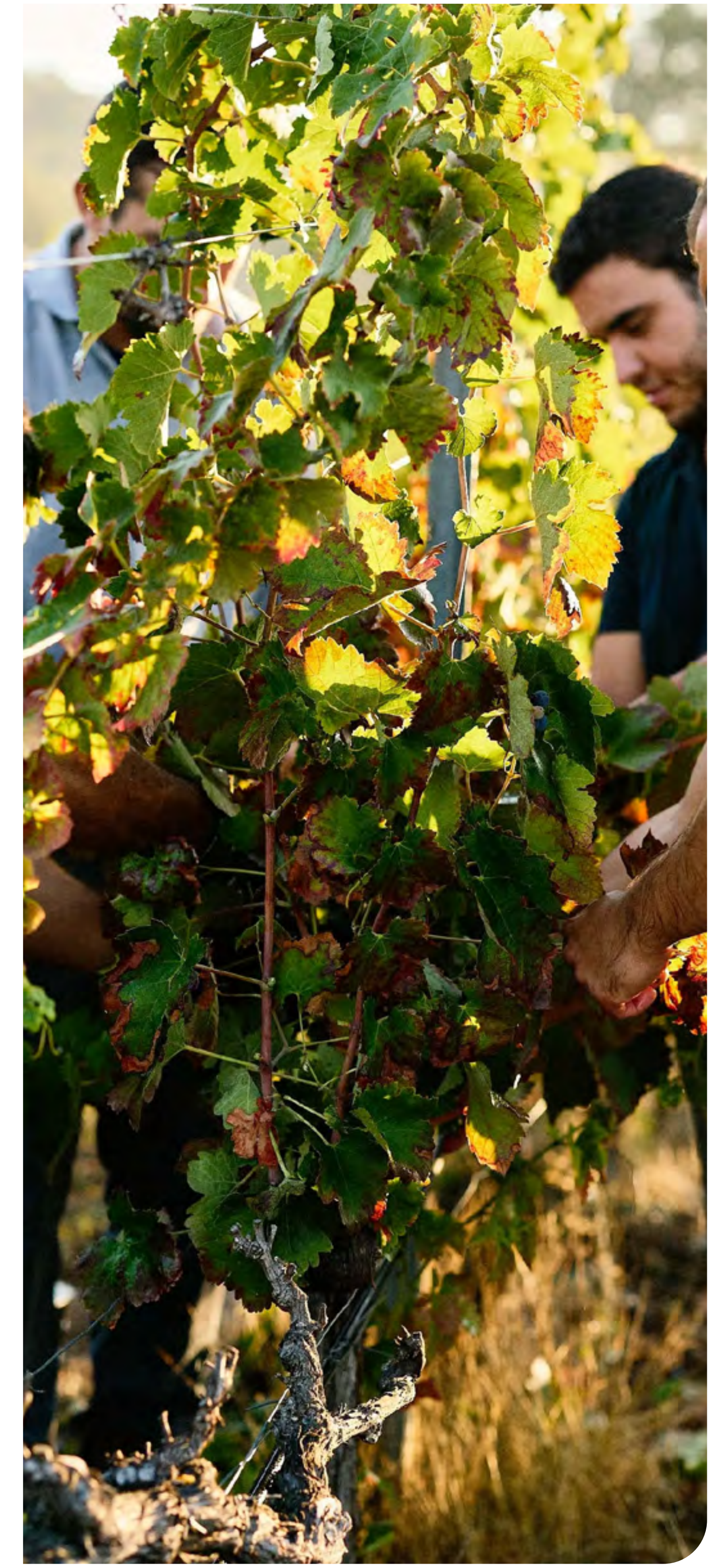
In 2023, José de Mello Residências e Serviços reinforced the training of its professionals in professional ethics and deontology, through training sessions, namely through group work, with the aim of standardising the principles and standards of behaviour that should guide actions in the work context.

WINESTONE
GROUP

To continue to grow in a sustainable manner, WineStone seeks to guide its daily conduct by José de Mello Group's values, ensuring maximum respect for ethical standards and commitments by its stakeholders, in particular its employees.

Consequently, it recognises as a business success factor, including its approach to sustainability, the definition of a set of ethical principles, complementary to the establishment of relationships of trust, responsibility and loyalty. Therefore, WineStone integrates into its activity the requirements that relate to the codes of ethics and transparency of the entities with which it has commercial relations.

Aiming for a clear and transversal definition of its ethical and deontological guidelines, WineStone is committed to establishing, in 2024, its own Code of Ethics and Conduct.



Responsible supply chain management

José de Mello Group works daily to establish a close and trusting relationship with its suppliers. It focuses on careful management of the supply chain, based on the principles of ethics, compliance and transparency, valuing partners with the same concerns in this area.

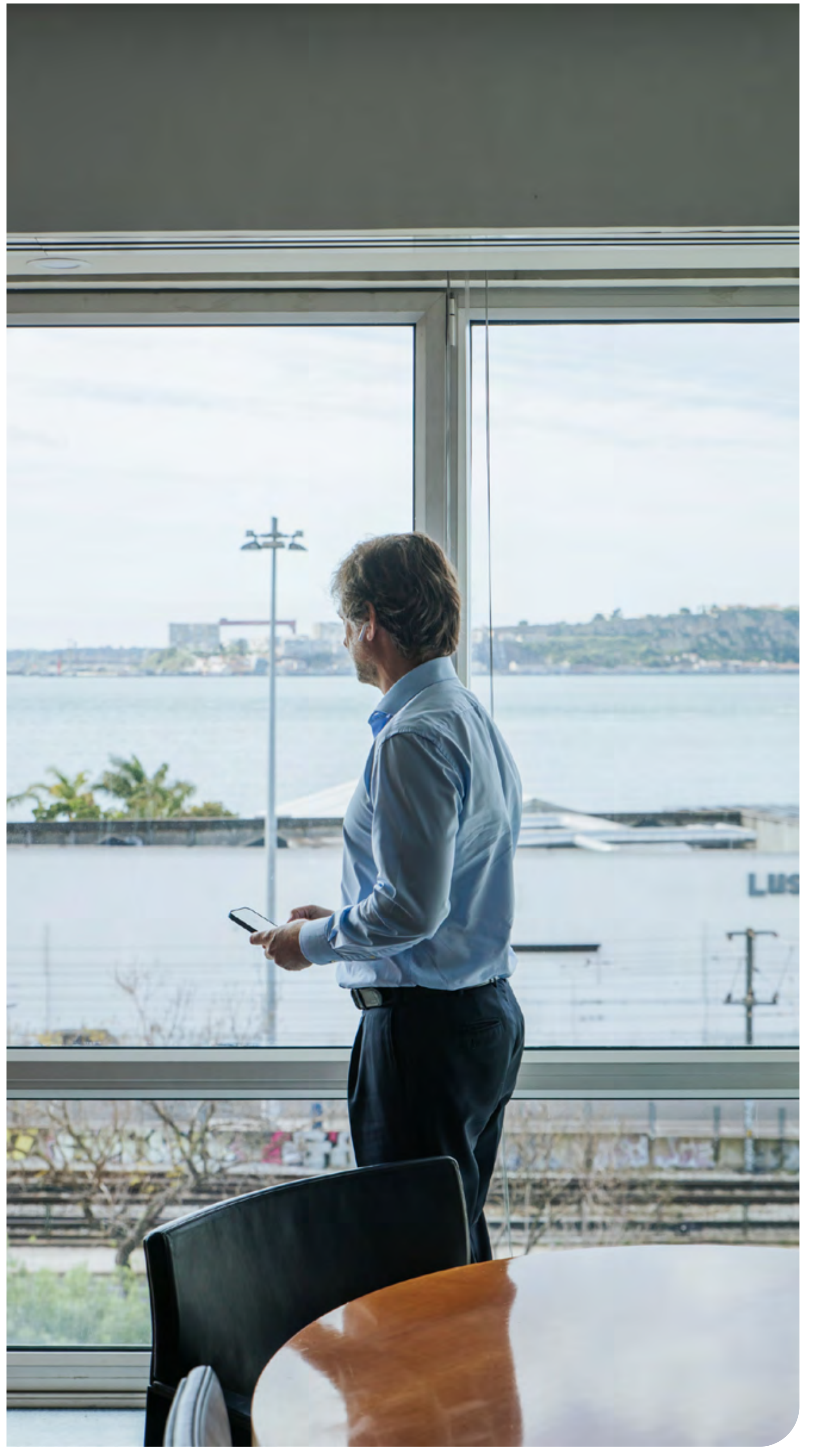
In this context, and aware that this is a responsibility of both parties, José de Mello Group encourages all its suppliers and partners to align their actions with the Group's Values and Purpose, assuming this strategic mission as their own, particularly in terms of adopting sustainable practices, safeguarding the best working conditions and responsible management of ESG issues.

José de Mello Group has a centre for negotiating products and services across all the Group's platforms, MDados, which provides transversal support to the business of the Group's companies, thus promoting the centralisation of this process.

In this sense, its approach to the market aims to create substantial, sustainable and continuous value over time, based on five fundamental pillars:

Click on the icon to learn more

The in-depth knowledge of the markets for the product and service negotiated by MDados allows it to anticipate trends and monitor the transformation dynamics of its customers and suppliers.



MARKET CONSULTATION PROCESS

José de Mello Group implemented a process of consultation and evaluation of proposals, thus ensuring that all standards and criteria are met, and that all suppliers and partners are aligned with its strategic objectives.

Kickoff

Meeting between MDados and the customer, to identify needs, objectives, suppliers to consulted, calendar and other criteria to be applied in the acquisition, which results in the validation of the specifications.

Consultation

Consultation with suppliers, visits to facilities (if relevant), **clarification meetings, delivery of proposals and negotiation.**

Analysis/Recommendation

Analysis of proposals and presentation of a preliminary evaluation report - that includes the market framework; supplier analysis; proposal analysis; and evaluation – and **adjudication recommendation**.

Adjudication

Customer feedback regarding the supplier to be adjudicated and the respective adjudication, including detailed transmission of the negotiated elements.

In this regard, evidence of the implementation of good ESG practices is requested, and a deep dive into the sector is carried out, where applicable. To this end, qualification criteria that reflect the commitment to the principles of the United Nations Charter and the contribution of suppliers and partners to the SDG are integrated into the specifications.

Regarding social performance, contracts include clauses relating to themes within the scope of human rights and child labour, and human capital management, namely through the analysis of Codes of Conduct or reference certifications. In addition, visits to sites and facilities, meetings with those responsible and conversations with key stakeholders are carried out. Depending on the categories being negotiated, sustainability criteria may also be applied in the evaluation process.

In 2023, there was once again a need to define mitigation plans, due to strong pressures and risks in supply chains, particularly associated with the increase in raw materials, energy and the workforce, constraints on continuity of supply and delivery times, and widespread inflation at the national and global level. To better manage these issues, mitigating potential negative impacts, José de Mello implemented the following management strategies:

Plan the needs for goods/services as far in advance as possible in order to build up stocks to reduce the risk of supply failures;

Manage contracts ending in the next 6 months with a view to mitigating price increases and avoiding the crystallising of rising prices;

Monitor trends in the main cost drivers to mitigate increases without jeopardising the sustainability of the operation;

Manage expectations of the main stakeholders, namely operational areas regarding the development of the current situation and main consequences.

BONDALTI

Bondalti believes that only companies working together with their value chain make it possible to achieve truly sustainable development models. Therefore, it seeks to involve and support business partners in adopting best ESG practices.

End-to-End Mapping

The **End-to-End Chain Mapping project**, started in 2023, with the aim of analysing the entire product journey, represents one of the pillars of Bondalti's attention to its value chain. The initiative, promoted within the framework of operational risk management, aims to reinforce robustness in the access and movement of raw materials, and the shipment of products to customers.

The objectives include identifying and mitigating potential challenges in the Group's supply and shipment chains, whether due to logistical interruptions, restrictions in the production of raw materials, geopolitical issues or other unforeseen events.

Supply chain sustainability certification

Bondalti Chemicals, specifically the Estarreja industrial unit, was subject, in December 2023, to an audit that validated the Company's compliance with the principles enshrined in the prestigious ISCC Plus – International Sustainability & Carbon Certification, an international standard for fully traceable and environmentally, socially and economically sustainable supply chains.

Focused on tracking the value chain, this certification represents a significant milestone for Bondalti within the framework of a sustainable future, which involves offering more circular products in the markets where it operates.

In parallel, the company Aguas Rioja, belonging to BWS | AEMA, was subject to the certification process under the ISCC EU standard. With this certification, Aguas Rioja guarantees the point of origin in its management of sewage sludge and also in its use as a biofuel.

This certification demonstrates an important step in the Water Treatment business, as it validates compliance with the specific sustainability requirements of European Directives that regulate renewable energy and fuel quality.

More information in
"Integrated Report Bondalti 2023"

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CUF has been defining a set of instruments, with the aim of strengthening the alignment of its value chain with its mission and strategy, namely the **Relationship Policy with Suppliers and Commercial Partners, the Assessment Questionnaire on the Provision of Clinical Care** and the **Supplier Management Process.**

In 2023, it deepened its supplier management and evaluation process, with the future objective of carrying out an ESG analysis of its main suppliers, reinforcing sustainability in its value chain.

Additionally, CUF updated its Code of Conduct and its Relationship Policy with Suppliers and Commercial Partners, in order to require the evaluation of these stakeholders prior to the conclusion of a business, contract or partnership, making known the codes, which are part of the contract or protocol to be signed, and obliging these stakeholders to respect human rights, environmental and anti-corruption standards, and other relevant matters. In this sense, it is possible to guarantee the robustness of the supplier qualification and selection process, identifying and mitigating real and potential negative risks and impacts.

At the procurement level, CUF has a Purchase Negotiation Centre, responsible for managing all stages, from supply to the management of suppliers and partners, thus centralising the entire process. Some specific areas, such as Planning, Development and Monitoring and Logistics, have developed complementary mechanisms that allow for continuous improvement in their approach to this theme.

In parallel, vertical projects have been implemented in all areas of purchasing and logistics, promoting consistency, innovation and traceability throughout the supply network, namely:

- Procurement process management and control platform
- CUFBuy, electronic shopping catalogue (available in 2024)
- Evolution to EDI of the order management process
- Reorganisation of the Logistics Centre

Believing in the importance of working on these themes directly with its suppliers and partners, CUF held an awareness session on “Sustainability in the Value Chain”, addressing its strategic objectives, major trends, best practices to adopt, and the introduction to the European Commission's new regulatory reporting framework.

More information in “Integrated Report CUF 2023”

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JOSÉ DE MELLO
RESIDÊNCIAS E SERVIÇOS

José de Mello Residências e Serviços, like the other companies of the Group, uses MDados to purchase products and services, which are negotiated centrally, and also counts on the support of this centre in more complex procurement processes, specific to its activity. Additionally, for the supply of products and services common to the healthcare sector, JMRS also benefits from the support and conditions of the CUF procurement area.

WINESTONE
GROUP

In 2023, WineStone implemented a supplier control and evaluation procedure, which defines a set of mandatory minimum requirements and complementary requirements, depending on the type of material supplied/service provided. Supplier evaluation is based on 8 indicators:

- compliance with mandatory minimum requirements;
- compliance with additional requirements;
- quality/price ratio;
- quality of product/service provided;
- complaints;
- order filling; and
- response to clarifications and information.

The response to these indicators is assessed at 3 levels, with the minimum being level 1 and the maximum being level 3. This methodology allows the Company to monitor its supply chain, identifying and minimising its risks, both in terms of environmental and social impact, as well as in the possible consequences on the final product of WineStone.

In this way, WineStone aims to extend its sustainability commitments to its entire value chain, encouraging its suppliers to adopt improvement strategies and more rigorous operating policies, maintaining the relationship of trust. The Company is aware that non-compliance with certain requirements by suppliers could jeopardise its strategic objectives, particularly those related to certifications, and, as such, it undertakes the mission of supporting them on their sustainable journey.

JOSÉ DE MELLO

07
Annexes

JOSÉ DE MELLO

7.1
Separate Financial Statements and Complementary Documents

JOSÉ DE MELLO CAPITAL, S.A.

SEPARATE INCOME STATEMENT FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts stated in Euros)

	Notes	31 dec 2023	31 dec 2022
Operating income:			
Sales and services rendered	4	3 449 503	1 923 490
Reversal of impairment losses	5	3 754 884	37 078
Reversal of provisions	6	71 693 060	2 556 841
Other operating income	7	3 311 530	985 925
Total operating income		82 208 977	5 503 334
Operating expenses:			
External supplies and services	8	(4 322 035)	(2 586 362)
Staff expenses	9	(14 802 824)	(10 599 204)
Amortisation and depreciation	10	(667 730)	(655 299)
Impairment losses	11	(72 865 028)	(37 499)
Other operating expenses	12	(708 360)	(499 658)
Total operating expenses		(93 365 977)	(14 378 021)
Operating results		(11 157 000)	(8 874 687)
Financial expenses	13	(6 414 373)	(2 531 860)
Financial income	13	1 851 769	728 606
Gains / (Losses) from associated companies	13, 22	98 619 273	98 118 357
Financial results		94 056 669	96 315 103
Pre-tax profit		82 899 669	87 440 416
Income tax	14	13 036 557	5 075 928
Net profit		95 936 226	92 516 344

	Notes	31 dec 2023	31 dec 2022
Earnings per share:			
Basic	16	19,19	18,50
Diluted	16	19,19	18,50

The attached notes are an integral part of the separate income statement for financial year ended 31 December 2023.

The Certified Accountant

The Board of Directors

JOSÉ DE MELLO CAPITAL, S.A.

SEPARATE STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2023 AND 2022

(Amounts stated in Euros)

	Notes	31 dec 2023	31 dec 2022
Non-current assets:			
Goodwill	17	551 156 640	551 156 640
Intangible assets	18	143 889	181 002
Right-of-use assets	19	481 268	484 221
Tangible fixed assets	20	11 012 721	10 827 084
Investment properties	21	857 221	882 695
Investments in subsidiaries	22	579 328 539	582 974 299
Other investments	22	21 327 203	40 031 993
Other debtors	24	-	69 659 991
Total non-current assets		1 164 307 481	1 256 197 925
Current assets:			
Customers and advances to suppliers	23	291 921	334 435
Other debtors	24	148 701	2 169 008
State and other public entities	25	4 545 190	1 714 262
Other current assets	26	2 015 780	1 991 211
Cash and cash equivalents	27	95 765 454	23 029 608
Total current assets		102 767 047	29 238 524
Total Assets		1 267 074 527	1 285 436 449
Equity:			
Share capital	28	25 000 000	25 000 000
Legal reserve	29	5 000 000	5 000 000
Adjustments in financial assets	29	305 422 541	338 126 882
Retained earnings		612 746 370	506 289 423
Net profit		95 936 226	92 516 344
Total Equity		1 044 105 138	966 932 649

	Notes	31 dec 2023	31 dec 2022
Non-current liabilities:			
Loans obtained	30	202 011 619	167 704 545
Lease liabilities	31	277 734	285 238
Provisions	6	-	71 693 060
Other creditors	33	2 174 980	2 902 337
Total non-current liabilities		204 464 332	242 585 179
Current liabilities:			
Loans obtained	30	8 319 759	72 520 684
Lease liabilities	31	211 238	204 702
Suppliers and advances from customers	32	1 090 721	453 269
State and other public entities	25	561 941	540 650
Other creditors	33	4 199 704	1 575 718
Other current liabilities	34	4 121 694	623 600
Total current liabilities		18 505 057	75 918 622
Total Liabilities		222 969 390	318 503 801
Total of Liabilities and Equity		1 267 074 527	1 285 436 449

The attached notes are an integral part of the separate statement of financial position as of 31 December 2023.

The Certified Accountant

The Board of Directors

JOSÉ DE MELLO CAPITAL, S.A.

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts stated in Euros)

	Capital	Legal reserve	Adjustments in financial assets	Retained earnings	Net profit	Total
Balance on 1 January 2022	25 000 000	5 000 000	266 520 635	520 673 953	57 929 389	875 123 976
Appropriation of the result for 2021						
Unallocated profits	-	-	68 775 293	(68 775 293)	-	-
Dividends received	-	-	(2 750 000)	2 750 000	-	-
Transfer to retained earnings	-	-	(11 374)	57 940 763	(57 929 389)	-
Changes in equity of subsidiaries	-	-	5 592 329	-	-	5 592 329
Distribution of retained earnings	-	-	-	(6 300 000)	-	(6 300 000)
Net profit	-	-	-	-	92 516 344	92 516 344
Balance on 31 December 2022	25 000 000	5 000 000	338 126 882	506 289 423	92 516 344	966 932 649
Appropriation of the result for 2022						
Transfer to retained earnings	-	-	-	92 516 344	(92 516 344)	-
Dividends received	-	-	(123 731 545)	123 731 545	-	-
Unallocated profits	-	-	101 246 916	(101 245 062)	-	1 854
Changes in equity of subsidiaries	-	-	(12 205 591)	50 000	-	(12 155 591)
Other changes in equity (reclassifications)	-	-	1 985 880	(1 985 880)	-	-
Distribution of retained earnings	-	-	-	(6 610 000)	-	(6 610 000)
Net profit	-	-	-	-	95 936 226	95 936 226
Balance on 31 December 2023	25 000 000	5 000 000	305 422 541	612 746 370	95 936 226	1 044 105 138

The attached notes are an integral part of the separate statement of changes in equity for financial year ended 31 December 2023.

The Certified Accountant

The Board of Directors

JOSÉ DE MELLO CAPITAL, S.A.

SEPARATE CASH FLOW STATEMENT FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts stated in Euros)

	Notes	31 dec 2023	31 dec 2022
Operating activities:			
Receipts from customers		3 782 988	2 191 628
Payments to suppliers		(5 368 836)	(4 390 068)
Payments to staff		(11 035 083)	(10 017 799)
(Payment) / Receipt of income tax		13 113 524	5 167 972
Other operating receipts / (payments)		3 497 142	991 791
Cash flow from operating activities (1)		3 989 734	(6 056 476)
Investing activities:			
Receipts from:			
Financial investments	35	7 511 748	5 793
Tangible fixed assets		28 000	5 000
Interest and similar income		-	737 060
Dividends	35	123 731 545	2 750 000
Other		20 002 436	22 242 744
		151 273 729	25 740 597
Payments in respect of:			
Financial investments	35	(1 024 964)	(138 811)
Tangible fixed assets		(84 311)	(234 395)
Intangible assets		(50 362)	(108 049)
Other		(49 674 400)	(5 650 000)
		(50 834 037)	(6 131 255)
Cash flow from investing activities (2)		100 439 692	19 609 343

	Notes	31 dec 2023	31 dec 2022
Financing activities:			
Receipts from:			
Loans obtained		33 933 122	-
Subsidies and donations		-	998
		33 933 122	998
Payments in respect of:			
Loans obtained		(54 927 139)	(3 880 000)
Interest and similar expenses		(4 089 562)	(2 492 492)
Dividends paid and results distributed		(6 610 000)	(6 300 000)
		(65 626 701)	(12 672 492)
Cash flow from financing activities (3)		(31 693 579)	(12 671 494)
CHANGE IN CASH AND CASH EQUIVALENTS (4)=(1)+(2)+(3)		72 735 847	881 373
Cash and cash equivalents at the beginning of the financial year		23 029 608	22 148 235
Cash and cash equivalents at the end of the financial year	27	95 765 454	23 029 608

The attached notes are an integral part of the separate cash flow statement for financial year ended 31 December 2023.

The Certified Accountant

The Board of Directors

JOSÉ DE MELLO CAPITAL, S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Amounts stated in Euros)

1. INTRODUCTORY NOTE

José de Mello Capital, S.A. ("Company" or "JMCapital") was incorporated on 22 October 2001 and has its registered office and headquarters at Avenida 24 de Julho, 24 – 1200-480 Lisbon. Its corporate object is the provision of economic and financial consulting, management and investment consulting, corporate reorganisation, strategic planning, accounting, human resources assistance, marketing, communication and image services, the management of its own assets, as well as the realisation of all associated activities and operations.

The Company, essentially family-based, is one of the largest Portuguese economic groups.

Under the terms of Article 68 of the Portuguese Commercial Companies Code ("CCC"), the Shareholders' General Meeting may reject the proposal of the members of the Board of Directors regarding the approval of the accounts, provided that it deliberates, with reasons, on the preparation of new accounts or on the alteration, in specific points, of those presented.

2. MATERIAL ACCOUNTING POLICIES

2.1 BASES OF PRESENTATION

The Company's separate financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") with the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and the Standing Interpretations Committee ("SIC"), as adopted by the European Union ("EU"). Hereinafter, the set of those standards and interpretations shall be generically referred to as "IFRS".

The most significant accounting policies used in the preparation of these financial statements are described below. These policies have been consistently applied in the comparative periods, unless otherwise stated. When the Company makes a change of accounting policy, a correction of an error or the reclassification of an item, an additional statement of financial position is presented with reference to the beginning of the earliest comparative financial year presented.

The financial statements were prepared based on the going concern, accrual, consistent presentation, materiality and aggregation, non-offsetting, and comparative information principles.

The financial statements were prepared under the historical cost convention, except for other investments which are measured at fair value and loans obtained which are measured at amortised cost.

Unless otherwise stated, amounts are stated in Euros (EUR).

2.2 NEW OR AMENDED STANDARDS AND INTERPRETATIONS

2.2.1 New or amended standards and interpretations applicable to the 2023 financial year

As a result of the endorsement by the European Union (EU) up to the date of approval of these financial statements, the following new or amended standards and interpretations took mandatory effect from 1 January 2023:

Standard / Interpretation	Effective date
IAS 1 - Presentation of financial statements and IFRS Practice Statement 2: Disclosure of accounting policies - Amendments to IAS 1 require entities to disclose material information about their accounting policies rather than disclosing significant accounting policies. Amendments to IFRS Practice Statement 2 provide guidance on how the concept of materiality should be applied in disclosures about accounting policies.	1 January 2023

Standard / Interpretation	Effective date
IAS 8 - Revenue: Disclosure of accounting estimates - Introduction of the definition of an accounting estimate and how it is distinguished from changes in accounting policies. Accounting estimates are now defined as monetary values subject to uncertainty in their measurement, used to achieve the objective(s) of an accounting policy.	1 January 2023
IAS 12 - Income taxes: Pillar Two Model Rules - This amendment constitutes the IASB's response to the issues raised by the implementation of the OECD's Global Anti-Base Erosion ("GloBE") rules, and comprises: a) a mandatory temporary exception for accounting for deferred taxes related to Pillar Two; and b) additional disclosure requirements for affected entities (entities belonging to multinational groups with consolidated revenues of €750 million in at least two of the last four years).	1 January 2023
IAS 12 - Income taxes: Deferred tax related to assets and liabilities associated with a single transaction - Requires entities to record deferred tax on certain specific transactions, when their initial recognition gives rise to equal amounts of taxable and deductible temporary differences. The subject transactions relate to: i) right-of-use assets and lease liabilities and ii) provisions for dismantling, restoration or similar liabilities.	1 January 2023
IFRS 17 - Insurance Contracts (replaces IFRS 4): IFRS 17 is applicable to all entities that issue insurance contracts, reinsurance contracts and investment contracts with discretionary profit-sharing characteristics if they are also issuers of insurance contracts. IFRS 17 does not apply to policyholders.	1 January 2023
IFRS 17 - Insurance Contracts and IFRS 9 - Financial Instruments: Initial application of IFRS 17 and IFRS 9 – comparative information. This amendment only applies to insurance entities in their transition to IFRS 17, allowing the adoption of an "overlay" in the classification of a financial asset when the insurance company does not apply the amendment retrospectively, under IFRS 9.	1 January 2023

The adoption of these new or amended standards and interpretations did not have a significant impact on the financial statements of the Company.

2.2.2 New or amended standards and interpretations already issued but not yet mandatory

The following new or amended standards and interpretations, which application is only mandatory for future financial years, were endorsed up to the date of approval of these financial statements:

a) Already endorsed by the European Union

On 31 December 2023, the following improvements to the Standards and Interpretations, issued by the IASB, were already endorsed by the EU, but their implementation is only mandatory for financial years starting on or after 1 January 2024:

Standard / Interpretation	Effective date
IAS 1 – Presentation of financial statements: Non-current liabilities with "covenants" - This amendment clarifies that liabilities are classified as current or non-current balances depending on the right that an entity has to defer their payment beyond 12 months after the financial reporting date.	1 January 2024
IFRS 16 - Leases: Lease liabilities in sale and leaseback transactions - This amendment to the lease standard introduces guidance regarding the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as a "sale" in accordance with the principles of IFRS 15 – Revenue from contracts with customers.	1 January 2024

These new or amended standards and interpretations, despite being endorsed by the EU, were not adopted by the Company in the financial statements for financial year ended 31 December 2023, by virtue of their application not yet being mandatory. The future adoption of such new or amended standards and interpretations is not expected to have significant impacts on the financial statements.

b) Not yet endorsed by the European Union

In addition, up to the date of approval of these financial statements, the following new or amended standards and interpretations, not yet endorsed by the EU, have been issued by the IASB:

Standard / Interpretation	Effective date
IAS 7 - Cash Flow Statements and IFRS 7 - Financial Instruments (Disclosures): Supplier financing arrangements - the published amendments require an entity to make additional disclosures about its supplier financing arrangements, or reverse factoring, to allow: a) assessment of how supplier financing agreements affect the entity's liabilities and cash flows; and b) understanding the effect of supplier financing arrangements on an entity's exposure to liquidity risk, and how the entity would be affected if the arrangements were to cease to be available.	1 January 2024
IAS 21 - Effects of changes in exchange rates: Lack of exchangeability - IAS 21 defines the exchange rate that an entity must use when reporting transactions in a foreign currency or transposing the results of a foreign operating unit, when its functional currency is different from the group's presentation currency. This amendment aims to clarify: i) the circumstances in which a currency is considered to be exchangeable and ii) how the spot exchange rate should be determined when there is a lack of exchangeability of a currency for a long period.	1 January 2025

2.3 MAIN ACCOUNTING POLICIES

In preparing the separate financial statements to which these notes refer, the Company adopted the IAS/IFRS that are applicable for financial years beginning on or after 1 January 2023.

Based on the provisions of IAS/IFRS, the main accounting policies adopted by the Company were the following:

a) Fair value measurement

The Company values derivative financial instruments at fair value at the statement of financial position date. Disclosures concerning fair value are summarised in the following notes:

- Disclosures regarding the valuation method, significant estimates and assumptions: Note 3;
- Fair value hierarchy: Note 2.3 a); and
- Financial instruments (including those measured at amortised cost): Note 2.3 n).

Fair value is the price that would be received to sell an asset or pay to transfer a liability in a regular transaction between market participants on the measurement date. Measurement at fair value is based on the assumption that a transaction to sell an asset or transfer a liability occurs:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company must have access to this main market or to the most advantageous market.

The fair value of an asset or liability is measured using the assumptions that market participants use when setting the price of the asset or liability, assuming that they act in their best economic interests.

The measurement of a non-current asset considers the ability of market participants to generate economic benefits from that asset at its highest and best use, or by selling that asset to another market participant that would use it at its highest and best use.

The Company uses valuation techniques that are suited to the circumstances and for which sufficient information is available to measure fair value, maximising the use of the most relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised in the fair value hierarchy. This hierarchy is described as follows, based on the lowest level of inputs that is significant to the measurement of fair value as a whole:

- **Level 1:** market quotation (unadjusted) in an active market for that asset or liability;
- **Level 2:** valuation techniques for which the lowest level of input that is significant for measuring fair value is directly or indirectly observable; and
- **Level 3:** valuation techniques for which the lowest level of input that is significant for measuring fair value is unobservable.

For the assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether there have been transfers between the hierarchy levels by reassessing the categorisation (based on the lowest level of input that is significant to the measurement of fair value as a whole) at the end of each reporting period.

For the purposes of disclosures of fair value, the Company determines classes of assets and liabilities based on their nature, characteristics and risks of the assets and liabilities and on the fair value hierarchy level as explained above..

b) Revenue

Revenue corresponds to the fair value of the amount received or receivable related to the sale of products and/or services in the Company's regular activity. Revenue is recognised net of taxes, discounts and other expenses inherent to its materialisation.

Income from services rendered is recognised when the outcome of the transaction can be estimated reliably, which occurs when all the following conditions are met:

- The amount of revenue can be reliably measured; and
- Economic benefits from the transaction are likely to be received by the Company.

Revenue relating to interest receivable is accrued and recognised using the effective interest method, such that it is recognised in the year to which it relates, regardless of whether or not the respective supporting document is issued.

c) Staff expenses

Staff expenses are recognised when the service is provided by the employees regardless of its payment date.

According to the labour legislation in force, employees are entitled to holiday pay and holiday allowance in the year following that in which the service is provided. Therefore, an accrual of the amount payable in the following year was recognised in the income statement and is reflected under Other current liabilities.

With the publication of Law No. 70/2013 and subsequent regulation through Ordinance No. 294-A/2013, the Fundo de Compensação do Trabalho (hereinafter, Work Compensation Fund ("WCF")) and the Fundo de Garantia de Compensação do Trabalho (hereinafter Work Compensation Guarantee Fund ("WCGF")) schemes entered into force on 1 October. In this context, companies hiring a new employee are required to deduct a percentage of their salary for these two new funds (0.925% for the WCF and 0.075% for the WCGF), with the aim of ensuring, in the future, the partial payment of the compensation in case of dismissal. Considering the characteristics of each Fund, the following was considered:

- The monthly payments to the WCF, made by the employer, are recognised as a financial asset, measured at fair value, with the corresponding changes being recognised in the income statement: Note 2.3 n.1); and
- The monthly payments to the WCGF, made by the employer, are recognised as an expense in the financial year to which they relate.

In 2023, Law 13/2023, of 3 April, was published and establishes, in article 32, that the obligations regarding the WCF and WCGF are suspended.

d) Financial expenses

Loan charges are recognised in the income statement of the corresponding year.

Any financial income generated by loans obtained in advance, and corresponding to a specific investment, are deducted from the financial charges eligible for capitalisation.

e) Income tax

Income tax for the financial year is made up of current and deferred taxes.

e.1) Income tax – current

Current tax is determined based on the Company's taxable income in accordance with tax legislation in force.

Effective from 2014, the Company became subject to Corporate Income Tax ("IRC") in accordance with the Special Taxation Scheme for Groups of Companies ("RETGS") provided for in the corresponding code, with the aggregate tax result being determined in JMCapital, the controlling company. However, each company's estimated income tax is recorded in its corresponding financial statements, based on its tax results.

Under current legislation, tax returns are subject to review by the tax authorities for a period of four years, which may be extended in certain circumstances, namely when there are tax losses, or inspections, complaints or challenges are underway.

e.2) Income tax – deferred

Deferred tax assets and liabilities result from the calculation of temporary differences between the accounting base and the tax base of the Company's assets and liabilities.

The Company recognises deferred taxes in accordance with the requirements of IAS 12 – Income taxes, as a way of adequately accruing the tax effects of its operations, and to exclude distortions related to criteria of a tax nature that impact the economic results of certain transactions.

Deferred tax assets reflect:

- Deductible temporary differences to the extent that future taxable income is likely to exist against which the deductible difference can be used; and
- Unused tax losses and unused tax credits to the extent that it is probable that future taxable income will be available against which they can be used.

Deductible temporary differences are temporary differences giving rise to amounts that are deductible in determining taxable income / tax loss of future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred tax liabilities reflect taxable temporary differences.

Taxable temporary differences are temporary differences giving rise to amounts that are taxable in determining taxable income / tax loss of future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred taxes are not recognised for temporary differences associated with investments in associated companies and interests in jointly controlled entities as the following conditions are all considered to be met:

- The Company can control the timing of the reversal of the temporary difference; and
- It is likely that the temporary difference will not reverse in the foreseeable future.

The measurement of deferred tax assets and liabilities::

- Is carried out at the rates expected to apply in the period in which the asset is realised or the liability settled, based on the tax rates approved at the statement of financial position date; and
- Reflects the tax consequences deriving from the way the Company expects, at the statement of financial position date, to recover or settle the carrying amount of its assets and liabilities, respectively.

Deferred tax assets are recognised when there is reasonable assurance that future taxable income may be generated against which those assets can be deducted. Deferred tax assets are reviewed annually and reduced when it is no longer probable that they may be used. The value of deferred tax is determined by applying the tax rates (and laws) enacted or substantively enacted at the reporting date and which are expected to apply in the period of realisation of the deferred tax asset.

According to the legislation in force in Portugal, the corporate income tax rate of 21% and, in situations not connected to tax losses, a municipal surcharge of 1.5% on the temporary differences that led to deferred tax assets, are considered.

f) Earnings per share

The basic earnings per share is calculated by dividing the profit or loss attributable to the holders of common equity of the Company by the weighted average number of common shares outstanding during the financial year.

The diluted earnings per share is calculated by dividing the adjusted result attributable to the holders of common equity of the Company (increased by the after-tax amount of dividends recognised in the period with respect to potential dilutive common shares, and adjusted for any other changes in the income or expenses that would result from the conversion of the potential dilutive common shares), by the weighted average number of common shares outstanding during the financial year, adjusted for the potential dilutive common shares.

The potential dilutive common shares may result from stock options and other financial instruments issued by the Company, convertible into its shares.

g) Intangible assets

Intangible assets are recognised and measured according to the transactions that gave rise to them, and predominantly include software.

Intangible assets are only recognised if it is probable that future economic benefits will come to the Company, if they are controlled by it, if they are identifiable and if their cost can be reliably measured.

g.1) Separate acquisition

The cost of separately acquired intangible assets generally reflects the expected future economic benefits and comprises:

- The purchase price, including costs with intellectual rights and non-refundable taxes on purchases, after deduction of trade discounts and rebates; and
- Any cost directly attributable to preparing the asset for its intended use.

g.2) Internally generated assets

Internally generated intangible assets, namely current research and development expenses are expensed when incurred, whenever in an internal project it is impossible to differentiate the research phase from the development phase.

Internal expenses associated with the maintenance and development of software are expensed in the income statement when incurred, except in the situation where these are directly associated with projects for which the generation of future economic benefits is likely. In these situations, they are capitalised as intangible assets.

The following are a few specificities related to the recognition of this type of intangible assets:

Computer software

Computer software acquired from third parties is recognised in this caption.

Internal expenses associated with the maintenance and development of computer software are recognised as an expense when incurred, since they are considered not reliably measurable and/or not generating future economic benefits.

g.3) Amortisation of intangible assets

Amortisation is calculated from the time the assets are available for use, by the straight-line method, in accordance with the estimated useful life of the assets. Intangible assets for which the existence of a limited period of future economic benefits cannot be envisaged are called intangible assets with indefinite useful lives. These assets are not amortised but undergo annual impairment tests.

The Company determines the useful life and amortisation method of its intangible assets based on the estimated consumption of the economic benefits associated with these assets.

Amortisation is calculated monthly under the straight-line method, using rates that allow for the complete amortisation of the assets to the end of their estimated useful life.

For an asset with a finite useful life the amortisation method, estimated useful life and residual value are revised at the end of each year and the effects of changes made are treated as changes to estimates, i.e., prospectively.

The estimated useful lives for intangible assets are as follows:

	Useful life (years)
Computer software	3

The impairment of intangible assets is assessed as disclosed in Note 2.3 j).

h)Tangible fixed assets

Tangible fixed assets used in production, provision of services or for administrative use are initially recognised at acquisition or production cost, including the costs attributable to the purchase, less accumulated depreciation and impairment losses, when applicable.

This cost includes the deemed cost calculated at the date of transition to IFRS and the acquisition costs for assets obtained after that date.

The acquisition cost includes the purchase price of the asset, the expenses directly attributable to its acquisition and the charges incurred in preparing the asset for its intended use. Financial expenses incurred with loans obtained for the construction of tangible fixed assets are recognised as part of the cost of acquisition / construction of the asset.

Except for land and engineering structures, which are not depreciable, tangible fixed assets are depreciated over their expected economic life on a straight-line basis, from the date they are available for their intended use, according to the following estimated useful lives:

	Useful life (years)
Buildings and other constructions	4 - 50
Basic equipment	4
Transport equipment	2
Office equipment	3 - 8
Other tangible fixed assets	8

The depreciable amount of tangible fixed assets does not include the residual value estimated at the end of their useful lives, except in cases where it is estimated to be immaterial, or uncertainty exists as to its realisation. Moreover, the depreciation ceases when the assets are classified as held for sale.

Depreciation methods, estimated useful lives and residual values are revised at the end of each year and the effects of changes made are treated as changes to estimates, i.e., prospectively.

The depreciation expense is recognised in the income statement under the Amortisation and depreciation caption. Current maintenance and repair expenses are recognised in the period in which they occur.

Capital gains or losses resulting from the sale or write-off of tangible fixed assets are determined as the difference between the sale price less selling expenses and the net book value on the date of sale / write-off, and recorded in the income statement at the net value, as Other operating income or Other operating expenses (Notes 7 and 12).

Improvements are only recognised as assets when it is demonstrated that these increase the assets' useful lives or their efficiency, resulting in increased future economic benefits.

i) Investment properties

The investment properties are initially measured at acquisition cost, including transaction costs directly attributable to them. After initial recognition, investment properties are measured using the cost model, with the carrying amount corresponding to cost less depreciation and potential accumulated impairment losses.

Expenses incurred with investment properties in use, namely maintenance, repairs, insurance and property taxes, are recognised as an expense in the income statement of the financial year they relate to. Improvements that are expected to generate additional future economic benefits are capitalised in this caption.

The estimated useful lives for investment properties are as follows:

	Useful life (years)
Buildings and other constructions	10 - 40

j) Impairment of non-current assets, excluding goodwill

The Company assesses whether there is any indication that an asset may be impaired at the reporting date and whenever an event or change in circumstances indicates that the amount for which the asset is recorded may not be recovered. If there is any indication, the Company determines the recoverable value of the asset in order to determine the extent of any impairment loss (impairment is the highest of the fair value of the asset or of a cash-generating unit less selling expenses and its value in use).

Whenever the amount for which the asset is recorded exceeds its recoverable value, an impairment loss is recognised, recorded in the income statement under the Impairment losses caption.

In the situations where the asset is not generating cash flows independently from other assets, the recoverable value is estimated for the cash-generating unit to which it belongs.

The following situations are considered when assessing whether there is an indication of impairment:

- During the period, the market value of an asset decreased significantly more than would be expected as a result of the passage of time or of normal use;
- Significant changes occurred during the period, or will occur in the near future, with an adverse effect on the entity, related to the technological, market, economic or legal environment in which the Company operates or in the market to which the asset is dedicated;
- Market interest rates or other market rates of return on investments increased during the period, and these increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable value considerably;
- The carrying amount of the net assets of the entity is greater than its market capitalisation;
- Evidence of obsolescence or physical damage to an asset is available;
- Significant changes with an adverse effect on the entity have occurred during the period, or are expected to occur in the near future, to the extent that, or in the form in which, an asset is used or is expected to be used. These changes include an asset that has become idle, plans to discontinue or restructure the operating unit to which the asset belongs, plans to sell an asset before the previously expected date; and

- There is evidence in internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The recoverable value is the highest between the net selling price (sale price, less selling expenses) and the value in use. The net selling price is the amount obtained from the disposal of the asset in a transaction between knowledgeable and independent entities, net of expenses directly attributable to the disposal.

Value in use is the present value of the estimated future cash flows derived from the continued use of an asset and its disposal at the end of its useful life, discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset in question.

The recoverable value is estimated individually for each asset or, if that is not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses recognised in previous years is recorded when there are indications that the recognised impairment losses no longer exist or have decreased. The reversal of impairment losses is recognised in the income statement in the Reversal of impairment losses caption. However, the reversal of the impairment loss is carried out up to the limit of the amount that would be recognised (net of amortisation or depreciation) if the impairment loss has not been recorded in previous years.

Regardless of whether there are indications that they are impaired, assets that are not yet available for use are tested annually.

k) Financial holdings in subsidiaries and associated companies

Financial investments in subsidiaries and associated companies are valued using the equity method (“EM”), except when they are classified as being held for sale, with the holdings initially accounted for at acquisition cost, which is increased or decreased by the difference between that cost and the value proportional to the stake in the equity of those companies, reported at the date of acquisition or of the first application of the aforementioned method. Goodwill related to the investee (term hereinafter applied when referring generically to subsidiaries, associated companies and jointly controlled entities) is included in the value of the financial investment and is not tested individually.

Dividends received are recorded as a decrease from the value of the financial investments.

A valuation of the investments in subsidiaries and associated companies is performed when there is an indication that the asset might be impaired, with the impairment losses shown to exist being recorded in profit or loss. Impairment losses recorded in previous years that cease to exist are reversed.

l) Other investments

Other investments include equity instruments and are valued at fair value or at acquisition cost less any accumulated impairment losses, when these relate to contributions to the WCF (Note 2.3 a)) or to holdings in other companies, respectively.

m) Leases

A contract constitutes, or contains, a lease if it establishes the right to control the use of an identified asset for a certain period in return for a consideration.

COMPANY AS LESSEE

The Company recognises right-of-use assets and lease liabilities for all leases except for short-term and low-value contracts.

Right-of-use assets

The Company recognises a right-of-use asset at the time the asset is available for use. The right-of-use asset includes the initial costs incurred to make the asset available for its intended use.

Right-of-use assets are depreciated on a monthly basis, so that the value of the assets is depreciated up to the end of their estimated useful lives:

	Useful life (years)
Transport equipment	4 - 5

The right-of-use asset is stated at cost, less the corresponding accumulated depreciation and impairment losses, when applicable.

Lease liabilities

The Company recognises lease liabilities at the present value of the future lease payments. Payments include fixed and variable payments. Variable payments, which do not depend on an index or rate, are recognised as an expense in the financial year.

The lease liability is measured by: (i) increasing and reducing the carrying amount to reflect interest on the lease liability; (ii) remeasuring the carrying amount to reflect any re-evaluation or change in the lease term or rate.

Considering that the lease contracts do not present an implicit rate, for the discounting of the rents an incremental interest rate was considered that varies according to the maturity of the lease contract of the category identified by the Company: transport equipment.

Short-term and low-value contracts
The Company has adopted the exception permitted regarding the recognition of short-term leases (contracts with a duration of less than 12 months) and low-value leases (less than Euros 5 000). For short-term and low-value contracts, the Company recognises the expenses associated with these leases in each financial year during the life of the contracts.

COMPANY AS LESSOR
Leases in which the Company does not substantially transfer all the risks and rewards associated with the ownership of an asset are classified as operating leases. Income earned through rents is accounted for, on a straight-line basis, during the period of the lease and is presented in revenue, due to its operational nature.

The leases in which the Company is the lessor concern the lease of properties destined for commerce and offices, classified as Investment properties.

n) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual relationship. They are derecognised when the underlying rights or obligations are extinguished by receipt / payment, are cancelled or expire.

n.1) Financial assets

Initial recognition and measurement:
Financial assets are classified, at inception, as:

i. Financial assets at fair value through profit or loss

ii. Loans granted and accounts receivable; or

iii. Derivatives designated as hedging instruments in an effective hedge.

At inception, all are valued at fair value plus costs attributable to the acquisition of that financial asset (except for the assets at fair value through profit or loss for which the acquisition costs are expensed in the financial year they are incurred).

Subsequent measurement
The subsequent measurement depends on the classification of the assets. The Company only has financial assets at fair value through profit or loss, loans granted and accounts receivable.

i. Financial assets at fair value through profit or loss
This category includes financial assets designated on initial recognition as financial assets at fair value through profit or loss.

After initial recognition, these assets are measured at fair value, according to the fair value hierarchy described in Note 2.3 a), with changes in fair value being recognised in profit or loss for the financial year.

ii. Loans granted and Accounts receivable
This caption includes receivables from Customers and Other debtors. The accounts receivable have no implied interest and are presented at their corresponding nominal value, less estimated realisation losses. When there is evidence that they are impaired, the corresponding adjustment is recorded in profit or loss. Impairment losses are recorded based on the assessment of the estimated losses, associated with doubtful debts at the date of the statement of financial position. Identified impairment losses are recorded in the income statement in the caption Impairment losses, being subsequently reversed via the income statement in the Reversal of impairment losses caption, if there is a reduction in the amount of the estimated loss in a later period.

Impairment of financial assets - Debtors and Other financial assets
At the end of the year, the Company assessed the impairment of these assets. When there was objective evidence of impairment, the Company recognised an impairment loss in the income statement.

The objective evidence that a financial asset or group of assets could be impaired considered observable data that called attention to the following loss events:

- Significant financial difficulty of the debtor;
- Breach of contract, such as failure to pay or non-compliance with interest payments or debt amortisation;
- The Company, for economic and legal reasons related to the debtor's financial difficulty, grants the debtor concessions that it would otherwise not consider;
- It becoming likely that the debtor will go into bankruptcy or another financial reorganisation; and

- Observable information indicates that there is a decrease in the measurement of the estimated future cash flows of a group of financial assets since their initial recognition.

Individually significant financial assets were assessed individually for impairment purposes. The rest were assessed based on similar credit risk characteristics. The impairment determined in accordance with the aforementioned terms does not differ from the one determined using tax criteria and for tax purposes.

n.2) Financial liabilities and equity instruments

Measurement at initial recognition
Financial liabilities are classified, at inception, as:

i. Financial liabilities at fair value through profit or loss;

ii. Bank loans and bond loans;

iii. Accounts payable; or

iv. Derivatives designated as hedging instruments, in an effective hedge.

At inception, all are valued at fair value less costs attributable to the acquisition of that financial liability (only for loans obtained and accounts payable; in the other cases, acquisition costs are expensed in the financial year they are incurred).

Subsequent measurement
The subsequent measurement depends on the classification of liabilities, as follows:

ii. Bank loans and bond loans
The loans are subsequently measured at amortised cost. Any difference between the issue value (net of incurred transaction costs) and the nominal value is recognised in the income statement over the life of the loans according to the effective interest rate method.

Loans obtained are classified as current liabilities and non-current liabilities (in the latter case when their maturity exceeds 12 months after the statement of financial position date).

iii. Accounts payable
Suppliers' balances and other accounts payable are initially recorded at their nominal value, which is considered to be their fair value, and are subsequently recorded at amortised cost in accordance with the effective interest rate method (whenever the time effect is known and significant).

n.3) Equity instruments

The equity instruments are contracts that show a residual interest in the Company's assets after the deduction of the liabilities. The equity instruments issued are recorded at the amount received, net of costs incurred with their issuance.

o) Assets, liabilities and transactions in foreign currency

Transactions in currencies other than Euros, are recorded at the rates in effect on the date of the transaction.

On the date of each statement of financial position, the monetary assets and liabilities expressed in foreign currencies are converted to Euros using the exchange rates in effect on that date. Non-monetary assets and liabilities recorded in accordance with their fair value in a foreign currency are converted to Euros using the exchange rate in effect on the date on which the fair value was determined.

Exchange differences, both favourable and unfavourable, caused by differences between the exchange rates in force on the date of the transactions and those in force on the date of collection / payment or the date of the statement of financial position, are recorded as income and expenses in the income statement for the financial year.

p) Cash and cash equivalents

The amounts included in the Cash and cash equivalents caption correspond to cash, bank deposits, term deposits and other short-term investments maturing in under three months, and which may be immediately redeemed at insignificant risk of change in value.

For the purposes of the cash flow statement, this caption also includes bank overdrafts, which are shown in the statement of financial position under current liabilities.

q) State and other public entities

The asset and liability balances of this caption are calculated based on the legislation in force. No impairment was recognised for the assets as it is considered that this is not applicable given the specific nature of the relationship.

r) Deferrals in assets and liabilities

This caption reflects the transactions and other events which full allocation to profit or loss in a single financial year is not adequate.

s) Equity captions

s.1) Realised capital

In compliance with Article 272 of the CCC, the articles of association specify the deadline for paying-up the subscribed and unpaid capital at the time of the deed. All capital is fully subscribed and paid up.

s.2) Legal reserve

In accordance with Article 295 of the CCC, at least 5% of the net profit must be used to set up or increase the legal reserve until it represents at least 20% of the share capital. As a rule, the legal reserve is not distributable except in the event of liquidation and can only be used to absorb losses after all other reserves are exhausted, or for incorporation in share capital (Article 296 of the CCC).

s.3) Adjustments in financial assets

This caption includes adjustments in investments recorded using the equity method ("EM"), namely non-attributable profits and the proportion of changes in the equity of subsidiaries and associated companies.

s.4) Retained earnings

This caption includes results realised in previous years and which are available for distribution.

t) Provisions

Provisions are recognised when:

i. There is a present (legal or implicit) obligation deriving from a past event;

ii. An outflow of resources is likely to occur for the resolution of this obligation; and

iii. The amount of the obligation can be reasonably estimated.

Whenever one of the criteria is not met or the existence of the responsibility is dependent on the occurrence (or non-occurrence) of a given future event, the Company discloses this in the form of a contingent liability, except where the likelihood of having to disburse resources to settle the responsibility is assessed as being remote.

The amount recognised for the provisions consists of the present value of the best estimate, at the reporting date, of the resources required to settle the obligation. This estimate is determined considering the risks and uncertainties associated with the obligation, using a pre-tax rate that reflects the market valuation for the discount period and for the risk of the provision in question.

Provisions are reviewed on each statement of financial position date and adjusted to reflect the best estimate at that date.

These obligations that result from onerous contracts are recorded and measured as provisions. It is considered that there is an onerous contract when the Company is an integral part of the provisions of a contract the compliance with which has associated costs that are unavoidable and exceed the economic benefits derived from same.

Provisions for restructuring costs are recognised by the Company whenever there is a formal and detailed restructuring plan, and the Company has created a valid expectation in those affected that it will carry out the restructuring when it begins to implement that plan or announces its main features to those affected by it.

u) Contingent assets and liabilities

A contingent asset is a possible asset that derives from past events and which existence will only be confirmed, or not, by one or more uncertain future events that are not fully controlled by the Company. These assets are not recognised in the financial statements so as not to result in the recognition of income that may never be realised. However, they are disclosed when a future influx is likely to exist.

A contingent liability arises when there is a possible obligation deriving from past events, which will be confirmed by the occurrence of one or more uncertain future events not wholly under the control of the entity, or when there is a present obligation arising from past events. These liabilities are not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. However, they are disclosed in the notes to the financial statements unless the probability of future outflows is remote.

v) Subsequent events

Subsequent events that provide additional information on conditions existing on the date of the statement of financial position are shown in the financial statements. Events after the statement of financial position date that provide information about conditions that occur after that date are disclosed in the notes to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the financial statements according to the IAS/IFRS, the Company's Management uses estimates and assumptions that affect the application of policies and reported amounts.

Estimates and judgements are continuously evaluated and are based on the experience from past events and other factors, including expectations for future events considered probable in view of the circumstances on which the estimates are based or as a result of acquired information or experience. The most significant accounting estimates shown in the separate financial statements are as follows:

a) Impairment of assets, excluding Goodwill

The determination of a possible impairment loss may be triggered by the occurrence of several events, many of which are outside the Company's sphere of influence, such as: future availability of funding, cost of capital, as well as any other changes, both internal and external, to it.

The identification of the impairment indicators, the estimation of future cash flows and the determination of the fair value of assets imply a high level of judgement by Management regarding the identification and evaluation of different impairment indicators, expected cash flows, applicable discount rates, useful lives and residual values.

b) Impairment of Goodwill

Goodwill represents the excess of the acquisition cost over the Equity identifiable at the date of acquisition or change in control. Goodwill is allocated to the Cash-Generating Units (CGU) to perform the impairment tests.

Goodwill is not amortised, and the impairment losses determined annually at the reporting date or whenever there are indications of a possible impairment loss are deducted from its value. Any loss of value (impairment) is recorded in the income statement for the period and cannot be reversed subsequently.

Gains or losses arising from the sale of a CGU are calculated including the corresponding Goodwill.

The value of Goodwill is tested annually and whenever there are circumstances that indicate that its book value may be impaired. The recoverable values of the CGUs were determined based on the value-in-use methodology. The use of this method requires the estimation of the future cash flows arising from the operations of each CGU and the choice of a suitable discount rate.

The amounts of the valuations are supported by past results and by future prospects regarding the development of the markets in which the investees operate, with 5-year projections of future cash flows having been prepared for each of the businesses, in accordance with the plans defined by the Board of Directors.

In the 2023 financial year, valuations were carried out of the most relevant subsidiaries, which found no indications of impairment concerning the recognised goodwill values.

Therefore, the Management considers that the amount of Goodwill shown in the statement of financial position is close to its recoverable value, as reported in Note 17.

c) Provisions

The Company periodically analyses possible liabilities resulting from past events and which should be the subject of recognition or disclosure. The subjectivity inherent to the determination of the probability and amount of internal resources necessary for the payment of the liabilities may lead to significant adjustments, either by changes in the assumptions used or by the future recognition of provisions previously disclosed as contingent liabilities.

d) Going concern

The Company's annual report and accounts for 2023 were prepared on the going concern basis.

e) Leases – Estimate of the incremental rate, lease term and valuation method

The recognition of the leases includes the determination of the interest rate implicit in the lease and the lease term.

The Company cannot easily determine the rate implicit in the lease, so it uses the incremental interest rate to measure the lease liabilities. The incremental interest rate is the interest rate the Company would have to pay on a loan with similar terms, which requires the rate to be estimated when no observable data are available on the market or when these must be adjusted to reflect the loan terms. As such, the Company estimates the incremental interest rate based on the market reference rate.

The lease term is determined based on management's best expectation of remaining in the lease contract. The Company assesses the term of the leases by contract type, considering the possibility of exercising, with reasonable certainty, the option to extend the lease:

- Transport equipment – This contract type has no renewal option, so the lease term considered is the contract term.

4. REVENUE

In financial years ended 31 December 2023 and 2022, the revenue from services rendered was as follows:

	31 dec 2023	31 dec 2022
Services rendered:		
National market	746 263	646 401
Intracommunity market	2 703 240	1 277 089
	3 449 503	1 923 490

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5. REVERSALS OF IMPAIRMENT LOSSES

In financial year ended 31 December 2023, provisions for financial investments were reversed, totalling Euros 3 754 884. The impairment loss recognised in previous years, to cover losses in the investee Tecnocapital, SGPS, S.A. (currently JMCWSG, S.A.), in the amount of Euros 3 630 417, was reversed in full, following the reinforcement of this company's equity with the use of ancillary capital contributions to cover losses. Additionally, the impairment to cover losses in José de Mello Group Imobiliária was adjusted, in this financial year, through the reversal of part of the recorded value, in the amount of Euros 124 467.

In financial year ended 31 December 2022, impairment losses on financial investments, totalling Euros 37 078, related to the holdings in Tecnocapital, SGPS, S.A. (which company name was changed to JMCWSG, S.A., in 2023), were reversed. This reversal was recorded due to the increase in the investee's equity in that financial year.

6. REVERSALS OF PROVISIONS

With reference to 31 December 2020, the Company had set up a provision of Euros 152 million, to cover for the possibility, given the agreed solidarity principle, of the put options on the Compulsorily Convertible Securities issued by MGI Capital, S.A. and held by credit institutions, being exercised against the Company, such that, in a first instance, the Company might have to assume a liability in that amount.

In financial year ended 31 December 2021, the put options on these Compulsorily Convertible Securities were exercised by credit institutions, with the Company coming to hold Compulsorily Convertible Securities issued by MGI Capital, S.A., in the amount of Euros 76 million and a claim on the other entity involved in the agreement, in the same amount. These securities were subsequently converted into shares representative of MGI Capital, S.A.'s share capital and the company Têxtil Manuel Goncalves, S.A. paid up part of the debt. As a result of these operations, the existing provision was reduced to Euros 73.1 million.

The maintenance of the provision created in 2020 was justified by the prudence called for, given that the payment plan defined with the other entity involved in the agreement with the credit institutions covers a very long term. In financial year ended 31 December 2022, the provision amounted to Euros 71.7 million.

In the financial year under review, the debt payment plan was not complied with, so the Company, out of prudence, decided to record impairment on the entire existing credit (Note 24), plus applicable interest (Note 26). The Company considers that the non-compliance is due to extraordinary circumstances and that the agreed payment plan will be resumed, which will allow, in future years, the recording of the reversal of the recorded impairment. At the same time, the Company reversed the provision it maintained as a matter of prudence.

In financial year ended 31 December 2022, provisions in the global amount of Euros 2 556 841 were reversed, composed of the instalments of Euros 2 012 940, Euros 43 901 and Euros 500 000, as described in the following points:

a) Part of the provision set up in previous years was reversed, in the amount of Euros 2 102 940, corresponding to the value of the Euros 76 million credit, received in the financial year;

b) A provision was reversed, in the amount of Euros 43 901, in connection with a legal process for the recovery of a customer's debt. In addition to this reversal, the debt was classified as a bad debt and impairment on said debt was recognised; and

c) A provision to cover other risks and charges identified by Management in financial year 2018, in the amount of Euros 500 000, was also reversed since the risks identified on that date no longer exist.

7. OTHER OPERATING INCOME

In financial years ended 31 December 2023 and 2022, the caption Other operating income is detailed as follows:

	31 dec 2023	31 dec 2022
Benefits arising from contractual penalties (a.)	2 998 416	-
Assignment and lease of space	176 216	223 929
Reimbursement of VAT	21 332	690 394
Gains obtained on the sale and write-off of tangible fixed assets	20 000	5 000
Supplementary income	12 603	5 717
Operating subsidies	-	998
Other operating income	82 963	59 887
	3 311 530	985 925

(a.) The caption Benefits arising from contractual penalties, in the 2023 financial year, refers to the result, net of expenses incurred in previous years, of the judicial conciliation of two processes that involved an investee of the Company, which has since been dissolved.

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8. EXTERNAL SUPPLIES AND SERVICES

In financial years ended 31 December 2023 and 2022, the caption External supplies and services is detailed as follows:

	31 dec 2023	31 dec 2022
Specialised works	2 971 456	1 389 142
Rents	386 818	239 708
Travel and accommodation	136 392	97 362
Vigilance and security	122 803	89 483
Fuel	113 100	121 084
Repairs and maintenance	89 626	95 588
Cleaning, hygiene and comfort	86 276	82 012
Other supplies	71 800	73 144
Insurance	71 231	65 163
Communication	60 826	82 862
Gift items	44 021	49 352
Fees	34 848	70 558
Electricity	20 513	29 640
Entertainment expenses	14 953	17 212
Office consumables	11 354	16 151
Water	7 740	7 003
Tools and utensils	4 921	2 483
Advertising	4 862	4 069
Litigation and notarial fees	2 624	1 264
Commissions	1 021	629
Other services	64 847	52 456
	4 322 035	2 586 362

9. STAFF EXPENSES

Staff expenses in financial years ended 31 December 2023 and 2022 were as follows:

	31 dec 2023	31 dec 2022
Remuneration of corporate bodies	8 120 000	4 846 626
Remuneration of staff	4 727 395	3 972 876
Mandatory social charges	1 390 185	1 285 578
Work accident and occupational disease insurance	47 361	39 835
Compensation on contract termination / Indemnities	-	25 000
Other staff expenses	517 884	429 289
	14 802 824	10 599 204

The number of employees working for the Company at the end of the 2023 financial year was 90 (82 in 2022).

10. AMORTISATION AND DEPRECIATION

The Amortisation and depreciation caption for financial years ended 31 December 2023 and 2022, is as follows:

	31 dec 2023	31 dec 2022
Intangible assets (Note 18)	84 608	96 596
Right-of-use assets (Note 19)	241 797	225 317
Tangible fixed assets (Note 20)	315 851	305 789
Investment properties (Note 21)	25 474	27 597
	667 730	655 299

11. IMPAIRMENT LOSSES

The movement in accumulated impairment losses during financial years ended 31 December 2023 and 2022, was as follows:

	Costumers (Note 23)	Other debtors (Note 24)	Other assets (Note 26)	Total
Balance on 1 January 2022	121 184	455 471	-	576 655
Increase	37 499	-	-	37 499
Balance on 31 December 2022	158 683	455 471	-	614 153
Increase	-	71 693 060	1 171 968	72 865 028
Balance on 31 December 2023	158 683	72 148 531	1 171 968	73 479 182

12. OTHER OPERATING EXPENSES

The Other operating expenses caption, in financial years ended 31 December 2023 and 2022, has the following breakdown:

	31 dec 2023	31 dec 2022
Donations	314 652	135 813
Indirect taxes	274 859	171 968
Membership fees	72 902	53 678
Direct taxes	13 097	12 840
Fines and penalties	705	573
Levies	93	775
Other expenses	32 052	124 011
	708 360	499 658

13. FINANCIAL RESULTS

Financial results for financial years ended 31 December 2023 and 2022 have the following breakdown:

	31 dec 2023	31 dec 2022
Financial expenses:		
Interest incurred	6 385 219	2 491 729
Commissions and bank charges	28 958	40 130
Charges on issue of bond loans	196	-
	6 414 373	2 531 860
Financial income:		
Interest earned	1 851 769	728 606
	1 851 769	728 606
Gains / (losses) from associated companies (Note 22):		
Application of the equity method	102 247 445	100 962 231
Gains / (Losses) on the sale of associated companies	1 150	-
Other gains / (losses) from investments in associated companies	(3 629 322)	70 893
Gains / (Losses) from liabilities of investments	-	(2 338 393)
Provisions for investments	-	(576 373)
	98 619 273	98 118 357

14. INCOME TAX

The Company is subject to IRC at the nominal rate of 21%, applied to the taxable income. A Municipal surcharge may be added to these amounts up to a rate of 1.5% of taxable income. Moreover, when applicable, a State surcharge of 3% is also payable on the excess of taxable income between Euros 1 500 000 and Euros 7 500 000, of 5% on the excess of taxable income between Euros 7 500 000 and Euros 35 000 000 and the rate of 9% on the excess of taxable income over Euros 35 000 000. In accordance with Article 88 of the Portuguese Corporate Income Tax Code ("CIRC"), the Company is also subject to autonomous taxation on a set of charges, at the rates indicated in the mentioned article.

As mentioned in subparagraph e.1) of Note 2.3, above, with effect from 2014, the Company controls a corporate group taxed in terms of IRC in accordance with the Special Taxation Scheme for Groups of Companies ("RETGS") provided for in the respective code. Each entity's estimated income tax is recorded in its corresponding financial statements, based on its tax results.

The income tax recognised in financial years ended 31 December 2023 and 2022 was as follows:

	31 dec 2023	31 dec 2022
Current tax:		
Relating to the current year	(124 562)	(178 171)
Difference in tax estimate of the previous year	13 161 119	5 254 099
Charge for the financial year	13 036 557	5 075 928

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The numeric reconciliation between the effective tax rate and the normal tax rate is as follows:

	31 dec 2023	31 dec 2022
Pre-tax profit	82 899 669	87 440 416
Income tax rate	21%	21%
Income tax at normal rate	17 408 931	18 362 487
Non-taxable income	(314 743 792)	(106 703 972)
Non-deductible expenses	204 798 285	7 216 060
Taxable income / (Tax loss)	(27 045 837)	(12 047 496)
Tax losses carried forward used	-	-
Income tax rate	21%	21%
Income tax assessed	-	-
Autonomous taxation	(124 562)	(178 171)
Tax estimate excess / (shortfall)	13 161 119	5 254 099
Current tax	13 036 557	5 075 928
Effective tax rate	15,73%	5,81%

Under the RETGS, on 31 December de 2023, there are temporary differences regarding losses carried forward at the consolidated level, in the amount of Euros 137 752 604 (Euros 172 225 099 in 2022), which, according to the IRC rates currently in force, may result in deferred tax assets of approximately Euros 28 928 047 (Euros 36 167 271 in 2022).

	31 dec 2023	31 dec 2022
Generated in 2014	10 013 574	10 013 574
Generated in 2015	74 742 020	74 742 020
Generated in 2020	-	1 933 214
Generated in 2021	52 997 011	85 536 292
	137 752 604	172 225 099

The State Budget Law for 2023 ("SB 2023"), which came into force on 1 January, eliminated the temporal limitation on the deduction of tax losses in subsequent financial years, whether for tax losses calculated in the periods from 2023 onwards, or for tax losses determined in previous periods and whose deduction period is still ongoing. Still within the scope of SB 2023, the annual limit for deduction from taxable income was reduced to 65% from 2023 onwards (instead of the 70% in force until that date). The deduction to be made in each tax period, limited, until 2022, to 70% of the respective taxable income, and from 2023, to 65% of the respective taxable income, can be increased by 10 p.p. when the difference results from tax losses determined in the 2020 and 2021 tax periods, as provided for in Law no. 27 - A/2022, of 24 July (2021 Supplementary Budget).

According to current legislation, tax returns are open for review and correction by the tax authorities for a period of four years (five years for Social Security).

For the 2023 and 2022 financial years, the Company's Management does not expect any additional IRC assessment with a material impact on the financial statements.

15. DIVIDENDS

Following deliberation at the General Meeting of 30 May 2023, the Company distributed Retained earnings in an amount of Euros 6 610 000, based on the statement of financial position as of 31 December 2022.

In relation to the current financial year, the Board of Directors proposes not to pay dividends. This proposal is subject to approval at the Shareholders' General Meeting, to take place in May.

16. EARNINGS PER SHARE

Earnings per share, basic and diluted, for financial years ended 31 December 2023 and 2022, were calculated based on the following amounts:

	31 dec 2023	31 dec 2022
Net profit for the financial year	95 936 226	92 516 344
Weighted average number of shares	5 000 000	5 000 000
Basic earnings per share	19,19	18,50
Diluted earnings per share	19,19	18,50

Due to the fact that there were no diluting effects of the earnings per share in financial years ended 31 December 2023 and 2022, the diluted earnings per share is equal to the basic earnings per share.

17. GOODWILL

The values recorded under goodwill in financial years ended 31 December 2023 and 2022 refer to merger operations by incorporation of the subsidiaries Guimarães de Mello Portugal, S.G.P.S., S.A., Guimarães de Mello Investimentos, S.G.P.S., S.A. and José de Mello - Sociedade Gestora de Participações, S.A., into José de Mello Capital, S.A..

In the current financial year of 2023, there is no evidence of impairment in relation to the amount of goodwill that is recognised.

18. INTANGIBLE ASSETS

On 31 December 2023 and 2022, this caption has the following breakdown:

31 dec 2023	Gross amount	Accumulated amortisation	Carrying amount
Computer software	767 644	(652 587)	115 057
Intangible assets in progress	28 832	-	28 832
	796 476	(652 587)	143 889

31 dec 2022	Gross amount	Accumulated amortisation	Valor líquido
Computer software	677 273	(567 979)	109 294
Intangible assets in progress	71 708	-	71 708
	748 980	(567 979)	181 002

The movements in the value of intangible assets as well as in the corresponding amortisation and impairment losses, during financial years ended 31 December 2023 and 2022, were as follows:

	Computer softwarer	Intangible assets in progress	Total
Gross assets:			
Balance on 1 January 2022	**613 560**	**11 071**	**624 632**
Additions	63 712	60 637	124 349
Balance on 31 December 2022	677 273	71 708	748 980
Additions	14 779	32 716	47 496
Transfers and write-offs	75 592	(75 592)	-
Balance on 31 December 2023	767 644	28 832	796 476
Accumulated amortisation and impairment losses:			
Balance on 1 January 2022	(471 382)	-	(471 382)
Amortisation (Note 10)	(96 596)	-	(96 596)
Balance on 31 December 2022	(567 979)	-	(567 979)
Amortisation (Note 10)	(84 608)	-	(84 608)
Balance on 31 December 2023	(652 587)	-	(652 587)
Carrying amount:			
On 31 December 2022	109 294	71 708	181 002
On 31 December 2023	115 057	28 832	143 889

19. RIGHT-OF-USE ASSETS

On 31 December de 2023 and 2022, this caption has the following breakdown:

31 dec 2023	Gross amount	Accumulated depreciation	Carrying amount
Transport equipment	1 006 418	(525 151)	481 268
	1 006 418	(525 151)	481 268

31 dez 2022	Gross amount	Accumulated depreciation	Carrying amount
Transport equipment	892 636	(408 414)	484 221
	892 636	(408 414)	484 221

During financial years ended 31 December 2023 and 2022, the movements in the value of right-of-use assets, as well as in the corresponding accumulated depreciation and impairment losses, were as follows:

	Transport equipment
Gross assets:	
Balance on 1 January 2022	869 473
Additions	270 396
Sales, write-offs and regularisations	(247 234)
Balance on 31 December 2022	892 636
Additions	238 843
Sales, write-offs and regularisations	(125 061)
Balance on 31 December 2023	1 006 418
Accumulated depreciation and impairment losses:	
Balance on 1 January 2022	(430 332)
Depreciation (Note 10)	(225 317)
Sales, write-offs and regularisations	247 234
Balance on 31 December 2022	(408 414)
Depreciation (Note 10)	(241 797)
Sales, write-offs and regularisations	125 061
Balance on 31 December 2023	(525 151)
Carrying amount:	
On 31 December 2022	484 221
On 31 December 2023	481 268

No impairment indications were identified for the assets recorded as right-of-use assets.

20. TANGIBLE FIXED ASSETS

On 31 December de 2023 and 2022, this caption has the following breakdown:

	31 dec 2023		
	Gross amount	Accumulated depreciation	Carrying amount
Land and natural resources	2 344 473	-	2 344 473
Buildings and other constructions	10 973 843	(5 939 906)	5 033 937
Basic equipment	17 810	(6 781)	11 029
Transport equipment	80 219	(80 219)	-
Office equipment	2 293 340	(2 173 277)	120 063
Other tangible fixed assets	3 110 843	(141 537)	2 969 306
Tangible fixed assets in progress	533 913	-	533 913
	19 354 440	(8 341 719)	11 012 721

	31 dec 2022		
	Gross amount	Accumulated depreciation	Carrying amount
Land and natural resources	2 344 473	-	2 344 473
Buildings and other constructions	10 947 258	(5 686 990)	5 260 268
Basic equipment	7 288	(4 244)	3 045
Transport equipment	146 460	(131 181)	15 279
Office equipment	2 247 252	(2 118 882)	128 370
Other tangible fixed assets	3 110 843	(140 658)	2 970 185
Tangible fixed assets in progress	105 464	-	105 464
	18 909 038	(8 081 954)	10 827 084

During financial years ended 31 December 2023 and 2022, the movements in the value of tangible fixed assets, as well as in the corresponding depreciation and impairment losses, were as follows:

	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Tangible fixed assets in progress	Total
Gross assets:								
Balance on 1 January 2022	2 344 473	10 861 067	5 212	142 719	2 158 255	3 110 843	22 162	18 644 730
Additions	-	86 191	2 077	16 241	88 997	-	83 302	276 808
Sales	-	-	-	(12 500)	-	-	-	(12 500)
Balance on 31 December 2022	2 344 473	10 947 258	7 288	146 460	2 247 252	3 110 843	105 464	18 909 038
Additions	-	26 585	10 522	-	46 947	-	428 449	512 502
Sales	-	-	-	(66 241)	(858)	-	-	(67 099)
Balance on 31 December 2023	2 344 473	10 973 843	17 810	80 219	2 293 340	3 110 843	533 913	19 354 440
Accumulated depreciation and impairment losses:								
Balance on 1 January 2022	-	(5 439 247)	(2 490)	(138 136)	(2 069 014)	(139 778)	-	(7 788 665)
Depreciation (Note 10)	-	(247 742)	(1 753)	(5 545)	(49 868)	(879)	-	(305 789)
Sales	-	-	-	12 500	-	-	-	12 500
Balance on 31 December 2022	-	(5 686 990)	(4 244)	(131 181)	(2 118 882)	(140 658)	-	(8 081 954)
Depreciation (Note 10)	-	(252 916)	(2 538)	(4 790)	(54 729)	(879)	-	(315 851)
Sales	-	-	-	55 752	334	-	-	56 086
Balance on 31 December 2023	-	(5 939 906)	(6 781)	(80 219)	(2 173 277)	(141 537)	-	(8 341 719)
Carrying amount:								
On 31 December 2022	2 344 473	5 260 268	3 045	15 279	128 370	2 970 185	105 464	10 827 084
On 31 December 2023	2 344 473	5 033 937	11 029	-	120 063	2 969 306	533 913	11 012 721

21. INVESTMENT PROPERTIES

On 31 December de 2023 and 2022, this caption has the following breakdown:

	31 dez 2023			31 dez 2022		
	Gross amount	Accumulated depreciation and impairment losses	Carrying amount	Gross amount	Accumulated depreciation and impairment losses	Carrying amount
Land and natural resources	285 793	-	285 793	285 793	-	285 793
Buildings and other constructions	920 589	(349 161)	571 429	920 589	(323 687)	596 902
	1 206 382	(349 161)	857 221	1 206 382	(323 687)	882 695

In financial years ended 31 December 2023 and 2022 the movements in the value of the investment properties, as well as in the corresponding depreciation and impairment losses, were as follows:

	Land and natural resources	Buildings and other constructions	Total
Gross assets:			
Balance on 1 January 2022	285 793	920 589	1 206 382
Balance on 31 December 2022	285 793	920 589	1 206 382
Balance on 31 December 2023	285 793	920 589	1 206 382
Accumulated depreciation and impairment losses:			
Balance on 1 January 2022	-	(296 090)	(296 090)
Depreciation (Note 10)	-	(27 597)	(27 597)
Balance on 31 December 2022	-	(323 687)	(323 687)
Depreciation (Note 10)	-	(25 474)	(25 474)
Balance on 31 December 2023	-	(349 161)	(349 161)
Carrying amount:			
On 31 December 2022	285 793	596 902	882 695
On 31 December 2023	285 793	571 429	857 221

22. INVESTMENTS IN SUBSIDIARIES, ASSOCIATED COMPANIES AND OTHER INVESTMENTS

Investments in subsidiaries, associated companies and other investments (elsewhere also referred to as "investees") on 31 December de 2023 and 2022 are detailed as follows:

	31 dec 2023	31 dec 2022
Subsidiaries and jointly controlled entities - EM	534 387 277	556 582 614
Subsisidaries and jointly controlled entities - ancillary capital contributions	21 119 745	3 094 568
Subsidiaries and jointly controlled entities - shareholder loans	23 821 517	23 297 117
Total investments in subsidiaries, associated companies and jointly controlled entities	579 328 539	582 974 299
Investments in other companies	4 420 842	4 375 313
Investments in other companies -ancillary capital contributions	-	30 000
Investments in other companies - shareholder loans	16 906 360	35 626 680
Total other investments	21 327 203	40 031 993

On 31 December 2023 and 2022, the Company presented the following investments in subsidiaries recorded under the equity method:

31 dec 2023

	Registered office	Shareholding percentage	Assets	Liabilities	Equity	Net profit / (loss)	Book value
José de Mello - Investimentos, SGPS S.A. (Zona Franca da Madeira)	Funchal	100,00%	327 915 517	138 420 755	189 494 762	24 956 691	189 494 762
Bondalti Capital, S.A.	Lisbon	100,00%	420 008 493	248 713 846	171 294 647	50 696 004	188 865 303
CUF, S.A.	Lisbon	65,85%	1 007 402 458	796 877 690	210 524 769	37 817 963	140 391 740
JMCWSG, S.A. (a.)	Lisbon	100,00%	47 709 046	16 492 956	31 216 089	1 672 692	13 216 089
José de Mello - Residências e Serviços, SGPS S.A.	Lisbon	62,99%	24 225 692	19 900 486	4 325 206	52 631	1 993 923
José de Mello Imobiliária, SGPS S.A.	Lisbon	100,00%	18 163 119	12 673 802	5 489 317	131 005	-
M Dados, Sistemas de Informação S.A.	Lisbon	100,00%	702 655	277 195	425 460	28 272	425 460
Lifthium Energy, S.A. (b.)	Lisbon	85,00%	1 960 081	2 402 718	(442 637)	(1 392 637)	-
							534 387 277

31 dec 2022

	Registered office	Shareholding percentage	Assets	Liabilities	Equity	Net profit / (loss)	Book value
José de Mello - Investimentos, SGPS S.A. (Zona Franca da Madeira)	Funchal	100,00%	518 002 783	266 410 335	251 592 448	26 685 747	251 592 448
Bondalti Capital, S.A.	Lisbon	100,00%	378 267 216	218 353 855	159 913 362	51 822 711	177 095 641
CUF, S.A.	Lisbon	65,85%	900 970 157	711 967 697	189 002 460	34 527 872	125 536 572
José de Mello - Residências e Serviços, SGPS S.A.	Lisbon	62,99%	25 301 453	21 055 486	4 245 968	(475 429)	1 960 766
José de Mello Imobiliária, SGPS S.A.	Lisbon	100,00%	29 731 646	24 348 169	5 383 478	(2 280 594)	-
Tecnocapital, SGPS, S.A.	Lisbon	100,00%	100 335	1 046	99 290	37 078	-
M Dados, Sistemas de Informação S.A.	Lisbon	100,00%	795 918	398 730	397 188	16 685	397 188
							556 582 614

(a.) In 2023, Tecnocapital, SGPS, S.A. changed its company name to JMCWSG, S.A..

(b.) In financial year 2023, an 85% shareholding was acquired in the company Lifthium Energy, S.A., which is engaged in large-scale refining of green lithium and in the development of an innovative refining ecosystem, marked by high efficiency and the adoption of sustainable technologies.

The equity of the subsidiaries, shown in the tables, may include non-controlling interests.

The subsidiaries José de Mello Imobiliária, SGPS, S.A. and Lifthium Energy, S.A. have negative equity, when the ancillary capital contributions are expunged, which justifies the zero carrying amounts.

On 31 December 2023 and 2022, the Company presented the following investments in associated companies, jointly controlled entities and other companies:

31 dec 2023

	Registered office	Shareholding percentage	Assets	Liabilities	Equity	Net profit/(loss)	Book value
Associated companies							
Bem Comum, Soc. Capital de Risco, S.A.	Lisbon	32,00%		Information not available			80 000
Jointly controlled entities							
MGICapital - Sistemas de Gestão, S.A.	Lisbon	50,00%		Information not available			-
Other companies							
Guimarães de Mello II - Portugal, S.A. (a.)	Lisbon	-		Information not applicable			-
Guimarães de Mello, S.A.	Lisbon	10,00%	26 424 576	17 107 158	9 317 418	6 409 204	97 500
Fundo Bem Comum FCR	Lisbon	n/a		Information not available			500 000
Fundo Shilling Founders Fund (b.)	Lisbon	0,91%		Information not available			3 128 871
Fundo Faber Tech II (c.)	Lisbon	0,82%	41 572 529	31 331	41 541 198	1 522 154	337 037
Faber Partners, SA (associação em participação) (d.)	Lisbon	n/a		Information not applicable			237 767
Fundo de Compensação do Trabalho	Lisbon	n/a		Information not applicable			39 667
							4 420 842

31 dec 2022

	Registered office	Shareholding percentage	Assets	Liabilities	Equity	Net profit/(loss)	Book value
Associated companies							
Bem Comum, Soc. Capital de Risco, S.A.	Lisbon	32,00%		Information not available			80 000
Jointly controlled entities							
MGICapital - Sistemas de Gestão, S.A.	Lisbon	48,94%		Information not available			-
Other companies							
SCAURI - Consultadoria Económica e Participações, S.A.	Funchal	10,00%	142 740	25 593	117 147	27 556	5 050
Guimarães de Mello, S.A.	Lisbon	10,00%	38 886 242	35 889 224	2 997 018	(303 396)	97 500
Fundo Bem Comum FCR	Lisbon	n/a		Information not available			500 000
Fundo Shilling Founders Fund (b.)	Lisbon	0,91%	53 189 725	719 963	52 469 763	623 006	3 090 000
Fundo Faber Tech II (c.)	Lisbon	0,82%	40 049 946	30 902	40 019 044	(1 714 806)	324 383
Faber Partners, SA (associação em participação) (d.)	Lisbon	n/a		Information not applicable			244 208
Fundo de Compensação do Trabalho	Lisbon	n/a		Information not applicable			34 171
							4 375 313

(a.) In 2023, this investee changed its company name from Scauri – Consultadoria Económica e Participações, S.A. to Guimarães de Mello II – Portugal, S.A.. In the same financial year, it carried out an operationto reduce the share capital, by extinguishing the shares held by José de Mello Capital, which ceased to participate in its share capital.

(b.) In financial year ended 31 December 2021, the Company acquired the investment in Fundo Shilling Founders (Venture Capital Fund), amounting to Euros 3 090 000, with the corresponding capital contributions being deferred for a maximum of 6 years. On 31 December 2023, the outstanding capital contributions total Euros 2 086 thousand (Note 33).

(c.) In financial year ended 31 December 2022, the Company subscribed 250 participation units in Fundo Faber Tech II (Venture Capital Fund), in the amount of Euros 250 000. On 31 December 2023, the outstanding capital contributions amount to Euros 89 230 (Note 33), with the book value corresponding to the fair value of the investment on the reporting date..

(d.) In financial year ended 31 December 2021, the Company celebrated a collective undertaking association contract, contributing Euros 250 000 to a capital pool in the total amount of Euros 1 500 000, with the objective of participating in the activity of Faber Partners, S.A.. The book value corresponds to the investment value, net of the reimbursements made by the venture capital fund, on a pro rata basis, to the investors.

This caption includes equity holdings, ancillary capital contributions and shareholders loans granted.

The amounts recognised in the income statement related to investments in subsidiaries, associated companies, jointly controlled entities and other holdings for financial years ended 31 December 2023 and 2022, are as follows:

31 dec 2023	Equity method (Note 13)	Gains / (Losses) on disposal	Impairment losses	Provisions (Note 6)	Other (Note 13)	Total
JMCWSG, S.A.	1 672 692	-	-	-	(3 682 271)	(2 009 579)
CUF, S.A.	24 903 129	-	-	-	-	24 903 129
José de Mello - Residências e Serviços, SGPS S.A.	33 157	-	-	-	-	33 157
M Dados, Sistemas de Informação S.A.	28 272	-	-	-	-	28 272
José de Mello - Investimentos, SGPS S.A. (Zona Franca da Madeira)	24 956 691	-	-	-	-	24 956 691
Bondalti Capital, S.A.	50 696 004	-	-	-	-	50 696 004
Lifthium Energy, S.A.	(42 500)	-	-	-	-	(42 500)
Fundo Faber Tech II	-	-	-	-	51 524	51 524
Work Compensation Fund	-	-	-	-	1 425	1 425
Other	-	1 150	-	-	-	1 150
	102 247 445	1 150	-	-	(3 629 322)	98 619 273

31 dez 2022	Equity method (Note 13)	Gains / (Losses) on disposal	Impairment losses	Provisions (Note 6)	Other (Note 13)	Total
CUF, S.A.	22 736 604	-	-	-	-	22 736 604
José de Mello Imobiliária, SGPS S.A.	-	-	(2 287 133)	-	-	(2 287 133)
José de Mello - Residências e Serviços, SGPS S.A.	(299 516)	-	-	-	-	(299 516)
M Dados, Sistemas de Informação S.A.	16 685	-	-	-	-	16 685
José de Mello - Investimentos, SGPS S.A. (Zona Franca da Madeira)	26 685 747	-	-	-	-	26 685 747
Bondalti Capital, S.A.	51 822 711	-	-	-	-	51 822 711
MGICapital - Sistemas de Gestão, S.A.	-	-	(51 260)	-	-	(51 260)
MGI Capital, S.A.	-	-	-	(576 373)	-	(576 373)
Fundo Faber Tech II	-	-	-	-	72 355	72 355
Work Compensation Fund	-	-	-	-	(1 462)	(1 462)
	100 962 231	-	(2 338 393)	(576 373)	70 893	98 118 357

In financial year ended 31 December 2023, the Company covered losses in Tecnocapital, SGPS, S.A., through the conversion of ancillary capital contributions, in the amount of Euros 3 682 271. Subsequently, as mentioned above, Tecnocapital, SGPS, S.A. changed its company name to JMCWSG, S.A., assuming, from that date onwards, the role of holding company for the Group's winemaking activity.

The amount of Euros 1 150 relating to gains and losses on the disposal of investments in associated companies, results from a loss of Euros 50 following the aforementioned reduction in the share capital of Scauri – Consultadoria Económica e Participações, S.A. (currently Guimarães de Mello II – Portugal, S.A.), following the hand-in of the shares held by José de Mello Capital and a gain of Euros 1200 following the delivery of 1,2007,500 Ravasqueira Vinhos, S.A. shares, acquires in this year, to increase JMCWSG S.A. capital.

In financial year ended 31 December 2023, fair value gains were recognised on the appreciation of Fundo Faber Tech II and the Work Compensation Fund, in the amounts of Euros 51 524 and Euros 1 425, respectively (Euros 72 355 and Euros 1 462, respectively, in 2022).

As a result of the impairment tests performed with reference to 31 December 2023 and 2022, carried out in accordance with point k) of Note 2.3, the Company reinforced the impairment losses of the goodwill related to the capital increase in MGICapital – Sistemas de Gestão, S.A. and on the ancillary capital contributions granted to José de Mello Imobiliária, SGPS, S.A..

The shares held in subsidiaries, associated and other companies had the following movements in financial years ended 31 December 2023 and 2022:

	31 dec 2023		
	Equity method	Other	Total
Balance on 1 January	556 582 614	4 375 313	560 957 927
Application of equity method:			
Effect on results	102 247 445	-	102 247 445
Effect on equity	(12 153 737)	-	(12 153 737)
Dividends received	(123 731 545)	-	(123 731 545)
Provisions and impairment losses	-	-	-
Acquisitions and increases	22 841 300	57 327	22 898 627
Disposals, write-offs and decreases	(11 398 800)	(11 798)	(11 410 598)
Balance on 31 December	534 387 277	4 420 842	538 808 119

	31 dec 2022		
	Equity method	Other	Total
Balance on 1 January	452 778 055	4 047 899	456 825 954
Application of equity method:			
Effect on results	100 962 231	-	100 962 231
Effect on equity	5 592 329	-	5 592 329
Dividends received	(2 750 000)	-	(2 750 000)
Provisions and impairment losses	(51 260)	-	(51 260)
Acquisitions and increases	51 260	335 468	386 728
Disposals, write-offs and decreases	-	(8 054)	(8 054)
Balance on 31 December	556 582 614	4 375 313	560 957 927

Ancillary capital contributions and shareholder loans granted had the following movements in financial years ended 31 December 2023 and 2022:

	31 dec 2023	31 dec 2022
Balance on 1 January	62 048 365	78 878 225
Increases	50 674 400	5 187 078
Decreases	(54 630 027)	(19 766 882)
Reversal of impairment losses	3 754 884	37 078
Impairment losses	-	(2 287 133)
Balance on 31 December	61 847 622	62 048 365

23. CUSTOMERS AND ADVANCES TO SUPPLIERS

On 31 December 2023 and 2022, the caption Customers and advances to suppliers had the following breakdown:

	31 dec 2023		
	Gross amount	Impairment losses (Note 11)	Carrying amount
Customers - current accounts	282 817	-	282 817
Doubtful debts	158 683	(158 683)	-
Advances to suppliers	9 104	-	9 104
Total	450 604	(158 683)	291 921

	31 dez 2022		
	Groos amount	Impairment losses (Note 11)	Carrying amount
Customers - current accounts	228 679	-	228 679
Doubtful debts	158 683	(158 683)	-
Advances to suppliers	105 757	-	105 757
Total	493 118	(158 683)	334 435

The amounts presented in the statement of financial position are net of impairment losses, which were estimated according to an analysis of the economic risks associated with their collection. The Board of Directors believes that the carrying amount of the accounts receivable is close to its fair value.

On 31 December 2023 and 2022 and 1 January 2022, the ageing of customers was as detailed below:

				Past due but not impaired				
	Total	Impaired	Neither overdue nor impaired	‹ 30 days	30–60 days	61–90 days	91–120 days	› 120 days
On 31 december 2023	282 817	(158 683)	133 256	93 501	8 097	3 843	-	202 803
On 31 december 2022	228 679	(158 683)	114 224	59 411	2 891	-	-	210 835
On 1 january 2022	145 206	(121 184)	9 693	63 328	10 855	-	6 023	176 491

24. OTHER DEBTORS (CURRENT AND NON-CURRENT)

On 31 December 2023 and 2022, this caption had the following breakdown:

	31 dec 2023 Current	31 dec 2023 Non-current	31 dec 2022 Current	31 dec 2022 Non-current
Other debtors	4 690 396	67 606 591	2 622 695	69 659 991
Staff	246	-	1 784	-
Accumulated impairment losses (Note 11)	(4 541 940)	(67 606 591)	(455 471)	-
	148 701	-	2 169 008	69 659 991

On 31 December 2023, the amounts of Euros 4 million and Euros 67.6 million, included in the caption other debtors in current and non-current assets (Euros 2 million and Euros 69.7 million in 2022) relate to a credit resulting from the exercise of the put options on the Compulsorily Convertible Securities issued by MGI Capital. As referred in Note 6, in financial year 2023, the Company reversed the provision set up in previous years and recognised impairment on the amount in debt, since the payment plan of same is not being complied with by the debtor entity.

25. STATE AND OTHER PUBLIC ENTITIES

On 31 December 2023 and 2022, the balances with these entities were as follows:

	31 dec 2023	31 dec 2022
Balances receivable		
Corporate Income Tax	4 130 351	1 412 677
Value Added Tax (VAT)	414 839	301 586
	4 545 190	1 714 262
Balances payable		
Corporate Income Tax	-	133 283
Personal Income Tax – Withholding of income tax	395 622	263 208
Contributions to Social Security	157 319	144 158
Other taxes	9 000	-
	561 941	540 650

26. OTHER CURRENT ASSETS

On 31 December 2023 and 2022, this caption had the following breakdown:

	31 dec 2023	31 dec 2022
Accrued income		
Interest receivable	1 645 196	473 012
Other accrued income	1 287 943	1 278 198
Accumulated impairment losses (Note 11)	(1 171 968)	-
	1 761 171	1 751 210
Deferred expenses		
Insurance	197 002	157 840
Sundry external supplies and services	57 607	82 161
	254 609	240 001
	2 015 780	1 991 211

On 31 December 2023, part of the amount presented in Interest receivable, Euros 1 171 968, refers to interest due on the credit resulting from the conversion of the put options on the Compulsorily Convertible Securities issued by MGI Capital, for which an impairment loss of the same amount was recognised (Note 5).

27. CASH AND CASH EQUIVALENTS

On 31 December 2023 and 2022, this caption had the following breakdown:

	31 dec 2023	31 dec 2022
Cash	1 482	899
Demand deposits	12 563 973	13 028 709
Term deposits	83 200 000	10 000 000
	95 765 454	23 029 608

The Cash and cash equivalents caption includes cash, immediately redeemable deposits, short-term investments and term deposits with a maturity of under three months, and for which the risk of change in value is insignificant.

On 31 December 2023, the caption Demand deposits includes deposits of Euros 3 239 317 (Euros 6 351 497 in 2022) which are pledged as a security to meet financing obligations contracted with financial institutions (Note 37).

28. SHARE CAPITAL

On 31 December de 2023, the fully subscribed and paid-up share capital of the Company was represented by 5 000 000 nominative shares, with a par value of five Euros per share.

On the statement of financial position date there are no securities issued that grant their holders special rights other than those stated in the Company's articles of association (for shares) and in the general conditions of issue of bond loans (in the case of bonds).

29. RESERVES AND OTHER EQUITY INSTRUMENTS

Legal reserve

On 31 December 2023 and 2022, the legal reserve amounts to Euros 5 000 000.

In accordance with the legislation in force, the Company is obligated to transfer to legal reserve at least 5% of the annual net profit, until the legal reserve represents at least 20% of the share capital. This reserve is not distributable to the shareholders but may, however, be used to absorb losses after all other reserves are exhausted or incorporated into the share capital.

Adjustments in investments in associated companies

During financial years 2023 and 2022, the changes in this caption result from adjustments in the financial holdings measured using the equity method (Note 22), which changes are recognised in equity and not in net profit.

30. LOANS OBTAINED

On 31 December 2023 and 2022, loans obtained had the following breakdown:

	31 dec 2023	31 dec 2022
Non-current liabilities:		
Bank loans	103 385 747	144 444 545
Bond loans	98 625 871	23 260 000
	202 011 619	167 704 545
Current liabilities:		
Bank loans	7 512 751	4 860 111
Bond loans	807 008	67 660 572
	8 319 759	72 520 684

a) Bank loans

On 31 December 2023 and 2022, the (non-convertible) bond loans were composed of the following issues:

	31 dec 2023	31 dec 2022
Up to 1 year	7 512 751	4 860 111
	7 512 751	4 860 111
Up to 2 years	7 213 923	3 953 458
Up to 3 years	7 466 054	4 455 322
Up to 4 years	9 068 819	5 957 453
Up to 5 years	9 071 853	7 560 218
More than 5 years	70 565 098	122 518 094
	103 385 747	144 444 545
	110 898 498	149 304 656

b) Bond loans

On 31 December 2023 and 2022, the (non-convertible) bond loans were composed of the following issues:

31 dec 2023	Interest rate	Maturity	Issue	Outstanding	Bonds held
José Mello 2007 1ª	Euribor 6M + 0,75%	jun/27	22 750 000	11 500 000	11 250 000
José Mello 2008 1ª	Euribor 6M + 0,75%	jun/28	51 130 000	51 130 000	-
José Mello 2010 1ª	Euribor 6M + 2,00%	dec/25	200 000	200 000	-
GMP 2010 1ª	Euribor 6M + 2,00%	jun/25	310 000	310 000	-
José Mello 2023 1ª (a.)	Taxa fixa - 4,5%	jun/28	29 900 000	29 900 000	-
Sustainability Bonds José de Mello Capital 2023-2028 (b.)	Euribor 6M + 1,275%	dec/28	4 000 000	4 000 000	-
			108 290 000	97 040 000	11 250 000

31 dec 2022	Interest rate	Maturity	Issue	Outstanding	Bonds held
José Mello 2007 1ª	Euribor 6M + 0,75%	jun/27	35 000 000	22 750 000	12 250 000
José Mello 2007 2ª	Euribor 3M + 4,50%	jun/23	40 000 000	16 500 000	23 500 000
José Mello 2008 1ª	Euribor 6M + 0,75%	jun/23	53 180 000	51 130 000	2 050 000
José Mello 2010 1ª	Euribor 6M + 2,00%	dec/25	200 000	200 000	-
GMP 2010 1ª	Euribor 6M + 2,00%	jun/25	310 000	310 000	-
			128 690 000	90 890 000	37 800 000

(a.) The bond issue "José Mello 2023 1ª" corresponds to book-entry and registered bonds, with a repayment date of 15 June 2028 and a fixed gross interest rate of 4.5% and aims to refinance new projects and manage treasury.

(b.) The bond issue "Sustainability Bonds José de Mello Capital 2023 – 2028" aims to finance the investment project carried out by José de Mello Capital in the rehabilitation of its office building on Avenida 24 de Julho, in Lisbon, which will incorporate several energy efficiency measures and the use of more sustainable materials without harmful substances, and will also cater to the valorisation of human capital (including the creation of more comfortable, modernised and safe spaces for employees, as well as the creation of access for users with reduced mobility at the entrance to the building) thus having positive environmental and social impacts.

31. LEASE LIABILITIES

On 31 December 2023 and 2022, lease liabilities had the following maturity:

	31 dec 2023	31 dec 2022
Up to 1 year	277 734	285 238
	277 734	285 238
Between 2 and 5 years	211 238	204 702
	211 238	204 702

In financial years ended 31 December 2023 and 2022, the following amounts were expensed:

	31 dec 2023	31 dec 2022
Right-of-use depreciation (Note 10)	241 797	225 317
Lease interest	12 193	11 881
Short-term and low-value lease rents	20 761	10 387
	274 751	247 585

32. SUPPLIERS AND ADVANCES FROM CUSTOMERS

On 31 December 2023 and 2022, these captions had the following breakdown:

	31 dec 2023	31 dec 2022
Suppliers - current accounts	1 090 721	453 269
	1 090 721	453 269

33. OTHER CREDITORS (CURRENT AND NON-CURRENT)

On 31 December 2023 and 2022, these captions had the following breakdown:

	31 dec 2023		31 dec 2022	
	Current	Non-current	Current	Non-current
Related entities (Note 36)	4 053 072	-	1 319 012	-
Staff	3 019	-	379	-
Creditors for unpaid capital subscriptions:				
Fundo Shilling Founders (Venture Capital Fund)	-	2 085 750	-	2 781 000
Fundo Faber Tech II (Venture Capital Fund)	-	89 230	-	121 337
Other creditors	143 612	-	256 327	-
	4 199 704	2 174 980	1 575 718	2 902 337

On 31 December 2023 and 2022, the amounts in respect of Related entities result mainly from advance payments of IRC under the RETGS (Note 14).

Amounts in respect of Creditors for unpaid capital subscriptions result from investment in other companies, referred to in Note 22.

34. OTHER LIABILITIES

On 31 December 2023 and 2022, this caption had the following breakdown:

	31 dec 2023	31 dec 2022
Accrued expenses		
Remuneration payable to staff	3 641 482	568 347
Studies and consultancy	412 527	-
IMI (Property Tax)	12 968	12 840
Insurance premiums payable	265	265
Other accrued expenses	39 283	22 366
	4 106 524	603 818
Deferred income		
Rents	3 927	5 500
Other deferred income	11 243	14 282
	15 170	19 782
	4 121 694	623 600

35. NOTES TO THE CASH FLOW STATEMENT

35.1 RECEIPTS FROM FINANCIAL INVESTMENTS

The receipts from financial investments, occurring during financial years ended 31 December 2023 and 2022, concern the following entities:

	31 dec 2023	31 dec 2022
JMCWSG, S.A.	7 500 000	-
Guimarães de Mello II - Portugal, S.A.	5 000	-
Fundo Faber Partners	6 441	4 988
Work Compensation Fund	307	804
	7 511 748	5 793

35.2 DIVIDENDS RECEIVED

The dividends received during financial years ended 31 December 2023 and 2022 concern the following entities:

	31 dec 2023	31 dec 2022
José de Mello - Investimentos, SGPS S.A. (Zona Franca da Madeira)	74 964 295	-
Bondalti Capital, S.A.	30 000 000	2 750 000
CUF, S.A.	18 767 250	-
	123 731 545	2 750 000

35.3 PAYMENTS IN RESPECT OF FINANCIAL INVESTMENTS

In financial years ended 31 December 2023 and 2022, payments in respect of financial investments concern the following entities:

	31 dec 2023	31 dec 2022
Fundo Shilling Founders	695 250	-
Ravasqueira Vinhos, S.A.	203 480	-
MGICapital - Sistemas de Gestão, S.A.	51 260	-
Lifthium Energy, S.A.	42 500	-
Fundo Faber Tech II (Fund)	28 150	128 663
Work Compensation Fund	4 325	10 147
	1 024 964	138 811

36.RELATED PARTIES

For financial years ended 31 December 2023 and 2022, the nature of the relationships between the Company and its subsidiaries, its associated companies, and other related parties are described below:

Related parties	Activity	Location	Services rendered	Services acquired
CUF, S.A.	Healthcare	Lisbon		Shareholder loans
Hospital CUF Tejo, S.A.	Healthcare	Lisbon		Shareholder loans
Sagies - Segurança e Saúde no Trabalho, S.A.	Healthcare	Lisbon		Occupational safety and health
S.P.S.I. - Soc. Portuguesa de Serviços de Apoio e Assistência a Idosos S.A.	Assisted residences	Lisbon	Management support services	
Bondalti Capital, S.A.	Chemical industry	Lisbon	Shareholder loans and management support services	Shareholder loans
Comitur Imobiliária, S.A.	Real estate	Lisbon	Management support services	
Sociedade Imobiliária e Turística do Cojo, S.A.	Real estate	Lisbon	Management support services	
Herdade do Vale da Fonte – Sociedade Agrícola, Turística e Imobiliária S.A.	Real estate	Sesimbra	Management support services	
MGI Capital, S.A.	Consulting	Lisbon	Assignment of space, management support services and re-charge of expenses	
MGICapital - International Financing, SGPS, S.A.	Consulting	Lisbonn	Management support services	
MGIGP - Gestão de Ativos, S.A.	Consulting	Lisbon	Management support services	
GEMP Invest, S.A.			Management support services	
Guimarães de Mello, S.A.	Consulting	Lisbon	Shareholder loans and management support services	
Guimarães de Mello II - Portugal, S.A.	Consulting	Lisbon	Shareholder loans and management support services	
José de Mello - Investimentos, SGPS S.A. (Zona Franca da Madeira)	Holding	Funchal	Shareholder loans and management support services	
José de Mello Imobiliária, SGPS S.A.	Holding	Lisbon	Shareholder loans and management support services	Shareholder loans
Sociedade Agrícola D.Diniz, S.A.	Agriculture	Arraiolos	Assignment of space, management support services and re-charge of expenses	
JMCWSG, S.A.	Vineyards and winery	Lisbon	Shareholder loans and management support services	
Ravasqueira Vinhos, S.A.	Vineyards and winery	Arraiolos	Shareholder loans, assignment of space, management support services and re-charge of expenses	
Quinta do Côtto Vinhos, Unipessoal Lda.	Vineyards and winery	Lisbon	Management support services	
Quinta do Retiro Novo, Unipessoal Lda.	Vineyards and winery	Lisbon	Management support services	
M Dados, Sistemas de Informação S.A.	Procurement services	Lisbon	Assignment of space, management support services and re-charge of expenses	Contract negotiation

As at 31 December 2023 and 2022, the main balances receivable and payable from/to related parties were as follows:

31 dec 2023

	Customers	Other current assets	Acquisition of tangible fixed assets	Suppliers and advances from customers	Other creditors	Other current liabilities	Shareholder loans obtained	Shareholder loans granted	Supplementary capital contributions
Subsidiaries	60 359	22 361	-	-	4 053 072	25 593	-	23 821 517	21 119 745
Other related parties	173 679	-	-	8 845	-	2 972	61 180 000	16 906 360	-
	234 038	22 361	-	8 845	4 053 072	28 565	61 180 000	40 727 877	21 119 745

31 dec 2022

	Customers	Other current assets	Acquisition of tangible fixed assets	Suppliers and advances from customers	Other creditors	Other current liabilities	Shareholder loans obtained	Shareholder loans granted	Supplementary capital contributions
Subsidiaries	18 645	250	-	18 066	1 242 499	2 867	17 750 000	23 297 117	5 358 882
Other related parties	168 375	859	7 491	17 806	76 512	12 712	71 180 000	35 626 680	30 000
	187 020	1 109	7 491	35 872	1 319 012	15 578	88 930 000	58 923 797	5 388 882

The transactions carried out with related parties for financial years ended 31 December 2023 and 2022, are as follows:

31 dec 2023	Purchases of goods and services	Sales and Services rendered	Supplementary income	Financial income	Financial expenses
Subsidiaries	53 241	182 317	16 518	-	625 127
Other related parties	55 518	529 859	31 122	22 361	249 167
	108 759	712 176	47 640	22 361	874 294

31 dec 2022	Purchases of goods and services	Sales and Services rendered	Supplementary income	Financial income	Financial expenses
Subsidiaries	45 344	158 178	16 144	-	472 596
Other related parties	81 660	487 023	130 976	-	59 875
	127 004	645 201	147 120	-	532 471

The terms or conditions practiced between the related parties are predominantly identical to those which would usually be contracted, accepted and practiced between independent entities in comparable operations.

Benefits granted to the members of the Corporate Bodies

The benefits granted to the members of the Corporate Bodies of José de Mello Capital, S.A., in financial years ended 31 December 2023 and 2022, were as follows:

	31 dec 2023	31 dec 2022
Remuneration	8 120 000	4 846 626

37. CONTINGENCIES

Guarantees

On 31 December 2023, the Company had provided guarantees to third parties as follows:

- Surety provided to cover all obligations arising from bank financing in the amount of Euros 265 000;
- Financial pledge on any amount paid by CUF, S.A. in the form of distributions, in favour of banking institutions, to guarantee financing;
- Financial pledge of 1 679 040 shares of CUF, S.A., in favour of banking institutions, to guarantee financing;
- Promissory financial pledge on the new shares of CUF, S.A. and of Bondalti Capital, S.A. to guarantee financing;
- Mortgage on fractions A, B, D, I and M of a building on Rua D. Luís I, Nos. 19, 19-A, 19-B and 19-C, and on fractions A, B, C, D, E, F, G, H and I of a building on Av. 24 de Julho, Nos. 24, 24-A and 24-B, both in Lisbon, to guarantee financing;
- Financial pledge on the available balance of Euros 3 239 317 in bank accounts with credit institutions (Note 27);
- Financial pledge of 4 084 400 shares of Bondalti Capital, S.A., in favour of banking institutions, to guarantee financing;
- Commercial pledge on 475 500 shares of CUF, S.A., in favour of the holders of bonds issued within the scope of the issuance of bonds under a private offer;
- Endorsement provided under a promissory note signed by Ravasqueira Vinhos, S.A. to guarantee a Loan Agreement;
- Endorsement provided under a promissory note signed by Ravasqueira Vinhos, S.A. to guarantee a Credit Line Agreement;
- Signed blank promissory note to guarantee the responsibilities assumed within the scope of the issuance of the sustainability bonds “Sustainability Bonds José de Mello 2023-2028”.

38. FINANCIAL RISK MANAGEMENT

38.1 GENERAL PRINCIPLES

The Company, like most companies, is exposed to a number of financial risks likely to alter its equity value.

The Financial Risk Management Policy of José de Mello Group, of which the Company is a part, aims to ensure the proper identification of the risks associated with the businesses carried out, as well as to adopt and implement the necessary measures to minimise the negative impacts that adverse developments in the factors underlying these risks may have on the Group's financial structure and its sustainability.

Within the scope of the risk management process, the Company identified a set of risks associated with its financial performance considered materially more relevant, of which market, credit and liquidity risk stand out.

The Company has a risk management model that seeks to minimise potential adverse effects, using appropriate instruments to cover the risks to which it is exposed. All financial risk management operations are subject to prior approval by the Finance Director or the Executive Committee.

The main financial risks to which the Company is exposed, and the main measures implemented within the scope of their management are analysed in more detail below.

38.2 MARKET RISKS

Market risk is the risk that changes in market prices, such as interest rates, exchange rate fluctuations or the evolution of stock exchanges, could alter the Company's results and financial position.

The Company is essentially exposed to risks arising from changes in interest rates, for which reason market risk management is essentially focused on monitoring the evolution of interest rates, which influence remunerated financial liabilities (contracted based on interest rates indexed to the evolution of the markets) and their impact on the financial statements.

a) Risk of exposure to interest rate changes
The interest rate risk management policy aims to minimise exposure to changes in interest rates and their impact on the financial statements.

Through the control policy adopted, exposure to interest rate risk is monitored, by simulating adverse scenarios, but with some degree of probability, which may negatively affect the Company's results.

Whenever expectations of interest rate developments justify it, the Company seeks to contract financing with a fixed interest rate.

38.3 CREDIT RISK

Credit risk is the risk of the counterparty not meeting its contractual obligations related to financial instruments or contracts with customers, which may give rise to the recognition of a loss. The credit risk mainly comes from the Company’s operating activities, specifically the risks of credit granted to customers, and its investment activities.

a) Customers and Other debtors
Credit risk is related to balances receivable from customers and other debtors. This risk is monitored as follows: following previously established policies, procedures and controls; establishing credit limits for customers based on internal assessment criteria (average collection period); impairment analyses of amounts receivable, on a regular basis; and regular monitoring of outstanding amounts.

The Company does not have any significant credit risk with a specific customer, as accounts receivable derive from a large number of customers.

The movement in Impairment losses on accounts receivable is disclosed in Note 5.

On 31 December 2023, the Board of Directors considers that the estimated impairment losses on accounts receivable are adequately reflected in the financial statements.

38.4 LIQUIDITY RISK

Liquidity risk results from the potential inability to finance the Company's assets, or to meet contracted liabilities on their due dates.

The financing and liquidity risk management policy is guided by the following objectives:

- ensure a timetable of debt maturity staggered over time;
- decrease short-term indebtedness; and
- continue to lengthen the average maturity of the debt to make it more consistent with the long-term assets held by the Company.

Within the fulfilment of the above objectives, the Company monitors the financing markets carefully, rigorously selecting the alternatives that appear to be the most efficient at any given time.

39. SUBSEQUENT EVENTS

On 10 April 2024, the company Lifhthium Energy Capital was incorporated in Luxembourg, being a limited liability company under the laws of the Grand Duchy of Luxembourg, with a share capital of Euros 50 000, subscribed in 85% by JMCapital and in 15% by Bondalti Capital, S.A., through contributions in kind corresponding to shares representing the share capital of Lifthium Energy, S.A., whose corporate object is the acquisition of shareholdings.

There are no other events with material impacts between the statement of financial position date and the date of authorisation of the publication of these financial statements that have not already been recorded or disclosed herein.

40. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved, and their publication was authorised, by the Board of Directors on 9 May 2024, and will be subject to approval at a Shareholders' General Meeting.

41. DISCLOSURES REQUIRED BY LAW

Pursuant to Article 66-A of the Portuguese Commercial Companies Code, the Statutory Auditor of José de Mello Capital, S.A. is RSM & Associados – Sroc, Lda., which billed the Company, in the 2023 financial year, fees amounting to Euros 43 200 (plus VAT at the legal rate), concerning the legal certification of the separate and consolidated accounts..

42. OTHER INFORMATION

The global activity of the company José de Mello Capital, S.A. is described in the Board of Directors' Report, which is considered an integral part of this Annual Report, as of 31 December 2023.

43. NOTE ADDED FOR TRANSLATION

These financial statements are a free translation of financial statements originally issued in portuguese, in accordance with the IFRS as endorsed by the European Union. In the event of discrepancies or misinterpretations, the Portuguese language version prevails.

The Certified Accountant

The Board of Directors

LEGAL CERTIFICATION OF THE ACCOUNTS

LEGAL CERTIFICATION OF ACCOUNTS

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the attached financial statements of José de Mello Capital, S.A. (the Entity), which comprise the statement of financial position as of December 31, 2023 (showing a total of 1,267,074,527 euros and total equity of 1,044,105,138 euros, including a net profit of 95,936,226 euros), the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the attached financial statements present fairly, in all material respects, the financial position of José de Mello Capital, S.A. as of December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for Opinion

Our audit was conducted in accordance with International Standards on Auditing (ISA) and other standards and guidance issued by the Portuguese Institute of Statutory Auditors. Our responsibilities under those standards are described in the section "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" below. We are independent of the Entity in accordance with the law and fulfil our ethical requirements under the code of ethics of the Portuguese Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management for the Financial Statements

The management is responsible for:

• The preparation of financial statements that present fairly, in all material respects, the financial position, financial performance, and cash flows of the Entity in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;

• The preparation of the management report in accordance with applicable legal and regulatory requirements;

• The establishment and maintenance of an adequate internal control system to enable the preparation of financial statements free from material misstatement due to fraud or error;

• The adoption of appropriate accounting policies and criteria in the circumstances; and

• The assessment of the Entity's ability to conclude as a going concern, disclosing, when applicable, matters that may raise significant doubts about the entity's ability to continue its activities.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report containing our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit, including:

• Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

• Obtaining an understanding of the relevant internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;

• Evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

• Concluding on the appropriateness of the management's use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures included in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the entity to cease its activities;

LEGAL CERTIFICATION OF THE ACCOUNTS

- Evaluating the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves appropriate presentation;
- Communicating with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

Our responsibility also includes verifying the consistency of the information contained in the management report with the audited financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT

Regarding the management report

In compliance with article 451, no. 3, letter e) (Código das Sociedades Comerciais), we are of the opinion that the management report has been prepared in accordance with the applicable legal and regulatory requirements, the information contained therein is consistent with the audited financial statements, and, based on our knowledge and understanding of the Entity, we have not identified any material inaccuracies.

Lisbon, May 10, 2024

RSM & ASSOCIADOS - SROC, LDA

represented by Joaquim Patrício da Silva (ROC no. 320)

Registered with CMVM under no. 20160076

REPORT AND OPINION OF THE SOLE SUPERVISOR

REPORT AND OPINION OF THE STATUTORY AUDITOR

Year 2023

To the Shareholders:

1. In accordance with legal provisions and the Company's bylaws, the Statutory Auditor of "José de Mello Capital, S.A.", in the exercise of their responsibilities, after analyzing the Balance Sheet, Income Statement, and other financial statements prepared by the Board of Directors, which accompanied the Management Report for the year 2023, hereby presents their Report on the supervisory actions carried out and provides an opinion on these financial statements.

2. With the frequency deemed appropriate, the Statutory Auditor monitored the activities of "José de Mello Capital, S.A." by maintaining contact with the Services and the Board of Directors, and by analyzing the accounting documentation and supporting materials.

3. In a separate document, as the Official Auditor, they provided the Legal Certification of the Financial Statements, and this opinion should be considered an integral part of this Report.

4. In their Management Report, the Board of Directors describes how the company's activities unfolded during the year and the main factors that influenced the results achieved.

5. Considering the improvement in the equity for the year 2023, with an 8% increase compared to the previous year (from approximately 77.2 million euros), is as follows:

OPINION

a) The Management Report and the Financial Statements for the year 2023, as presented by the Board of Directors, should be approved.

b) The proposal for the allocation of the Net Income for the year, amounting to 95,936,226 euros, as presented by the Board of Directors, should be approved.

Lisbon, May 10, 2024

STATUTORY AUDITOR
RSM & ASSOCIADOS – SROC, LDA
represented by Joaquim Patrício da Silva (ROC No. 320)
Registered with CMVM under No. 20160076

JOSÉ DE MELLO

7.2

Consolidated Financial Statements and Complementary Documents

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JOSÉ DE MELLO CAPITAL, S.A.

CONSOLIDATED INCOME STATEMENTS FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts stated in Euros)

	Notes	31 dec 2023	31 dec 2022
Operating income:			
Sales and services rendered	6 , 7	1 286 895 844	1 234 736 225
Reversal of impairment losses	39	3 920 623	4 274 229
Reversal of provisions	39	72 058 297	2 808 745
Other operating income	8	32 315 442	20 695 595
Total operating income		1 395 190 207	1 262 514 794
Operating expenses:			
Cost of sales	9	(388 760 287)	(438 866 947)
Variation in production	10	(13 048 857)	5 786 910
External supplies and services	11	(440 400 522)	(404 059 925)
Staff expenses	12	(257 760 648)	(214 771 822)
Amortisation and depreciation	6 , 19	(77 144 326)	(66 082 487)
Provisions	6 , 39	(543 368)	(3 800 229)
Impairment losses	6 , 39	(76 025 935)	(4 588 035)
Other operating expenses	13	(15 132 490)	(11 429 101)
Total operating expenses	6	(1 268 816 434)	(1 137 811 635)
Operating results	6	126 373 773	124 703 159
Financial expenses	6 , 14	(49 283 794)	(42 019 594)
Financial income	6 , 14	4 311 072	3 196 411
Gains / (Losses) from associated companies	6 , 14	39 282 363	34 754 724
Gains / (Losses) from investing activities	6 , 14	213 033	(53 249)
Financial results	6	(5 477 325)	(4 121 708)

	Notes	31 dec 2023	31 dec 2022
Pre-tax profit	6	120 896 447	120 581 451
Income tax	6 , 15	(11 022 548)	(17 433 399)
Net profit from continuing operations		109 873 899	103 148 052
Net profit from discontinued operations	6	(1 675 266)	1 029 205
Consolidated net profit		108 198 633	104 177 258
Attributable to:			
Shareholders	**6 , 17**	**95 145 076**	**92 459 106**
Non-controlling interests	6 , 35	13 053 556	11 718 151
Earnings per share:			
Basic	17	19,03	18,49
Diluted	17	19,03	18,49

The attached notes are an integral part of the consolidated income statement for financial year ended 31 December 2023.

The Certified Accountant

The Board of Directors

JOSÉ DE MELLO CAPITAL, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2023 AND 2022

(Amounts stated in Euros)

	Notes	31 dec 2023	31 dec 2022
Non-current assets:			
Goodwill	6 , 18	678 528 237	655 320 177
Intangible assets	6 , 19	46 618 184	33 554 142
Right-of-use assets	20	115 365 246	81 694 462
Tangible fixed assets	6 , 21	758 997 942	677 948 722
Investment properties	22	15 728 069	18 970 526
Investments in associated companies	23	300 243 426	468 042 521
Financial assets available for sale	25	6 727 204	6 466 743
Deferred tax assets	26	18 709 192	16 401 999
Other debtors	27	104 451	70 433 113
Total non-current assets		1 941 021 952	2 028 832 405
Current assets:			
Inventories	29	65 275 044	58 002 969
Customers and advances to suppliers	6 , 30	154 258 002	160 872 313
Other debtors	27	28 419 184	46 972 380
Current tax assets	31	5 868 603	2 359 925
State and other public entities	31	8 089 390	6 388 505
Other current assets	28	32 884 003	31 974 267
Investments held to maturity	24	-	7 000 000
Cash and cash equivalents	6 , 32	235 404 919	140 572 794
Total current assets		530 199 145	454 143 153
TOTAL ASSETS	6	2 471 221 097	2 482 975 558
Equity			
Share capital	33	25 000 000	25 000 000
Legal reserve	34	5 000 000	5 000 000
Fair value of hedging derivative financial instruments	34	(440 674)	-
Revaluation of tangible fixed assets	34	45 301 062	34 976 562
Retained earnings	34	874 622 279	810 065 237
Consolidated net profit	17	95 145 076	92 459 106
Equity attributable to shareholders		1 044 627 744	967 500 906
Non-controlling interests	35	75 964 712	69 661 960
TOTAL EQUITY		1 120 592 456	1 037 162 866
Non-current liabilities:			
Loans obtained	6 , 36	693 617 085	801 949 941
Lease liabilities	6 , 37	92 392 921	61 943 964
Employee benefits	38	2 695 248	2 994 268
Provisions	39	19 397 825	88 524 756
Other creditors	40	7 843 522	11 416 223
Deferred tax liabilities	26	25 266 482	22 330 547
Other non-current liabilities	41	11 352 364	-
Derivative financial instruments	44	862 383	-
Total non-current liabilities		853 427 830	989 159 699
Current liabilities:			
Loans obtained	6 , 36	147 733 042	176 166 018
Lease liabilities	6 , 37	22 246 387	17 855 530
Suppliers and advances from customers	6 , 42	167 644 817	154 979 279
Current tax liabilities	31	23 413 306	17 745 831
State and other public entities	31	11 602 420	11 431 542
Other creditors	40	30 289 396	14 366 703
Other current liabilities	41	94 271 442	64 108 091
Total current liabilities		497 200 811	456 652 992
TOTAL LIABILITIES	6	1 350 628 641	1 445 812 691
TOTAL OF LIABILITIES AND EQUITY		2 471 221 097	2 482 975 558

The attached notes are an integral part of the consolidated statement of financial position as of 31 December 2023.

The Certified Accountant

The Board of Directors

JOSÉ DE MELLO CAPITAL, S.A.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts stated in Euros)

	31 dec 2023	31 dec 2022
Consolidated net profit	108 198 633	104 177 258
Other income and expenses recognised directly in equity which may be reclassified to results:		
Fair value changes of derivative financial instruments	(669 209)	-
Investment subsidies	(5 554 980)	(433 729)
Emission rights	-	1 204 816
	(6 224 189)	771 087
Other income and expenses recognised directly in equity which will not be reclassified to results:		
Pension plan – actuarial gains / (losses)	(11 303)	157 952
Change in foreign currency conversion reserve	(910 340)	-
Acquisition of interests without control	(8 946 316)	(137 164)
Changes in the percentage of control	625 013	-
Revaluation of tangible fixed assets	16 209 355	7 547 021
Other	170 023	(591 322)
Changes in equity of associated companies and subsidiaries	(8 934 803)	(528 824)
	(1 798 371)	6 447 663
Other income and expenses recognised directly in equity	(8 022 560)	7 218 750
Consolidated comprehensive income	100 176 073	111 396 008

Attributable to:	31 dec 2023	31 dec 2022
Shareholders	**83 491 780**	96 708 704
Non-controlling interests	16 684 292	14 687 304

The attached notes are an integral part of the consolidated statements of other comprehensive income for financial year ended 31 December 2023.

The Certified Accountant

The Board of Directors

JOSÉ DE MELLO CAPITAL, S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts stated in Euros)

	Share capital	Legal reserve	Fair value of hedging derivative financial instruments	Revaluation of tangible fixed assets	Retained earnings	Consolidated net profit	Non-controlling interests	Total
Balance on 1 January 2022	25 000 000	5 000 000	-	33 187 831	754 992 222	58 212 798	57 986 685	934 379 536
Appropriation of the result for 2021:								
Dividends distributed	-	-	-	-	(6 300 000)	-	-	(6 300 000)
Transfer to retained earnings	-	-	-	-	58 212 798	(58 212 798)	-	-
Revaluation of tangible fixed assets	-	-	-	4 969 713	-	-	2 577 308	7 547 021
Changes in equity of associated companies and subsidiaries	-	-	-	-	917 518	-	(2 482 069)	(1 564 552)
Changes in consolidation perimeter, additions and disposals	-	-	-	-	819 318	-	168 837	988 154
Change in foreign currency conversion reserve	-	-	-	-	(1 446 341)	-	(361 585)	(1 807 927)
Pension plans – actuarial gains / (losses)	-	-	-	-	104 011	-	53 941	157 952
Investment subsidies	-	-	-	-	(433 729)	-	(3 269)	(436 997)
Other	-	-	-	-	18 459	-	3 962	22 421
Transfers / Reclassifications	-	-	-	(3 180 982)	3 180 982	-	-	-
Consolidated net profit	-	-	-	-	-	92 459 106	11 718 151	104 177 258
Balance on 31 December 2022	25 000 000	5 000 000	-	34 976 563	810 065 237	92 459 106	69 661 960	1 037 162 866
Appropriation of the result for 2022:								
Dividends distributed	-	-	-	-	1 565 172	(1 565 172)	(983 635)	(983 635)
Transfer to retained earnings	-	-	-	-	90 893 934	(90 893 934)	-	-
Fair value changes of financial assets available for sale	-	-	(440 674)	-	-	-	(228 535)	(669 209)
Revaluation of tangible fixed assets	-	-	-	10 673 860	(1 026 303)	-	5 535 495	15 183 052
Changes in equity of associated companies and subsidiaries	-	-	-	-	340 456	-	-	340 456
Changes in consolidation perimeter, additions and disposals	-	-	-	-	(12 090 083)	-	-	(12 090 083)
Change in foreign currency conversion reserve	-	-	-	-	(910 340)	-	(227 585)	(1 137 926)
Pension plans – actuarial gains / (losses)	-	-	-	-	(7 443)	-	(3 860)	(11 303)
Investment subsidies	-	-	-	-	(5 554 980)	-	(3 269)	(5 558 248)
Non-controlling interests attributed by/to shareholders	-	-	-	-	(1 074 320)	-	(1 814 240)	(2 888 560)
Other	-	-	-	(349 361)	(969 050)	-	(104 129)	(1 422 540)
Distribution of retained earnings	-	-	-	-	(6 610 000)	-	(8 921 047)	(15 531 047)
Consolidated net profit	-	-	-	-	-	95 145 076	13 053 556	108 198 633
Balance on 31 December 2023	25 000 000	5 000 000	(440 674)	45 301 062	874 622 279	95 145 076	75 964 712	1 120 592 456

The attached notes are an integral part of the consolidated statement of changes in equity for financial year ended 31 December 2023.

The Certified Accountant

The Board of Directors

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JOSÉ DE MELLO CAPITAL, S.A.

CONSOLIDATED CASH FLOW STATEMENTS FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts stated in Euros)

	Notes	31 dec 2023	31 dec 2022
OPERATING ACTIVITIES:			
Receipts from customers		1 423 556 224	1 341 251 228
Payments to suppliers		(920 561 462)	(954 912 067)
Payments to staff		(239 425 234)	(201 779 243)
(Payment) / Receipt of income tax		(9 089 975)	(5 164 056)
Other operating receipts / (payments)		(28 448 394)	(44 636 719)
Cash flow from operating activities (1)		226 031 158	134 759 142
INVESTING ACTIVITIES:			
Receipts from:			
Financial investments	43	211 426 226	322 488
Tangible fixed assets		63 932	5 787 499
Intangible assets		50 467	152 213
Investment properties		771 067	10 020 967
Investment subsidies		18 506 919	229 545
Interest and similar income		1 499 255	1 155 954
Dividends	43	190 226	19 794 505
Other		51 266	17 968 108
		232 559 359	55 431 280
Payments in respect of:			
Financial investments	43	(35 686 354)	(5 562 472)
Tangible fixed assets		(66 512 834)	(36 044 527)
Intangible assets		(10 892 784)	(7 617 678)
Other		(1 523 000)	(673 853)
		(114 614 972)	(49 898 530)
Cash flow from investing activities (2)		117 944 387	5 532 750

	Notes	31 dec 2023	31 dec 2022
FINANCING ACTIVITIES:			
Receipts from:			
Loans obtained		545 886 388	535 778 039
Subsidies and donations		-	67 404
Other		25 577	-
		545 911 965	535 845 443
Payments in respect of:			
Loans obtained		(710 395 553)	(602 218 278)
Amortisation of finance lease contracts		(23 663 366)	(16 369 200)
Interest and similar expenses		(47 204 108)	(30 029 091)
Dividends paid and results distributed	43	(16 514 682)	(6 477 229)
		(797 777 709)	(655 093 798)
Cash flow from financing activities (3)		(251 865 744)	(119 248 355)
Foreign currency effect (4)		(210 143)	-
Change in cash and cash equivalents (5)=(1)+(2)+(3)+(4)		91 899 658	21 043 537
Cash and cash equivalents at the beginning of the financial year	32	140 496 981	119 453 443
Cash and cash equivalents at the end of the financial year	32	232 396 639	140 496 981

The attached notes are an integral part of the consolidated cash flow statement for financial year ended 31 December 2023.

The Certified Accountant

The Board of Directors

JOSÉ DE MELLO CAPITAL, S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Amounts stated in Euros)

1. INTRODUCTORY NOTE

José de Mello Capital, S.A. (“Company” or “JM Capital”) is a public limited company, incorporated in Portugal on 22 October 2001, with taxpayer number 505 765 640, initially with the company name SOGEFI II – Sociedade de Gestão e Financiamentos, SGPS, S.A.. Its main object is the provision of economic and financial consulting, management and investment consulting, corporate reorganisation, strategic planning, accounting, human resource, marketing and communication and image advisory services. Its registered office is in Lisbon, at number 24, on Avenida 24 de Julho.

The corporate universe of JM Capital (“Group”) is constituted by the Company and by its subsidiaries and associated companies described in Note 4. The Group is one of the largest Portuguese groups, leading structuring areas of the national economy. It operates in four base business platforms: i) Chemical industry; ii) Healthcare; iii) Wine and iv) Infrastructure and mobility. In addition to these areas, it has operations in the real estate, energy and environment sectors.

2. SUMMARY OF THE MAIN ACCOUNTING POLICIES

2.1 BASES OF PRESENTATION

These consolidated financial statements have been prepared from the accounting books and records of the companies included in the consolidation (Note 4), effective for the financial years beginning on 1 January 2023. The International Financial Reporting Standards (“IFRS”) and the International Accounting Standards (“IAS”), issued by the International Accounting Standards Board (“IASB”), and the corresponding interpretations, issued by the International Financial Reporting Interpretation Committee (“IFRIC”) and Standing Interpretation Committee (“SIC”), are deemed to form part of those standards. Henceforth, the set of those standards and interpretations shall be generically referred to as “IFRS”.

The Board of Directors assessed the Group's ability to continue as a going concern, based on all relevant information, facts and circumstances, of a financial, operational, commercial and other nature, including events subsequent to the reference date of the consolidated financial statements, available about the future. As a result of the assessment carried out, which considered the expectations of activity growth and the contractually established debt repayment deadlines, as well as the commitments assumed, including the results of events occurring after the date of the consolidated statement of financial position, the Board of Directors concluded that the Group has adequate resources to maintain its activities and fully comply with its obligations, has no intention of ceasing them in the short term, and therefore considered it appropriate to use the going concern assumption in the consolidated financial statements.

The consolidated financial statements are stated in Euros, rounded to the units, unless otherwise stated, as this is the functional currency of the Company’s operations.

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2.1.1 New or amended standards and interpretations applicable to the 2023 financial year

As a result of the endorsement by the European Union (EU) up to the date of approval of these consolidated financial statements, the following new or amended standards and interpretations took mandatory effect from 1 January 2023:

Standard / Interpretation	Effective date
IAS 1 - Presentation of financial statements and IFRS Practice Statement 2: Disclosure of accounting policies - Amendments to IAS 1 require entities to disclose material information about their accounting policies rather than disclosing significant accounting policies. Amendments to IFRS Practice Statement 2 provide guidance on how the concept of materiality should be applied in disclosures about accounting policies.	1 january 2023
IAS 8 - Revenue: Disclosure of accounting estimates - Introduction of the definition of an accounting estimate and how it is distinguished from changes in accounting policies. Accounting estimates are now defined as monetary values subject to uncertainty in their measurement, used to achieve the objective(s) of an accounting policy.	1 january 2023
IAS 12 - Income taxes: Pillar Two Model Rules - This amendment constitutes the IASB's response to the issues raised by the implementation of the OECD's Global Anti-Base Erosion ("GloBE") rules, and comprises: a) a mandatory temporary exception for accounting for deferred taxes related to Pillar Two; and b) additional disclosure requirements for affected entities (entities belonging to multinational groups with consolidated revenues of €750 million in at least two of the last four years).	1 january 2023
IAS 12 - Income taxes: Deferred tax related to assets and liabilities associated with a single transaction - Requires entities to record deferred tax on certain specific transactions, when their initial recognition gives rise to equal amounts of taxable and deductible temporary differences. The subject transactions relate to: i) right-of-use assets and lease liabilities and ii) provisions for dismantling, restoration or similar liabilities.	1 january 2023
IFRS 17 - Insurance Contracts (replaces IFRS 4): IFRS 17 is applicable to all entities that issue insurance contracts, reinsurance contracts and investment contracts with discretionary profit-sharing characteristics if they are also issuers of insurance contracts. IFRS 17 does not apply to policyholders.	1 january 2023
IFRS 17 - Insurance Contracts and IFRS 9 - Financial Instruments: Initial application of IFRS 17 and IFRS 9 – comparative information. This amendment only applies to insurance entities in their transition to IFRS 17, allowing the adoption of an "overlay" in the classification of a financial asset when the insurance company does not apply the amendment retrospectively, under IFRS 9.	1 january 2023

The adoption of these new or amended standards and interpretations did not have a significant impact on the consolidated financial statements of the Group.

2.1.2 New or amended standards and interpretations already issued but not yet mandatory

a) Already endorsed by the European Union:

The following new or amended standards and interpretations, which application is only mandatory for future financial years, were endorsed by the European Union up to the date of approval of these consolidated financial statements:

Standard / Interpretation	Effective date
IAS 1 – Presentation of financial statements: Non-current liabilities with "covenants" - This amendment clarifies that liabilities are classified as current or non-current balances depending on the right that an entity has to defer their payment beyond 12 months after the financial reporting date.	1 january 2024
IFRS 16 - Leases: Lease liabilities in sale and leaseback transactions - This amendment to the lease standard introduces guidance regarding the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as a "sale" in accordance with the principles of IFRS 15 – Revenue from contracts with customers.	1 january 2024

These new or amended standards and interpretations, despite being endorsed by the European Union, were not adopted by the Group in the consolidated financial statements for financial year ended 31 December 2023, by virtue of their application not yet being mandatory. The future adoption of such new or amended standards and interpretations is not expected to have significant impacts on the consolidated financial statements.

b) Not yet endorsed by the European Union:
In addition, up to the date of approval of these consolidated financial statements, the following new or amended standards and interpretations, not yet endorsed by the EU, have been issued by the IASB:

Standard / Interpretation	Effective date
IAS 7 - Cash Flow Statements and IFRS 7 - Financial Instruments (Disclosures): Supplier financing arrangements - the published amendments require an entity to make additional disclosures about its supplier financing arrangements, or reverse factoring, to allow: a) assessment of how supplier financing agreements affect the entity's liabilities and cash flows; and b) understanding the effect of supplier financing arrangements on an entity's exposure to liquidity risk, and how the entity would be affected if the arrangements were to cease to be available.	1 january 2024
IAS 21 - Effects of changes in exchange rates: Lack of exchangeability - IAS 21 defines the exchange rate that an entity must use when reporting transactions in a foreign currency or transposing the results of a foreign operating unit, when its functional currency is different from the group's presentation currency. This amendment aims to clarify: i) the circumstances in which a currency is considered to be exchangeable and ii) how the spot exchange rate should be determined when there is a lack of exchangeability of a currency for a long period.	1 january 2025

Regarding the new or amended standards and interpretations presented above which mandatory entry into force has not yet taken place, the Group has not yet fully determined or quantified the impacts resulting from their application, and therefore opted not to early adopt them. However, the Group does not expect them to produce materially relevant effects on its equity and results..

2.2 CHANGES OF ACCOUNTING POLICIES, ESTIMATES AND ERRORS

Except for the impact of the adoption of new standards and interpretations or their amendments that became effective for financial year beginning on 1 January 2023, during the year ended 31 December 2023 there were no voluntary changes in accounting policies vis-à-vis those considered in preparing the financial information relating to the 2022 financial year, with impacts on the consolidated financial position or the consolidated results of the operations, nor were material errors or omissions concerning prior years detected.

2.3 BASES OF CONSOLIDATION

a) Controlled companies
Financial holdings in controlled companies, that is, in which the Group (i) holds, directly or indirectly, more than 50% of the voting rights at the Shareholders' General Meeting or has the power to control their financial and operating policies (definition of control used by the Group), (ii) is exposed or has rights and variable returns from its involvement in the operations of the investee; and (iii) has the ability to use its voting rights to affect its return, have been included in these consolidated financial statements, by the full consolidation method.

The stake of third parties in the equity and net profit of those companies is presented separately in the consolidated statement of financial position and in the consolidated income statement, respectively, in the Non-controlling interests caption (Note 35). This caption corresponds to the share of the fair value of the assets, liabilities and contingent liabilities of the subsidiaries acquired that are not directly or indirectly attributable to the Group.

When the losses attributable to non-controlling interests exceed the non-controlling interest in the subsidiary's equity, the Group absorbs that excess and any further losses, except when the non-controlling interests have an obligation to and can cover such losses. If the subsidiary subsequently reports profits, the Group appropriates all profits until the minorities' share of the losses absorbed by the Group has been recovered.

The results of the controlled companies acquired or sold during the financial year are included in the income statement, from the date of their acquisition to the date of loss of the respective control over same.

Significant balances, transactions and dividends distributed between the controlled companies were eliminated in the consolidation process. Capital gains arising from the disposal of investees, carried out within the Group, are also eliminated.

When necessary, adjustments outside the books are made to the financial statements of the controlled companies, seeking to standardise the corresponding accounting policies with the Group's, before these are integrated.

When the Group holds, in substance, control of other entities created with a specific purpose, even if it does not have capital holdings directly in these entities, these entities are consolidated.

b) Non-controlling interests
Non-controlling interests are initially recognised and measured at the corresponding fair value of assets and liabilities of controlled entities that are not directly or indirectly attributable to the Group on the date of acquisition of control.

When the losses attributable to non-controlling interests exceed the non-controlling interest in the equity of the subsidiary, the Group absorbs this excess and any additional losses, except when the non-controlling interests have the obligation and can cover these losses. If the subsidiary subsequently reports profits, the group appropriates all profits until the minorities' share of the losses absorbed by the Group has been recovered.

Changes in the interests held by the Group in controlled entities that do not result in the loss of control over them are accounted for as equity transactions. The book values of interests held by the Group and non-controlling interests are adjusted to reflect changes in their relative interests (percentage held in their control) held in them. Any difference between the book value of non-controlling interests and the fair value received or paid is recognised directly in retained earnings and attributed to the Group's shareholders.

When the Group loses control of an entity, a gain or loss is recognised in profit or loss, calculated as the difference between (i) the sum of the fair value received and the fair value of any interest retained in the entity and (ii) the net book value of the assets (including goodwill) and liabilities of that entity and any non-controlling interests. All amounts previously recognised in the consolidated income statement in relation to that entity are accounted for as if the Group had derecognised the corresponding assets or liabilities of the subsidiary (i.e., reclassifying them to profit or loss).

c) Associated companies
An associated company (Note 23) is an entity over which the Group exercises significant influence but not control – generally investments representing between 20% and 50% of a company's capital, or in which it has the right to nominate members to the respective management bodies.

These financial investments in associated companies are valued using the equity method, except when they are classified as being held for sale, with the holdings initially accounted for at acquisition cost, which is increased or decreased by the difference between that cost and the value proportional to the stake in the equity of those companies, reported at the date of acquisition or of the first application of the aforementioned method.

According to the equity method, financial holdings are adjusted periodically for the value corresponding to the Group's share in the net profits of the associated companies, against the caption Gains / (Losses) from associated companies (Note 14), and for other changes that have occurred in their equity against the Retained earnings caption, as well as by the recognition of impairment losses.

When necessary, adjustments outside the books are made to the financial statements of the associated companies, seeking to standardise the corresponding accounting policies with the Group's, before these are used to determine the equity method effects.

In the specific case of changes in equity of associated companies arising from an increase in capital with share premiums that result in a dilution of the stake held, the corresponding adjustment in the value of the financial holding is carried out against the caption Gains / (Losses) from associated companies.

Losses in associated companies in excess of the investment in these entities are not recognised, unless the Group has assumed commitments vis-à-vis that associated company.

Any excess of the cost of acquisition over the fair value of the identifiable net assets is recorded as goodwill. In the cases where the cost of acquisition is less than the fair value of the identified net assets, the difference ascertained is recorded as a gain in the income statement for the financial year in which the acquisition takes place.

Additionally, the dividends received from these companies are recorded as a decrease in the value of the financial investments.

A valuation of the investments in associated companies is performed when there is an indication that the asset might be impaired, with the impairment losses shown to exist being recorded as an expense. Impairment losses recorded in previous years that are no longer justified are reversed. However, the reversal of the impairment loss is carried out up to the limit of the amount that would be recognised (net of amortisations) if the impairment loss has not been recorded in previous years.

Unrealised gains on transactions with associated companies are eliminated in proportion to the Group's interest in the associated company, against the investment in that associated company. Unrealised losses are similarly eliminated, but only to the extent that the loss does not show that the asset transferred is impaired.

d) Business combinations and Goodwill
Business combinations, namely the acquisition of subsidiaries, is recorded in accordance with the purchase method. The acquisition cost corresponds to the sum of the fair values, at the transaction date, of the assets obtained, the liabilities incurred or assumed, and the equity instruments issued in exchange for control of the acquiree.

Identifiable assets, liabilities and contingent liabilities of a subsidiary that are included in the scope of IFRS 3 are measured at fair value on the acquisition date, except for non-current assets (or asset groups) that are classified as held for sale.

The differences between the acquisition cost of investments in the Group's companies (subsidiaries) and associated companies, plus, in the case of subsidiaries, of the value of non-controlling interests, and the fair value of the identifiable assets and liabilities in these companies at the date of their acquisition, if positive, are recorded under the caption Goodwill or maintained under the caption Investments in associated companies, as applicable.

Goodwill of subsidiaries with registered offices abroad, as well as the fair value adjustments of the assets and liabilities at the date of acquisition of the subsidiary, are recorded in the functional currency of these companies, and are converted into the presentation currency of the Group (the Euro) at the exchange rate on the consolidated statement of financial position date. The exchange rate differences arising on this conversion are recorded under the caption Foreign currency conversion reserve.

Goodwill is not amortised, but it is subject to impairment tests on an annual basis. The recoverable value is determined based on the business plans used by the management of the Group or valuation reports prepared by independent entities. Impairment losses of goodwill identified in the year are recorded in the consolidated income statement for the financial year under the caption Impairment losses.

Impairment losses related to goodwill may not be reversed, except in the case of goodwill implicit in investments in associated companies.

In situations where the differences between the acquisition cost of the investments in the Group's companies and associated companies, increased, in the case of subsidiaries, by the value of the non-controlling interests, and the fair value of the identifiable assets and liabilities in these companies at the date of their acquisition, are negative, they are recognised as income on the date of acquisition, after reassessment of the fair value of the identifiable assets and liabilities.

As a consequence of the exception envisaged in IFRS 1, the Group adopted the provisions of IFRS 3 for acquisitions occurring after 1 January 2006. Goodwill arising from acquisitions prior to the date of transition to the IFRS, was maintained at the values presented in accordance with generally accepted accounting principles in Portugal, being subject to annual impairment tests.

e) Other investments

Other unlisted equity investments, which fair value cannot be reliably measured, are valued at acquisition cost.

2.4 ACCOUNTING POLICIES

2.4.1 Revenue

Sales and services rendered are recognised in the consolidated income statement when control of the good or service rendered is transferred to the buyer and the amount of income is reliably measurable.

For each contract, the Group assesses whether there are other commitments in the contract that are separate performance obligations and to which a portion of the transaction price should be allocated. When determining the transaction price, the Group considers any variable consideration, the possible existence of a significant financing component, any non-monetary consideration to be received and the eventuality of there being consideration to be paid to the customer.

Making use of the practical expedient in IFRS 15, the Group does not adjust the amount of the consideration for the financial effect when it has the initial expectation that the period between the transfer of the good or service to the customer and the time when the customer pays for the good or service is less than one year, which happens for most of the services provided by the Group. The same happens when the Group receives short-term advances from its customers – in this case, the amount of the consideration is also not adjusted for the financial effect.

2.4.2 Financial expenses

Loan charges are recognised in the income statement of the corresponding financial year.

Financial charges of loans obtained directly related to the acquisition, construction or production of qualifying tangible fixed assets and intangible assets, i.e., assets which construction or production period is longer than one year, are capitalised as part of the cost of the asset. The capitalisation of these charges begins after the start of preparation of the construction activities or development of the asset and is interrupted after the start of the use or end of production or construction of the asset or during periods in which development of the asset is interrupted.

2.4.3 Income tax

Income tax for the financial year comprises current tax and deferred tax.

The Company estimates income tax in accordance with the Special Taxation Scheme for Groups of Companies (“RETGS”), covering all companies in which the controlling company holds a stake, direct or indirect, of at least 75% of the respective share capital and that meet the necessary conditions for their inclusion in this regime. These conditions involve the companies being resident in Portugal and taxed under the general regime in terms of Corporate Income Tax (Imposto sobre o Rendimento das Pessoas Coletivas (“IRC”)), in addition to the existence or not of tax losses in years prior to entry into the regime. In financial years ended 31 December 2023 and 2022, the parent company of the RETGS was José de Mello Capital, S.A..

The remaining investees, not covered by the RETGS, are taxed individually, based on their respective taxable income and applicable tax rates.

Income tax of subsidiaries and associated companies is calculated based on the rates in force in the countries of their registered offices:

	Rate
Portugal	21%
Spain	25%
Angola	25%

Income tax is recorded in accordance with IAS 12 – Income taxes. In measuring the expense related to income tax for the financial year, in addition to current tax, the effect of deferred tax is also considered, calculated based on the balance sheet method, considering the temporary differences resulting from the difference between the tax base of assets and liabilities and their amounts in the financial statements, as well as the tax losses carried forward at the date of the consolidated statement of financial position.

Deferred tax assets and liabilities are calculated periodically and valued at the tax rates in force, or announced to be in force, on the expected date of reversal of the temporary differences.

Deferred tax assets are only recognised when there is sufficient evidence to support, with a high degree of certainty, the possibility of the occurrence of future taxable income sufficient for their use, or in situations where there are taxable temporary differences that offset the deductible temporary differences in the period of their reversal. At the end of each year, a review of these deferred taxes is carried out, with these being reduced whenever their future use is no longer likely.

Deferred taxes are recorded as an expense or income for the financial year, except if they result from amounts recorded directly in equity, in which case deferred tax is also recorded under the same caption.

In accordance with the legislation in force in the various jurisdictions in which the companies carry out their activity, tax returns are subject to review and correction by the tax authorities for a period that varies between four and five years. In this way, the tax returns of the Group companies for financial years 2019 through 2023 may still be subject to review, although the Group considers that any corrections resulting from tax reviews of those tax returns will not have a significant effect on the consolidated financial statements as of 31 December 2023.

For all transactions that incorporate uncertainty regarding their tax treatment and for all tax litigation processes, the Group carries out an assessment of the probability of the outcome of those processes, and whenever it is likely that the tax authorities will accept an uncertain tax treatment, the amounts of tax recorded are consistent with those declared. When there is uncertainty regarding the position of the tax authorities, this uncertainty is reflected in the measurement of the tax, in compliance with IFRIC 23.

2.4.4 Deferred tax assets and liabilities

The Group recognises deferred taxes in accordance with the requirements of IAS 12 – Income taxes, as a way of adequately accruing the tax effects of its operations, and to exclude distortions related to criteria of a tax nature that impact the economic results of certain transactions.

The deferred taxes concern the temporary differences between the amounts of the assets and liabilities for accounting purposes and their corresponding amounts for taxation purposes, as well as those resulting from tax benefits obtained and from temporary differences between the tax and accounting result.

Deferred tax assets are recognised when it is probable that future income will be generated against which the assets can be used. Deferred tax assets are reviewed annually and reduced when it is no longer probable that they may be used. The value of deferred tax is determined by applying the tax rates (and laws) enacted or substantively enacted at the reporting date and which are expected to apply in the period of realisation of the deferred tax asset or of the deferred tax liability settlement. According to the legislation in force in Portugal, the corporate income tax rate of 21% and, in situations not connected to tax losses, the respective surcharges were applied to the temporary differences that led to deferred tax assets and liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences.

2.4.5 Earnings per share

The basic earnings per share is calculated by dividing the profit or loss attributable to the holders of common equity of the parent company by the weighted average number of common shares outstanding during the financial year.

The diluted earnings per share is calculated by dividing the adjusted result attributable to the holders of common equity of the parent company (increased by the after-tax amount of dividends recognised in the period with respect to potential dilutive common shares, and adjusted for any other changes in the income or expenses that would result from the conversion of the potential dilutive common shares), by the weighted average number of common shares outstanding during the period, adjusted for the potential dilutive common shares.

The potential dilutive common shares may result from stock options and other financial instruments issued by the Group, convertible into shares of the parent company.

2.4.6 Intangible assets

Intangible assets acquired separately are measured at their acquisition cost on the date of initial recognition. The cost of the intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets generated internally, excluding capitalised development costs, are not capitalised, being expensed in the year they are incurred.

Internal expenses associated with the maintenance and development of software are expensed in the consolidated income statement when incurred, except in the situation where these are directly associated with projects for which the generation of future economic benefits for the Group is likely. In these situations, they are capitalised as intangible assets.

Intangible assets are only recognised if it is probable that they will result in future economic benefits for the Group, are controlled by the Group, are identifiable and their value can be reliably measured.

After initial recognition, intangible assets are recorded at cost less accumulated amortisation and impairment losses.

The useful lives of intangible assets may be finite or indefinite. Intangible assets with indefinite useful lives are not amortised but undergo periodic impairment tests regardless of whether there are indicators that they may be impaired. Intangible assets with finite useful lives are amortised over their estimated economic life and assessed regarding their impairment whenever there are signs that the asset may be impaired.

For an intangible asset with a finite useful life the amortisation method, estimated useful life and residual value are revised at the end of each year and the effects of changes made are treated as changes to estimates, i.e., prospectively.

Amortisation is calculated monthly under the straight-line method.

Amortisation rates are defined with a view to the full amortisation of assets until the end of their estimated useful life. The useful lives defined for each asset category are as follows:

	Useful life (years)
Development projects	3 - 5
Software	3 - 4
Industrial property and rights	3 - 20
Other intangible assets	3 - 5

There were no intangible assets with indefinite useful lives on 31 December 2023 and 2022.

The expense with the amortisation of intangible assets with finite useful lives is recognised in the consolidated income statement under the Amortisation and depreciation caption.

The impairment of these assets is determined based on the criteria described in Note 2.4.11. Reversals of impairment are recognised in profit or loss and only performed up to the limit that would be verified had the impairment never been recorded.

Any gain or loss resulting from the derecognition of an intangible asset (calculated as the difference between the sale price less selling expenses and the carrying amount) is recognised in profit or loss in the year in which the asset is derecognised.

The Group's relevant intangible assets are as follows:

a) Development projects
Research expenditure is expensed in the year they are incurred.

The development costs of an individual project are recognised as intangible assets when the Group can show:

- the technical feasibility of finalising the intangible asset in order for it to become available for use or sale;
- its intention to complete it and that it meets the conditions to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset;
- the ability to reliably measure the expenditure during the development.

b) Computer software
Software acquired from third parties is recognised in this caption.

Internal expenses associated with the maintenance and development of software are expensed when incurred, since they are considered not reliably measurable and/or not generating future economic benefits.

c) Industrial property
Under this caption are reflected the patents registered in the name of the companies included in the consolidation, for which there is an exclusive right of use. The amortisation is carried out over each patent's period of exclusive use.

d) Rights

d.1) Concession rights
This caption reflects the right to operate a car park for a period of 50 years; it also includes the key money of two clinics and the right to operate, under an agreement, radiology services.

d.2) Emission rights
The CO_2 emission licences attributed to the Group under PNALE (Plano Nacional de Atribuição de Licenças de Emissão de CO_2 – National Plan for the Attribution of CO_2 Emission Licences) are recognised in accordance with IAS 38 – Intangible assets, under the Intangible assets caption against Deferrals, at market value on the attribution date.

The acquired licences are recognised in Intangible assets against the corresponding account payable or cash and cash equivalents.

For the Group's CO_2 emissions, and based on the FIFO criterium, an expense is recognised in Amortisation and depreciation against Accumulated amortisation of intangible assets and, simultaneously, an amount equivalent to the reduction of the share of the corresponding subsidy is transferred to Other operating income, against Investment subsidies (under the caption deferred income).

When the Group makes CO_2 emissions without holding the corresponding licences, a provision is recognised, in accordance with IAS 37 – Provisions, Contingent liabilities and Contingent assets, for the amount corresponding to the best price estimate for obtaining same, plus the estimated amount of penalties which will be incurred for the emission of CO_2 without a licence.

The sale of emission rights gives rise to a gain or loss ascertained between the sale value and the respective acquisition cost, which is recorded in Other operating income or Other operating expenses, respectively.

Since there is an active market for emission rights, they are revalued at the end of each period at market value, with the Deferrals caption also being adjusted, depending on whether the licences were attributed or acquired.

2.4.7 Leases

A contract constitutes, or contains, a lease if it establishes the right to control the use of an identified asset for a certain period in return for a consideration.

a) Group as Lessee
The Group assesses whether a contract contains a right-of-use asset at the beginning of the contract. The Group recognises a right-of-use asset and a corresponding lease liability in respect of all contracts in which it is a lessee, except for short-term (term of twelve months or less) and low-value contracts. For these contracts, the Group recognises lease expenses on a straight-line basis as an operating expense.

Right-of-use assets
The Group recognises a right-of-use asset at the time the asset is available for use. The right-of-use asset includes the initial costs incurred to make the asset available for its intended use.

Right-of-use assets use are measured at the initial value of the corresponding lease liability, plus lease payments made before or on the lease start date and any initial direct charges, less any amounts received. Right-of-use assets are subsequently measured at cost less amortisation or depreciation and accumulated impairment losses.

Right-of-use assets are amortised or depreciated at the lower of the lease terms and the useful lives of the subjacent assets, as follows:

	Useful life (years)
Buildings and other constructions	10 - 50
Basic equipment	3 - 7
Office equipment	4-8
Transport equipment	4
Surface rights	40
Other assets	4 - 8

The impairment of these assets is determined according to the criteria set forth in Note 2.4.11, Impairment of non-current assets.

Whenever the Group expects to incur in charges to dismantle the right-of-use asset or repair the location where it is installed or the underlying asset, due to requirements established under the terms and conditions of the lease contract, a provision is recognised and measured in accordance with IAS 37. Said charges are included in the corresponding right-of-use asset, to the extent that the charges are related to same.

If a lease transfers ownership of the underlying asset or the right-of-use price implies that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation begins on the start date of the lease contract.

Right-of-use assets are presented in a separate line of the consolidated statement of financial position. The Group applies IAS 36 in determining the recoverable value of the underlying asset, whenever necessary, based on the criteria described in Note 2.4.11, Impairment of non-current assets.

Variable income instalments that do not depend on an index or rate are not included in the measurement of the liability and right-of-use asset. The respective payments are recognised as an operating expense, in the consolidated income statement, in the financial year to which they relate.

Lease liabilities
Lease liabilities are initially measured at the present value of the future lease payments. Payments include fixed and variable payments. Variable payments, which do not depend on an index or rate, are recognised as an expense in the financial year.

Lease liabilities are subsequently measured by: i) increasing and reducing the carrying amount to reflect interest on the lease liability; ii) remeasuring the carrying amount to reflect any re-evaluation or change in the lease term or rate; and iii) reducing the carrying amount by the lease payments made.

Short-term and low-value contracts
The Group adopted the exception permitted regarding the recognition of short-term leases (contracts with a duration of less than 12 months) and low-value leases (less than Euros 5 000). For short-term and low-value contracts, the Group recognises the expenses associated with these leases in each financial year during the life of the contracts.

b) Group as Lessor
Leases in which the Group does not substantially transfer all the risks and rewards associated with the ownership of an asset are classified as operating leases. Income earned through rents is accounted for, on a straight-line basis, during the period of the lease and is presented in revenue, due to its operational nature.

The leases in which the Group is the lessor concern the assignment of existing spaces in hospitals (for the operation of non-clinical activities) and in the Headquarters building (for the realisation of administrative and management-support activities).

2.4.8 Tangible fixed assets

Tangible fixed assets used in production, provision of services or for administrative use, are valued at their acquisition cost, including all costs associated with their acquisition and installation, less the corresponding accumulated depreciation and impairment losses, when applicable.

The Group considers Properties Allocated to the Healthcare Services of hospital units (“PAHS”) (which include the captions Land and natural resources and Buildings and other constructions) and the Land and natural resources of the real estate segment (hereinafter, for simplicity, referred to as “LREA”) as a separate class of assets, carried at their revalued amount, which is their fair value at the revaluation date. Where the carrying amount of that class is increased or decreased as a result of a revaluation, the excess is recognised in equity; in the case of decreases, the decrease is recognised to the extent of any remaining balance existing in equity in respect of that asset.

Current maintenance and repair expenses, insurance and property taxes are recognised as expenses in the financial year they are incurred. Betterments and improvements are only recognised as assets when it is demonstrated that these increase the corresponding assets’ useful lives or increase their normal efficiency, resulting in increased future economic benefits.

Interest on loans directly attributable to the acquisition or construction of assets are capitalised as part of the cost of these assets.

Depreciation is calculated on a linear monthly basis, from the time the asset is available for use, such that the value of the assets is fully depreciated by the end of their estimated useful lives:

	Useful life (years)
Real Estate, Buildings and other constructions	3 - 50
Basic equipment	2 - 20
Office equipment	2 - 17
Other tangible fixed assets	1 - 20

The impairment of these assets is determined based on the criteria described in Note 2.4.11.

Any gain or loss arising from the derecognition of a tangible fixed asset (calculated as the difference between the sale price less selling expenses and the carrying amount) is recognised in profit or loss for the financial year as Other operating income or Other operating expenses (Notes 8 and 13), in the year in which the asset is derecognised.

For existing assets, the residual value is considered to be zero, whereby the depreciable value on which the depreciation is based coincides with the cost.

Tangible fixed assets in progress represent assets still under construction, installation or development and are recorded at acquisition cost, being depreciated only when available for use.

2.4.9 Investment properties

Investment properties comprise property held to earn rent and is not intended for the provision of goods and services or for administrative purposes.

The Group adopted the cost model as the measurement criterium for Investment properties. The value of Investment properties includes their acquisition cost, stamp duty (paid at acquisition) and the Municipal Property Transfer Tax (IMT – Imposto Municipal sobre as Transmissões Onerosas de Imóveis). Expenses incurred in relation to investment properties in use, namely, maintenance, repairs, insurance and taxes, such as the Municipal Property Tax (IMI – Imposto Municipal sobre Imóveis) and the Additional Municipal Property Tax (AIMI – Adicional ao Imposto Municipal sobre Imóveis), are expensed in the financial year to which they refer. Betterments and improvements on investment properties for which there is an expectation of the generation of additional future economic benefits beyond the initial estimates, are capitalised under Investment properties; if not, they are expensed in the financial year to which they refer.

Investment properties are depreciated according to the straight-line method during their estimated useful lives, which vary between 10 and 50 years.

2.4.10 Non-current assets held for sale and discontinued operations

This caption includes non-current assets (or disposal groups) which carrying amount will be recovered mostly through a sale transaction, rather than through continued use, and which meet the following conditions:

- They are available for immediate sale in their present condition, subject only to terms that are usual and customary for the sale of this type of assets; and
- Their sale is highly probable, i.e.: i) the responsible management hierarchy is committed to a plan to sell the assets (or disposal groups); ii) a program to find a buyer and complete the plan was initiated; iii) the assets were widely advertised for sale at a price that is reasonable in relation to their current fair value; and, iv) the sale will be completed within one year from the date of classification.

The events or circumstances that may extend the period to complete the sale for more than a year do not exclude that an asset is classified as held for sale if the delay is caused by events or circumstances beyond the control of the entity and if there is sufficient evidence that the entity remains committed to its plan to sell the assets.

On the date of initial recognition, non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount before the classification and their fair value less selling expenses or, if purchased as part of a business combination, at fair value less selling expenses.

Any subsequent reduction of the asset (or disposal group) to the fair value less selling expenses is recognised as an impairment loss. Any gain resulting from a subsequent increase in the fair value less selling expenses of an asset is recognised, but not beyond the previously recognised cumulative impairment loss.

Non-current assets, while classified as held for sale or while they are part of a disposal group classified as held for sale, are not depreciated (or amortised).

A discontinued operation is a component or business unit comprising operations and cash flows that can be clearly distinguished operationally from the remaining components or business units of the Group. Classification of an operation as discontinued occurs upon disposal, or when the operation meets the criteria to be classified as held for sale. On 31 December 2023 and 2022, as provided for by IFRS 5, the consolidated income statement for those years reflects in a single caption (net profit from discontinued operations), the net profit, after tax, of the discontinued operating units (Note 5.3).

2.4.11 Impairment of non-current assets, excluding goodwill

At each reporting date, a review of the recorded amounts of non-current assets is carried out to determine whether there is any indication that they might be impaired. If there are any indications, the recoverable value of the corresponding assets is estimated to determine the extent of the impairment loss (if any). When it is impossible to determine the recoverable value of an individual asset, the recoverable value of the cash-generating unit to which that asset belongs is estimated. The recoverable value of the asset or cash-generating unit is the highest of (i) the fair value less selling expenses and (ii) the value in use. In the determination of the value in use, the estimated future cash flows are discounted using a discount rate that reflects the market's expectations regarding the time value of money and the specific risks of the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

Whenever the recorded amount of the asset or cash-generating unit exceeds its recoverable value, an impairment loss is recognised. Impairment losses are recorded immediately in profit or loss for the financial year, unless such losses compensate for a revaluation surplus recorded in equity.

The reversal of impairment losses recognised in prior years is recorded whenever there are changes in the estimates used to determine the asset's recoverable value. The reversal of impairment losses is recognised in profit or loss for the financial year. The reversal is carried out up to the limit of the amount that would be recognised (net of amortisation or depreciation) if the previous impairment loss had not been recorded.

2.4.12 Inventories and Cost of goods sold and materials consumed

Goods and raw, subsidiary and consumable materials are valued at acquisition cost, which is lower than their market value, using the average cost as costing method.

Finished products, by-products and work in progress are valued at the average cost of production, which includes the cost of incorporated raw materials, labour and general manufacturing costs (considering depreciation of the production equipment calculated based on normal usage levels), which is lower than the net realisable value. This corresponds to the normal selling price less the costs to complete the production and the marketing expenses.

The cost of inventories includes: i) purchase costs; ii) conservation costs; and iii) other costs incurred to place inventories in the desired conditions.

Whenever their net realisable value (sale price estimated in the ordinary course of business, less respective selling expenses) is less than the acquisition cost, the net value of the corresponding inventories is reduced through the recognition of an impairment loss, with this value being restored when the reasons that led to its decrease cease to exist.

Sale price estimates consider the changes related to events taking place after the end of the year in so far as those events confirm conditions existing at the end of the financial year.

2.4.13 Liabilities for employee benefits

Staff expenses are recognised when the service is provided by the employees regardless of their payment date.

The following are a few specificities regarding each of the benefits:

a) Employment termination

Employment termination benefits are due when there is employment termination before the usual retirement age or when an employee agrees to leave voluntarily in exchange for these benefits. The Group recognises these benefits when it can be shown that it is committed to a termination of employment of current employees, according to a formal detailed plan for the termination, and there is no realistic possibility of its withdrawal or if these benefits are granted to encourage voluntary departure. When the employment termination benefits are due more than 12 months after the statement of financial position date, they are discounted to their present value.

b) Holiday pay and subsidy

According to labour law, employees are entitled to 22 working days of paid annual leave, as well as a month of holiday subsidy, acquired in the year prior to its payment. These Group liabilities are recorded when incurred, regardless of the time of payment, and are reflected under the caption Other current liabilities, against profit or loss.

c) Retirement pension benefits
The liabilities for retirement, disability and survival pensions are recorded according to the criteria described in IAS 19 – Employee benefits.

The expenses incurred with awarding these benefits are recognised as the services are rendered by the beneficiary employees.

At the end of each accounting period, actuarial studies by independent entities are produced to determine the value of the liabilities at that date and the pension expenses to be recorded in the period, according to the projected credit unit method. The liabilities estimated in this manner are recognised in the consolidated statement of financial position under the Employee benefits caption.

Pension expenses are recorded under the Staff expenses caption as provided for in the referred standard, based on the values determined by actuarial studies and include the current service expense (accrued liability), which corresponds to the additional benefits earned by employees during the financial year, and the interest expense, which result from the update of past liabilities.

Remeasurements of the net defined benefit liabilities / (assets), including actuarial gains / (losses) are recognised in Other comprehensive income, within Equity.

Expenses with past services are recognised immediately to the extent that the associated benefits have already been recognised or, otherwise, recognised linearly in the period in which it is estimated that the benefits are obtained.

d) Healthcare benefits
Some of the Group's companies maintain with some of their former and current employees a healthcare insurance scheme that complements the official Health and Social Security services. The liabilities arising from the aforementioned scheme are recorded as indicated for the defined benefit plans, under Staff expenses.

Similarly to the treatment given to the retirement benefits, at the end of each accounting period, an actuarial study prepared by an independent entity is obtained to ascertain the liabilities on that date.

e) Work Compensation Fund ("WCF") and Work Compensation Guarantee Fund ("WCGF")
With the publication of Law No. 70/2013 and subsequent regulation through Ordinance No. 294-A/2013, the Work Compensation Fund (WCF) and the Work Compensation Guarantee Fund (WCGF) schemes had entered into force on 1 October of that year. In that context, companies hiring a new employee were required to deduct a percentage of their salary for these two new funds (0.925% for the WCF and 0.075% for the WCGF), with the aim of ensuring, in the future, the partial payment of the compensation in case of dismissal. Considering the characteristics of each Fund, the following were considered:

- the monthly payments to the WCF, made by the employer, were recognised as a financial asset, measured at fair value, with the corresponding changes being recognised in comprehensive income; and
- the monthly payments to the WCGF, made by the employer, were recognised as an expense in the financial year to which they related.

However, Law No. 13/2023, of 3 April, amended the Labour Code and related legislation, within the scope of the fair work agenda and introduced several amendments to several legislative diplomas.

Regarding the Work Compensation Fund, even though no amendments are made to the respective legal regimes, its entry into force has significant impacts due to the suspension of some obligations that Law No. 70/2013, of 30 August, imposes on employers.

In effect, the transitional provisions of Law No. 13/2023 establish that:

- these amendments determine that as of 1 May 2023, and as long as the transitional regime provisions remain in force, for each of the funds, employers' payment obligations to the Compensation Funds provided for under Law No. 70/2013 are suspended;
- the suspension also means that payment obligations for the month of April payable in May 2023 may, by choice, not be liquidated, even though they are due. Non-payment does not imply a penalty for the employer, that is, the payment of late payment fees or administrative expenses;
- the amounts owed for months prior to April 2023 continue to constitute employers' debts that must be settled under penalty of the payments made in previous periods not being reimbursed. In these cases, administrative expenses and late payment fees, which are not suspended during the transitional regime, are added to the amount owed;
- while the transitional regime is in force, employers may, however, terminate or cancel contracts that are included in the funds and request reimbursement of the balance of the employee's individual account following the termination of the respective employment contract; and
- significant amendments to these regimes are planned by the end of 2024.

2.4.14 Provisions

Provisions are established when the Group has a present (legal or constructive) obligation as a result of past actions, when economic resources are likely to be used to meet this obligation and same can be reliably measured. Provisions are measured at the best estimate of the amount required to settle the present obligation at the date of each consolidated statement of financial position, reviewed periodically and adjusted to reflect the best estimate at that date.

In particular, provisions are made for the costs of dismantling and removing tangible fixed assets and for the costs of restoring the place where they are located, the obligation of which is incurred when the assets are acquired or as a result of having been used for a period of time for purposes other than the production of inventories.

2.4.15 Equity captions

a) Subscribed capital

In compliance with Art. 272 of the Portuguese Commercial Companies Code, the Company's articles of association specify the deadline for paying-up the subscribed and unpaid capital at the time of the deed.

Common shares are classified in equity as share capital.

Treasury shares are accounted at acquisition value, in the case of spot purchases, or at their estimated fair value if the purchase is deferred, as a reduction from equity. The income or expenses associated with the disposal of treasury shares are recorded under the Retained earnings caption.

b) Legal reserve

In accordance with Article 295 of the CCC, at least 5% of the net profit, calculated based on the individual financial statements of the parent company, must be allocated to the legal reserve until same represents at least 20% of the share capital. The legal reserve is not distributable except in the event of liquidation and can only be used to absorb losses after all other reserves are exhausted, or for incorporation in share capital (Article 296 of the CCC).

c) Revaluation surpluses of tangible fixed assets

This caption includes changes in fair value of the PAHS and the LREA that, in accordance with Article 32(2) of the CCC, will only be available for distribution when the elements or rights giving rise to same are disposed of, exercised, realised, extinguished or liquidated.

d) Fair value of hedging instruments

This caption includes changes in the fair value of derivative financial instruments covering the risk of interest rate variability. According to the legislation in force, increases resulting from the fair value measurement, through Equity components, can only be distributed when the elements that gave rise to them are sold.

e) Retained earnings

This caption reflects the appropriation of the net profit / (loss) of previous financial years that are realised and not distributed, of the Company, controlled companies and associated companies.

f) Interim dividends

This caption reflects any advances on profits made during the year under the provisions of Article 297 of the CCC, provided that they comply with the following terms: (i) they are made in the second half of each year; and, (ii) they do not exceed half of the amount that would be distributable on the date to which the interim statement of financial position refers.

2.4.16 Contingent assets and liabilities

A contingent asset is a possible asset that results from past events and which existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly under the control of the Group. Contingent assets are not recognised in the consolidated financial statements but are disclosed in the notes thereto when a future economic benefit is probable.

A contingent liability arises when there is:

- a possible obligation that arises from past events and which existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly under the control of the Group; or
- a present obligation that results from past events but is not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow of resources embodying future economic benefits is remote, in which case they are not subject to disclosure.

2.4.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement
Financial assets are initially classified and subsequently measured in categories.

The initial classification of financial assets depends on the contractual characteristics of the cash flows and on the business model that the Group adopts to manage them. The Group measures a financial asset at its fair value, adding, in the case of an asset not classified at fair value through profit or loss, the transaction costs at initial recognition. Customer balances that do not contain a significant financial component, or for which the Group adopts the practical expedient, are measured at the transaction price determined in accordance with IFRS 15.

For a financial asset to be classified and measured at amortised cost or at fair value through other comprehensive income, it must provide cash flows that represent solely payments of principal and interest ("SPPI") on the outstanding principal. This assessment, known as the "the cash flows from solely payments of principal and interest" test, is performed for each financial instrument.

The business model established for the management of financial assets concerns the way in which the Group manages the financial assets to obtain cash flows. The business model may be designed to obtain the contractual cash flows, to dispose of the financial assets or both.

A financial asset is classified as current when (i) the Group expects to realise the asset in the normal course of its operating cycle or within twelve months after the consolidated statement of financial position date, (ii) the asset is held essentially for trading purposes , or (iii) the asset is cash or a cash equivalent, as defined in IAS 7 – Cash Flow Statement, unless its exchange or use to settle a liability is limited for at least twelve months after the consolidated statement of financial position date.

Subsequent measurement
For their subsequent measurement, the financial assets are classified into four categories:

i) Financial assets at amortised cost;

ii) Financial assets at fair value through other comprehensive income, with recycling of accumulated gains and losses;

iii) Financial assets at fair value through other comprehensive income, without recycling of accumulated gains and losses at the time of their derecognition; and

iv) Financial assets at fair value through profit or loss.

i) Financial assets at amortised cost
The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within the scope of a business model which objective is to hold the financial asset to obtain the cash flows contractually provided for; and

- the contractual terms of the financial asset give rise, on defined dates, to cash flows that correspond solely to repayments of the principal and payments of interest on the outstanding principal.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment tests. Gains and losses are recognised in the income statement when the asset is derecognised, modified or is impaired.

The financial assets that the Group measures at amortised cost include Customers, Other debtors, Other assets and Other financial instruments.

The Group considers that the fair value of these accounts approximates their book value.

iii) Financial assets at fair value through other comprehensive income

On initial recognition, the Group may elect to irrevocably classify the equity instruments held as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity in IAS 32 Financial instruments: Presentation and are not held for trading. The classification is determined instrument by instrument.

Gains and losses on these financial assets are never recycled to results. Dividends are recorded as a financial gain in the income statement when the right to receive the payment of the dividend is established, except when the Group benefits from these dividends as recovery of part of the cost of the financial asset and, in this case, the dividends are recorded in other comprehensive income. Equity instruments held as equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

The Group decided to irrevocably classify its investments in equity instruments of unlisted entities in this category.

Derecognition
A financial asset (or, when applicable, a part of a financial asset or a part of a group of financial assets) is derecognised (i.e., removed from the consolidated statement of financial position) when:

- The contractual rights to receive cash flows from the financial asset expire; or

- The Group has transferred its contractual rights to receive cash flows from the financial asset or assumed an obligation to pay the cash flows received, under an arrangement in which the Group (i) has no obligation to pay amounts to the final recipients unless it receives equivalent amounts from the original asset; (ii) is prohibited by the terms of the contract from transferring, selling or pledging the original asset other than as security to the final recipients for the obligation to pay them cash flows; and (iii) the Group has an obligation to remit any cash flows it receives on behalf of the final recipients without significant delays; and

- The Group has substantially transferred all the risks and benefits of the asset, or the Group has neither transferred nor substantially retained all the risks and benefits of the asset but has transferred control over the asset.

When the Group transfers its rights to receive cash flows from an asset or is part of an arrangement that may enable derecognition, it assesses whether, and to what extent, the risks and rewards associated with ownership of the asset have been retained. When all the risks and benefits arising from ownership of an asset have not been substantially transferred or retained, nor has control of the asset been transferred, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In this case, the Group also recognises the corresponding liability. The transferred asset and the corresponding liability are measured on a basis that reflects the rights and obligations retained by the Group.

Impairment of financial assets

Customers, Other debtors and Other financial assets
The Group recognises impairment for expected losses of all debt instruments not measured at fair value through profit or loss. The expected credit losses are based on the difference between the contractual cash flows that are due and all the cash flows that the Group expects to receive, discounted at a rate close to the original effective interest rate. Cash flows expected to be received include cash flows arising from collateral held or from other credit guarantees that are an integral part of the contractual terms.

For customer balances and accounts receivable related to contracts with customers, the Group adopts the simplified approach when determining expected credit losses. Thus, the Group does not monitor changes in credit risk, instead, it recognises an impairment loss at each reporting date based on the expected credit loss over the lifetime of the asset. The Group established an impairment matrix based on the credit granted lost in the past, adjusted for prospective factors specific to the debtors and to the economic environment.

However, particularly regarding accounts receivable from related parties, if there is no increase in the credit risk of the respective financial instrument, the Group measures the impairment loss of that instrument at an amount equivalent to the expected losses over a period of twelve months. (“12 months expected credit losses”).

Other financial instruments
The Group applies the simplified approach for low credit risks. At each reporting date, the Group assesses whether the debt instrument can be considered to be of low credit risk using all relevant and reasonable information that is available at an acceptable cost / effort. In making this assessment, the Group considers the credit rating of the debt instrument.

Investments held to maturity exclusively concern bonds issued by a related entity and are therefore considered investments with low credit risk. The Group analyses the most recent available financial information to detect risk situations.

The Group considers that a financial asset is in default when it is more than 90 days overdue. However, in certain cases, the Group may also consider a financial asset to be in default when there is internal and external information indicating that it is unlikely that the Group will receive the full amount of the credit without having to activate the guarantees it has. A financial asset is derecognised when there is no reasonable expectation of recovering the contractual cash flows.

b) Financial liabilities
Initial recognition and measurement
Financial liabilities are classified as loans (including bank overdrafts), accounts payable to suppliers, other creditors, other liabilities and other financial liabilities or derivatives (designated as hedging instruments in a relationship of effective hedging).

All financial liabilities are initially recognised at fair value and, in the case of loans and accounts payable, net of directly attributable transaction costs.

Financial liabilities are classified as current when (i) they are expected to be settled in the normal course of the Group's operating cycle, (ii) the liability is held essentially for trading purposes, (iii) the settlement of the liability is expected within the period of twelve months after the consolidated statement of financial position date or the Group does not have the unconditional right to defer settlement of the liability for at least twelve months after the consolidated statement of financial position date.

Subsequent measurement
The measurement of financial liabilities depends on their initial classification, as follows:

Loans obtained
After initial recognition, financings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recorded in profit or loss when liabilities are derecognised and through amortisation arising from the application of the effective interest rate method. The amortised cost is calculated considering any discount or premium on the acquisition and the fees and other costs that are an integral part of the effective interest rate. The effect of the actual interest rate is recorded in financial expenses in the consolidated income statement.

Suppliers, Other creditors, Other liabilities and Other financial liabilities
The balances of suppliers, Other creditors, Other liabilities and Other financial liabilities are initially recorded at their nominal value, which is understood to correspond to their fair value and, subsequently, whenever applicable, are recorded at their amortised cost, according to the effective interest rate method. These captions are recognised as current liabilities, unless their settlement is agreed for more than twelve months following the consolidated statement of financial position date.

Derecognition
A financial liability is derecognised when the underlying obligation is met, cancelled, or expires.

When an existing financial liability is replaced by another of the same counterparty and with substantially different terms, or the terms of a financial liability are substantially modified, the exchange or modification is treated as a derecognition of the original financial liability and a recognition of a new liability. The difference between the corresponding book values is recognised in the consolidated income statement.

The Group considers that the fair value of the financial liabilities is close to their book value.

c) Derivative financial instruments and hedge accounting

Initial and subsequent recognition
The Group's policy is to contract derivative financial instruments for the hedging of financial risks to which it is exposed, which are mainly due to interest rate changes.

These derivative financial instruments are initially recorded at fair value on the date on which the derivative is contracted and are subsequently measured at fair value. Derivatives are presented in assets when their fair value is positive and in liabilities when their fair value is negative.

At the start of the hedging relationship, the Group formally designates and documents the hedging relationship for which it seeks to apply hedge accounting as well as the management purpose and strategy of that hedge.

Under the terms of IFRS 9, the documentation includes the identification of the hedging instrument, the hedged item or transaction, the nature of the risk to be hedged and how the Group assesses whether the hedging relationship complies with hedge accounting requirements. The hedging relationship qualifies for hedge accounting if it meets all the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of the credit risk does not dominate the changes in value that result from that economic relationship; and
- The hedging ratio of the hedging relationship is the same as the one resulting from the quantity of the hedged item that an entity actually hedges and that resulting from the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

Hedging relationships that meet the above eligibility criteria are accounted as follow:

Cash Flow Hedging
The effective portion of the gain or loss on the hedging instrument is recognised in Equity, whereas the ineffective portion is recognised immediately in the consolidated income statement.

If cash flow hedge accounting is interrupted, the cumulative amount in Equity shall remain there if the hedged future cash flows are still expected to occur. Otherwise, the cumulative amount is reclassified immediately to the consolidated income statement as a reclassification adjustment. After the interruption (as soon as the hedged cash flow occurs), any cumulative amount remaining in comprehensive income is accounted according to the nature of the underlying transaction.

2.4.18 Cash and cash equivalents

The amounts included in the Cash and cash equivalents caption correspond to cash amounts, demand deposits, term deposits and other short-term investments maturing in under three months, and which may be immediately redeemed at insignificant risk of change in value.

For the purposes of the consolidated cash flow statement, this caption also includes bank overdrafts included in the Loans obtained caption, in the consolidated statement of financial position.

2.4.19 Consolidated cash flow statement

The consolidated cash flow statement is prepared according to the direct method, through which the cash inflows and outflows in operating, investing and financing activities are disclosed.

2.4.20 Segmental reporting

An operating segment is a component of an entity:

i) developing business activities from which income can be obtained and expenses may be incurred (including income and expenses concerning transactions with other components of the same entity);

ii) which operating results are regularly reviewed by the main agent in charge of the entity's operating decisions for purposes of making decisions on the allocation of resources to the segment and on the evaluation of its performance; and

iii) for which separate financial information is available.

The operating segments are reported consistently using the internal management information model provided to the main decision makers of the Group's operating decisions. These are responsible for allocating resources to the segment and for the evaluation of its performance, as well as for strategic decision-making.

2.4.21 Accrual-based accounting

Dividends from financial investments classified as Financial assets available for sale are recognised as income in the year in which they are attributed.

Interest and financial income are recognised in accordance with the accrual-based accounting principle and according to the applicable effective interest rate.

The expenses and income are accounted for in the financial year they relate to, regardless of the date of their payment of receipt. The expenses and income which actual values are unknown are estimated.

The expenses and income attributable to the current year and which payment and receipt will take place in future years, as well as payments and receipts that have already occurred but concern future years and that will be attributed to the results of each of those years, at their corresponding values, are recorded in the Other current assets, Other non-current assets, Other current liabilities and Other non-current liabilities captions.

2.4.22 Assets, liabilities and transactions in foreign currency

Transactions in currencies other than Euros, are recorded at the rates in effect on the transaction date.

On each consolidated statement of financial position date, the monetary assets and liabilities stated in foreign currencies are converted to Euros using the exchange rates in effect at that date. Non-monetary assets and liabilities recorded in accordance with their fair value in a foreign currency are converted to Euros using the exchange rate in effect on the date on which the fair value was determined.

The differences in foreign exchange, both favourable and unfavourable – which are caused by differences between the exchange rates in effect on the date of the transactions and those in effect on the date of the collections / payments or on the consolidated statement of financial position date –, are recorded as income and expenses in the consolidated income statement for the financial year, except those concerning non-monetary captions, which fair value changes are recorded directly in equity, namely:

- exchange rate differences arising from the currency conversion of medium- and long-term intra-group balances in foreign currency which, in practice, are an extension of the financial investments;

- exchange differences arising from financial operations of foreign exchange risk hedging for financial investments stated in foreign currency, as stated in IAS 21 and provided they comply with the effectiveness criteria set out in IFRS 9.

The conversion of the financial statements of subsidiaries and associated companies expressed in foreign currency is performed considering the exchange rate in effect at the consolidated statement of financial position date, for the conversion of assets and liabilities, the historical exchange rate for the conversion of the balances of the equity captions and the average exchange rate of the financial year, for the conversion of the consolidated income and cash flow statement captions.

In accordance with IAS 21, the goodwill and the fair value adjustments determined on the acquisition of foreign entities are considered to be stated in the reporting currency of those entities, being converted to Euros at the exchange rate in effect on the consolidated statement of financial position date.

2.4.23 Subsidies

Government subsidies are recognised according to their fair value when there is reasonable assurance that they will be received and that the Group will comply with the required conditions for their granting.

Investment subsidies related to tangible and intangible fixed assets are recognised net of deferred taxes. These subsidies are only recognised when there is reasonable assurance that the Group met / will meet the conditions associated with them and that the subsidies will be received. Specifically, investment subsidies whose main condition concerns the purchase, construction or other form of acquisition of non-current assets (including tangible fixed assets) are recognised as liability deferrals in the consolidated statement of financial position and transferred to profit or loss on a systematic basis in accordance with the useful life of the related assets.

Operating subsidies, namely for employee training, are recognised in the consolidated income statement for the financial year, according to the expenses incurred.

Subsequent to initial recognition, this account is reduced:

- regarding subsidies concerning depreciable / amortisable tangible fixed assets and intangible assets with a defined useful life, systematically to income during the period required to balance the subsidies with the related expenses that they are intended to offset;

- regarding non-depreciable / amortisable tangible fixed assets and intangible assets with an undefined useful life, by the allocation to income in the years when it is necessary to offset any impairment loss recognised for those assets.

These subsidies are not available for distribution until they are allocated to income during the periods necessary to: (i) balance the subsidies with the related expenses that they are intended to compensate, i.e., amortisation and depreciation and/or (ii) compensate any impairment loss that is recognised regarding such assets.

2.5 SUBSEQUENT EVENTS

Events that have occurred after the consolidated statement of financial position date that provide additional information about situations existing on that date are reflected in the consolidated financial statements, in the event they originate a material impact on the consolidated financial statements.

Events that have occurred after the consolidated statement of financial position date that provide information about significant situations that have taken place after that date are disclosed in the notes to the consolidated financial statements.

2.6 MAIN ESTIMATES AND JUDGEMENTS BY MANAGEMENT

The preparation of the consolidated financial statements in accordance with the recognition and measurement principles of IFRS requires that the Board of Directors formulates judgements, estimates and assumptions that may affect the value of the assets and liabilities presented, as well as the income and expenses.

These estimates are based on the best existing knowledge at every moment, on the experience from past and/or recurring events and on the planned actions, being continuously reviewed based on the available information. Changes in facts and circumstances may lead to the revision of estimates, so the actual results in the future may differ from those estimates.

The most significant accounting estimates shown in the consolidated financial statements are as follows:

Goodwill impairment analysis
The goodwill value is tested annually and whenever there is evidence of impairment. The recoverable values of cash-generating units were determined based on the value-in-use methodology. The use of this method requires the estimate of future cash flows arising from the operations of each cash-generating unit and the choice of an appropriate discount rate. To this end, the Group prepares projections based on the most recent budgets and business plans approved by the Board of Directors.

Useful life of Tangible, Intangible, Right-of-use assets and Investment properties
The useful life of an asset is the period during which the Group expects that asset to be available for its intended use and is reviewed at least at the end of each economic year.

The amortisation / depreciation method to apply and the estimated losses arising from the replacement of equipment before the end of its useful life, for reasons of technological obsolescence, are crucial to determining the effective useful life of an asset.

These parameters are defined according to management's best estimate, for the assets and businesses in question, and consider the practices adopted by companies of the sectors in which the Group operates.

Development costs
Development costs are capitalised in accordance with the accounting policy described in Note 2.4.6. a). The initial capitalisation of the cost is based on the Board of Directors' judgement that technical and economic feasibility has been confirmed, normally when a product development project has reached a milestone in accordance with the project model

established by the Board of Directors. When determining the amounts to be capitalised, the Board of Directors makes assumptions about the expected cash flows that will be generated in the future by the project, discount rates to be applied and the expected period of the benefits.

Revaluation of assets
The Properties Allocated to the Healthcare Services of hospital units ("PAHS") and the Land and natural resources of the real estate segment ("LREA") category, included in Tangible fixed assets, are, at the consolidated statement of financial position date, valued at their revalued amount, based on valuations performed by independent external entities, using the income method and the replacement cost. When, at the consolidated statement of financial position date, the fair value of the Properties Allocated to the Healthcare Services in progress is not reliably measurable, they are stated at cost until their fair value can be reliably measured, which usually happens when their construction is completed.

Leases – Estimate of the incremental rate, lease term and valuation method
The recognition of leases includes the determination of the interest rate implicit in the leases and the lease terms.

The Group cannot easily determine the rate implicit in the lease, so it uses the incremental interest rate to measure the lease liabilities. The incremental interest rate is the interest rate the Group would have to pay on a loan with similar terms, which requires the rate to be estimated when no observable data are available on the market or when the rate has to be adjusted to reflect the terms of the loan. In fact, the Group estimates the incremental interest rate based on the market reference rate it has access to.

The lease term is determined based on management's best expectation of remaining in the lease contract. The Group assesses the term of the leases by contract type, considering the possibility of exercising, with reasonable certainty, the option to extend the lease:

- Hospitals and clinics – the Group assesses the possibility of exercising with "reasonable certainty the option to extend" the lease of this type of assets. In this sense, and considering the Group's growth in recent years and its growing need to expand, the Group cannot state with reasonable certainty that these lease contracts will be renewed at the end of the initial term;

- Other properties – for this category, the Group analyses every contract, and when there is a renewal option the reasonableness and expectation of renewing the contract is assessed;

- Equipment and Vehicles – this contract type has no renewal option, so the lease term considered is the contract term.

Impairment of accounts receivable
The credit risk of the balances of accounts receivable is assessed at each reporting date, considering the expected credit loss over the lifetime of the asset. The Group established an impairment matrix based on credit lost over a period of 5 years, adjusted by specific prospective factors identified by the Group as the most appropriate for each group of customers, with similar characteristics and history of default. Additionally, the Group considers the following aspects:

- Debtor's significant financial difficulty;

- Breach of contract, such as failure to pay or non-compliance with interest payments or debt amortisation;

- Probability of the debtor becoming insolvent.

Impairment of non-current assets
The impairment occurs when the accounting value of an asset or of a cash-generating unit exceeds its recoverable value, which is the highest between the fair value net of selling expenses and its value in use.

The calculation of fair value net of selling expenses is based on existing information from contracts already signed in respect of transactions of similar assets, with entities which have no relationships among them, or prices observable in the market net of incremental expenses of selling the asset.

The value in use is calculated based on a discounted cash flow model that considers a budget for the next five years which does not include restructuring activities for which there still is no commitment, or significant future investments seeking to improve the future economic benefits that will arise from the cash-generating unit that is being tested.

The recoverable value is sensitive, mainly, to judgement-based assumptions, namely:

- The growth rate used to extrapolate the cash flows beyond the explicit projection period;

- The discount rates used to discount future cash flows.

Income tax and deferred taxes
The determination of the amounts of income tax and deferred taxes requires the exercise of judgement and is subject to interpretation. Different interpretations could result in a different level of taxes on income, both current and deferred, being recognised in the financial year.

Deferred tax assets are recognised in so far as it is likely that there will be taxable income against which they can be used.

Recognition and measurement of provisions
Recognition of provisions is inherent in determining the probability of future outflows and measuring them reliably, for which the Group relies, where necessary, on experts in the field.

These factors are often dependent on future events and not always under the control of the Group and, as such, may lead to significant future adjustments, both via changes in the assumptions used and via the future recognition of provisions previously disclosed as contingent liabilities.

Contractual provisions
The contractual provisions refer to provisions recognised to cover liabilities relating to the end of the management contracts of the Vila Franca de Xira and Braga Hospitals.

Escala Vila Franca – Sociedade Gestora do Estabelecimento, S.A. ("Escala Vila Franca")
Verification procedures are currently taking place with the Regional Health Authority for Lisbon and the Tejo Valley (Administração Regional de Saúde de Lisbon e Vale do Tejo, I.P. – "ARSLVT"), regarding adjustments made to Estabelecimento Hospitalar de Vila Franca's accounts from 2013 to 2021.

Regarding the adjustments to the accounts of financial years 2013 through 2021, the closure processes to determine the Actual production, which should have been completed each June of the following year, respectively, were ongoing at the year-end closing date.

The CUF Group's Board of Directors believes that it is duly substantiated to assert its claims, in the scope of those provisions and impairment losses, without any negative financial impact that has a significant negative effect on the accounts resulting therefrom.

Provisions for dismantling and restoration
The measurement of liabilities for Retirement and Healthcare Benefits attributed to some of the Bondalti Group's former and current employees is carried out annually using actuarial studies prepared by independent experts, based on actuarial assumptions associated with economic and demographic indicators. All indicators used are specific to the countries where employee benefits are granted and include, among others:

- Salary Growth Rate, Fund Yield Rate and Technical Interest Rate;
- Mortality tables available to the public in Portugal; and
- Future salary and pension increases based on expected future inflation rates specific to Portugal.

Post-employment benefits
The measurement of liabilities for Retirement and Healthcare Benefits attributed to some of the Bondalti Group's former and current employees is carried out annually using actuarial studies prepared by independent experts, based on actuarial assumptions associated with economic and demographic indicators. All indicators used are specific to the countries where employee benefits are granted and include, among others:

- Salary Growth Rate, Fund Yield Rate and Technical Interest Rate;
- Mortality tables available to the public in Portugal; and
- Future salary and pension increases based on expected future inflation rates specific to Portugal.

Changes in assumptions can have a material impact on the liabilities.

Business continuity
The Group considered the results achieved and considers that the measures in force and those being taken in terms of freeing up operational resources (by reducing consumption and increasing productivity) are sufficient to guarantee the normal functioning of the activity, as well as compliance with the debt repayment, and therefore the going concern status of the operations is not put into question.

These estimates were determined based on the best information available on the date of the preparation of the financial statements, including information on subsequent events (Note 49). However, given the number of qualitative factors involved, events may occur in subsequent periods that, due to their timing, were not considered in these estimates. Significant changes to these estimates that occur after the date of the consolidated financial statements are recorded in results on a prospective basis in accordance with the provisions of IAS 8.

2.7 FINANCIAL RISK MANAGEMENT

2.7.1 General principles

The Group, like most business groups, is exposed to several financial risks capable of altering its equity value.

The Group's Financial Risk Management Policy seeks to ensure proper identification of all the risks associated with the businesses carried out, as well as to adopt and implement the necessary measures to minimise the negative impacts that adverse developments in the factors underlying these risks may have on the financial structure of the Group and on its sustainability.

Within the scope of the risk management process, the Group identified a set of risks associated with the financial performance of each company included in the consolidation considered materially more relevant, of which market, credit and liquidity risk stand out.

The Group has a risk management model that seeks to minimise the potential adverse effects, using appropriate instruments to cover the risks to which it is exposed. All financial risk management operations are subject to prior approval by the Finance Director or the Executive Committee.

In greater detail, the main financial risks to which the Group is exposed, and the main measures implemented within the scope of its management, are the following:

2.7.2 Market risk

The market risk is the risk of changes in market prices, such as interest rates, foreign exchange fluctuations or the evolution of the stock markets, affecting the Group's results and its financial position.

The Group is essentially exposed to risks arising from changes in interest rates, for which reason market risk management is essentially focused on monitoring the evolution of interest rates, which influence remunerated financial liabilities (contracted based on interest rates indexed to the evolution of the markets) and their impact on the consolidated financial statements.

a) Interest rate risk

The interest rate risk management policy seeks to minimise exposure to changes in interest rates and their impact on the consolidated financial statements.

Through the control policy adopted, it seeks to select suitable strategies for each business area to ensure that this risk factor does not adversely affect the operational capacity. On the other hand, the exposure to interest rate risk is also monitored via the simulation of adverse scenarios with a certain degree of probability, which can negatively affect the Group's results.

Periodically, the Group analyses the market situation, seeking the right balance between fixed and variable rates.

b) Exchange rate risk

Exchange rate risk is the risk that the fair value or cash flows of a financial instrument may vary as a result of fluctuations in exchange rates. The Group is exposed to exchange rate fluctuations, in particular the exchange rate fluctuations of the US dollar (USD) and the Angolan kwanza (Kz).

2.7.3 Credit risk

Credit risk is the risk of the counterparty not meeting its contractual obligations related to financial instruments or contracts with customers, which may give rise to the recognition of a loss. The credit risk mainly comes from the Company's operating activities, specifically the risks of credit granted to customers, and its investment activities.

a) Customers and Other debtors

The credit risk is related to balances receivable from customer and other debtors. This risk is monitored as follows: following previously established policies, procedures and controls; establishing credit limits for customers based on internal assessment criteria (average collection period); impairment analyses of amounts receivable, on a regular basis; and regular monitoring of outstanding amounts.

The Group has no significant credit risk with any specific customer, as accounts receivable derive from a large number of customers.

The Group has in place non-recourse factoring contracts whereby it assigns the receivables and whereby control of the receivables and a part of the risks and rewards are transferred to the factoring entity.

The movement in Impairment losses of accounts receivable is disclosed in Note 39.

On 31 December 2023, the Board of Directors considers that the estimated impairment losses on accounts receivable are adequately reflected in the consolidated financial statements.

b) Financial assets available for sale

The balances shown under the Financial assets available for sale caption predominantly concern the WCF, which is guaranteed by Instituto de Gestão e Fundos de Capitalização da Segurança Social, I.P. and by Instituto de Gestão Financeira da Segurança Social, I.P..

c) Investments held to maturity

Investments held to maturity, which included, in 2022, bonds issued by Farminveste – Investimentos, Participações e Gestão, S.A. were monitored periodically by management, through an analysis of the reports and accounts of the issuers, considering the following indicators: analysis of the equity of the companies; analysis of the degree of solvency; capacity to generate liquid resources from the use of assets and analysis of the evolution of the financial situation; and, analysis of the opinions of the respective auditors. Additionally, the rating of this entity published by the DB Agency was analysed.

2.7.4 Meteorological risk

There are meteorological risks that can significantly affect vineyards and winemaking operations. Adverse weather conditions such as frost, hailstorms, excessive heat or heavy rain can damage vines, affect grape quality and the overall business performance.

Despite extreme meteorological situations occurring during 2023, with prolonged heat waves and weather conditions conducive to the development of pests, most wine-growing regions in Portugal had good productivity, one of the highest in the last two decades, in contrast to what happened with wine production in the rest of the world, amongst the smallest harvests in the last 60 years.

Additionally, the availability of water has been extremely important to mitigate the effects of climate change, making it essential for the Group to be more efficient in its use, but also to guarantee its storage in its own dams and reservoirs. At this level, future investments in these infrastructures are inevitable, in the alternative search for underground water and in the adaptation of pumping plants and irrigation systems as a whole, for a better and more efficient use of this scarce resource.

2.7.5 Liquidity risk

Liquidity risk results from the potential inability to finance the Group's assets, or to meet contracted liabilities on their due dates.

The financing and liquidity risk management policy is guided by the following objectives:

- ensure a timetable of debt maturity staggered over time;
- decrease short-term indebtedness; and,
- continue to lengthen the average maturity of the debt to make it more consistent with the long-term assets held by the Group.

Within the fulfilment of the above objectives, the Group monitors the financing markets carefully, rigorously selecting the alternatives that appear to be the most efficient at any given time.

3. FAIR VALUE ESTIMATE

The hierarchy for the purposes of determining the fair value shall have the following levels and measurement bases:

- **Level 1:** active market quotations, which the Group can access as of the consolidated statement of financial position reference date;
- **Level 2:** generally accepted valuation models, based on inputs observable in the market, alternative to those mentioned in level 1;
- **Level 3:** valuation models which main inputs are not observable in the market.

The Group measures at fair value the assets and liabilities listed in the tables below, in which their corresponding hierarchy is also specified:

	31 dec 2023		
	Level 1	Level 2	Level 3
Assets measured at fair value			
Emission rights (Note 47)	8 370 810	-	-
Tangible fixed assets [PAHS and LREA] (Note 21)	-	-	525 315 580
Financial assets available for sale (Note 25)	-	2 457 601	65 866
Liabilities measured at fair value			
Derivative financial instruments (Note 44)	-	862 383	-

	31 dez 2022		
	Level 1	Level 2	Level 3
Assets measured at fair value			
Emission rights (Note 47)	5 783 489	-	-
Tangible fixed assets [PAHS and LREA] (Note 21)	-	-	484 793 340
Financial assets available for sale (Note 25)	-	2 150 585	49 869

The fair value of the Emission rights, given the existence of an active market, was determined based on their market value.

The fair value (revalued amount) of the Land and Buildings captions, of the PAHS and the LREA, was determined by independent external appraisers, based on inputs not observable in the market.

The fair value of Financial assets available for sale is determined by the market quotation and does not differ substantially from their cost.

4. CONSOLIDATION PERIMETER

4.1 COMPANIES CONSOLIDATED

The companies included in the consolidation, their registered offices and proportion of share capital held on 31 December de 2023 and 2022, are as follows:

Company	Registered office	31 dec 2023		31 dec 2022
		% effective	% of control	% of control
Common services and other:				
JOSÉ DE MELLO CAPITAL, S.A. ("JM Capital")	Lisbon		Parent company	
M Dados, Sistemas de Informação S.A.	Lisbon	100.00%	100.00%	100.00%
Infrastructure:				
José de Mello - Investimentos, SGPS S.A. (Zona Franca da Madeira) ("JM Investimentos")	Funchal	100.00%	100.00%	100.00%
José de Mello International, S.à r.l. (a.)	Luxembourg	-	-	100.00%
Healthcare:				
CUF, S.A. ("CUF") and subsidiaries ("Grupo CUF")	Lisbon	65.85%	65.85%	65.85%
CUF - Sociedade Gestora de Participações Sociais, S.A.	Porto	65.85%	100.00%	100.00%
CUF - Serviços de Saúde, Administrativos e Operacionais, ACE	Oeiras	65.80%	99.92%	99.41%
CUF - Gestão de Clientes e de Serviços de Saúde, S.A.	Lisbon	65.85%	100.00%	100.00%
CUF - Serviços de Logística, ACE (a.)	Oeiras	-	-	99.29%
Academia CUF, Sociedade Unipessoal Lda.	Oeiras	65.85%	100.00%	100.00%
Hospital CUF Açores, S.A. (b.)	S.Miguel	65.85%	100.00%	100.00%
Hospital CUF Cascais, S.A. (c.)	Cascais	65.85%	100.00%	100.00%
Hospital CUF Coimbra, S.A. (d.)	Coimbra	65.85%	100.00%	100.00%
Hospital CUF Descobertas, S.A. (e.)	Oeiras	65.85%	100.00%	100.00%
Hospital CUF Santarém, S.A.	Oeiras	65.85%	100.00%	100.00%

Company	Registered office	31 dec 2023 % effective	31 dec 2023 % of control	31 dec 2022 % of control
Hospital CUF Porto S.A. (f.)	Oeiras	65.85%	100.00%	100.00%
Hospital CUF Trindade, S.A. (g.)	Carnaxide	-	-	100.00%
Hospital CUF Tejo, S.A. (h.)	Oeiras	65.85%	100.00%	100.00%
Hospital CUF Torres Vedras, S.A. (i.)	Oeiras	65.85%	100.00%	100.00%
Hospital CUF Viseu, S.A.	Viseu	65.85%	100.00%	100.00%
Clínica CUF Alvalade S.A.	Lisbon	65.85%	100.00%	100.00%
Clínica CUF Belém S.A. (j.)	Lisbon	63.48%	96.40%	62.81%
Clínica de Serviços Médicos Computorizados de Belém, S.A. (j.)	Lisbon	63.48%	96.40%	62.81%
Clínica Dr. Luís Álvares S.A.	Lisbon	65.85%	100.00%	100.00%
HD Medicina Nuclear, S.A.	Lisbon	46.09%	70.00%	70.00%
Ecografia de Cascais Lda.	Cascais	65.85%	100.00%	100.00%
CENES - Centro de Reprocessamento de Dispositivos Médicos, Lda.	Lisbon	65.85%	100.00%	100.00%
Centro Logístico CUF Unipessoal Lda.	Carnaxide	65.85%	100.00%	100.00%
SIM-X - Serviço de Imagem Médica, Lda.	Viseu	65.85%	100.00%	100.00%
Infrahealth – Gestão de Infraestruturas Unipessoal, Lda.	Oeiras	65.85%	100.00%	100.00%
SIMPLYGREEN - Investimentos Imobiliários, S.A.	Carnaxide	65.85%	100.00%	100.00%
Hospimob - Imobiliária, S.A.	Carnaxide	65.85%	100.00%	100.00%
Imo Health Cascais - Investimentos Imobiliários, S.A.	Carnaxide	65.85%	100.00%	100.00%
CUF – Investimentos Imobiliários, S.A.	Lisbon	65.85%	100.00%	100.00%
Digihealth, S.A.	Carnaxide	57.95%	88.00%	88.00%
Vigorous Proposal Lda. (a.)	Carnaxide	-	-	100.00%
Sagies - Segurança e Saúde no Trabalho, S.A.	Oeiras	65.85%	100.00%	100.00%
Atlanticare – Serviços de Saúde, S.A. (k.)	Porto	33.58%	51.00%	-
Cliave – Clínica do Vale do Ave, Lda. (k.)	Porto	18.14%	27.54%	-
Clínicas Expresso, Lda. (k.)	Porto	23.51%	35.70%	-
Expresso à Noite – Serviços de Médicos de Urgência, Lda. (k.)	Porto	25.71%	39.05%	-

Company	Registered office	31 dec 2023 % effective	31 dec 2023 % of control	31 dec 2022 % of control
Clínica Médico – Cirúrgica Nossa Senhora da Guia, Lda. (k.)	Porto	26.87%	40.80%	-
Medentine – Medicina Dentária, Lda. (k.)	Porto	28.55%	43.35%	-
José de Mello - Residências e Serviços, SGPS S.A. e subsidiárias ("Grupo JM Residências")	Lisbon	69.58%	69.58%	69.58%
S.P.S.I. - Sociedade Portuguesa de Serviços de Apoio e Assistência a Idosos S.A.	Lisbon	48.71%	70.00%	70.00%
Burkina - Sociedade Imobiliária, S.A.	Lisbon	48.71%	70.00%	70.00%
Real estate:				
José de Mello Imobiliária, SGPS, S.A. (JM Imobiliária) e subsidiárias ("Grupo JM Imobiliária")	Lisbon	100.00%	100.00%	100.00%
Comitur Imobiliária, S.A.	Lisbon	100.00%	100.00%	100.00%
Sociedade Imobiliária e Turística do Cojo, S.A.	Lisbon	100.00%	100.00%	100.00%
Herdade do Vale da Fonte – Sociedade Agrícola, Turística e Imobiliária S.A.	Sesimbra	66.67%	66.67%	66.67%
Chemical industry:				
Bondalti Capital, S.A. ("Bondalti") e subsidiárias ("Grupo Bondalti")	Lisbon	100.00%	100.00%	100.00%
Bondalti Chemicals, S.A. ("B. Chemicals")	Estarreja	100.00%	100.00%	100.00%
Renoeste - Valorização de Recursos Naturais, S.A.	Pombal	100.00%	100.00%	100.00%
Elnosa - Eletroquímica del Noroeste, S.A.	Pontevedra	100.00%	100.00%	100.00%
Nutriquim - Produtos Químicos, S.A.	Barreiro	100.00%	100.00%	100.00%
Bondalti Cantábria, S.A.	Torrelavega	100.00%	100.00%	100.00%
Miralcalis - Activos de Produção de Cloro, S.A.	Porto Salvo	100.00%	100.00%	100.00%
Innovnano Materiais Avançados, S.A.	Coimbra	100.00%	100.00%	100.00%
Dolopand - Investimentos Imobiliários e Turísticos, S.A.	Porto Salvo	100.00%	100.00%	100.00%
Bondalti Water Solutions, S.A.	Porto Salvo	100.00%	100.00%	100.00%
Bondalti H2, S.A. ("Bondalti H2")(l.)	Estarreja	100.00%	100.00%	-
Enkrott - Gestão e Tratamento de Águas, S.A.	Sintra	100.00%	100.00%	100.00%

Company	Registered office	31 dec 2023		31 dec 2022
		% effective	% of control	% of control
Enkrott Madeira - Gestão e Tratamento de Águas, Lda.	Funchal	100.00%	100.00%	100.00%
Enkrott África - Gestão e Tratamento de Águas, Lda.	Luanda	80.00%	80.00%	80.00%
Enkrott España, S.L.U.	Barcelona	100.00%	100.00%	100.00%
Grupo Aguas Alfaro, S.L.	Alfaro	100.00%	100.00%	100.00%
Agua, Energia y Medioambiente, Servicios Integrales, S.L.U.	Alfaro	100.00%	100.00%	100.00%
Laboratorios Alfaro, S.L.U.	Alfaro	100.00%	100.00%	100.00%
Aguas Rioja Medioambiente, S.L.U.	Alfaro	100.00%	100.00%	100.00%
Agua, Gestion y Tratamientos, Servicios Integrales, S.L.	Alfaro	100.00%	100.00%	100.00%
Lifthium Energy, S.A. (m.)	Lisbon	100.00%	100.00%	-
Wine: :				
JMCWSG, S.A. e subsidiárias (“WS Group”) (n.)	Lisbon	100.00%	100.00%	100.00%
Quinta do Côtto Vinhos, Unipessoal Lda. (n.)	Lisbon	100.00%	100.00%	-
Quinta do Retiro Novo, Unipessoal Lda. (n.)	Lisbon	100.00%	100.00%	-
Ravasqueira Vinhos, S.A. (n.)	Arraiolos	100.00%	100.00%	-
Ravasqueira Bio, Unipessoal Lda. (n.)	Arraiolos	100.00%	100.00%	-

(a.) These entities were liquidated during financial year ended 31 December 2023.

(b.) The CUF Group completed, on 24 March 2023, the acquisition of 100% of HIA - Hospital Internacional dos Açores, S.A.'s share capital; in September 2023, the company changed its company name to Hospital CUF Açores, S.A..

(c.) The activity of this company includes the management of Hospital CUF Cascais, Clínica CUF São Domingos de Rana, Clínica CUF Nova SBE and Hospital CUF Sintra.

(d.) The activity of this company includes the management of Hospital CUF Coimbra and Clínica CUF Leiria, which opening occurred in January 2023.

(e.) The activity of this company includes the management of Hospital CF Descobertas and Clínica CUF Montijo, which opening to the public occurred on 5 December 2022.

(f.) The activity of this company includes the management of Hospital CUF Porto, Hospital CUF Trindade and Clínica CUF São João da Madeira.

(g.) On 7 October 2022, Hospital CUF Porto, S.A. and Celestial Ordem Terceira da Santíssima Trindade signed a share purchase and sale agreement for the acquisition of 53.22% of the shares representing the share capital of Hospital CUF Trindade, S.A. (previously named Hospital da Ordem da Trindade, S.A.) for approximately Euros 3.8 million, with the Group, on the referred date, coming to control the entire share capital and the operations of that entity. Hospital CUF Trindade started its activity on 12 October 2022 and, in December 2023, same was subject to a merger by incorporation into Hospital CUF Porto, S.A., with accounting and tax effects as from 1 January 2023.

(h.) The activity of this company includes the management of Hospital CUF Tejo, Clínica CUF Miraflores, Clínica CUF Almada and Clínica CUF Barreiro, the last being acquired in October 2023 and coming to integrate the CUF brand in February 2024. It also includes the home services activity carried out by the CUF Group.

(i.) The activity of this company includes the management of Hospital CUF Torres Vedras and Clínica CUF Mafra.

(j.) In November and December 2023, CUF entered share purchase and sale contracts for the acquisition of non-controlling interests in shares representing the share capital of Clínica CUF Belém and, indirectly, of Clínica de Serviços Médicos Computorizados de Belém, S.A., previously held by Montepio Geral, Mundinter and other shareholders, for the amount of approximately Euros 2.9 million.

(k.) In June 2023, an acquisition agreement was signed between CUF and Atlanticare – Serviços de Saúde, S.A. (“ATL”), in which ATL's shareholders sold to CUF 51% of the share capital of the company. ATL is a shareholder of five companies, which form the Atlanticare Group, and is engaged in providing occupational healthcare, safety and hygiene services.

(l.) In May 2023, the company Bondalti H2, S.A. was incorporated with the aim of leading the H2 Enable project which consists of building an infrastructure for the production of green hydrogen.

(m.) Lifthium Energy, S.A. (“Lifthium”) was incorporated on 29 May 2023 and its corporate object is the large-scale refining activity of green lithium and the development of an innovative refining ecosystem. Lifthium was conceived after strategic reflection on the part of José de Mello Group and Bondalti, in which the potential for green lithium refining was identified, taking advantage of Bondalti's strong knowledge in implementing this process in the chlor-alkali sector. In this way, Lifthium aims to become a global reference in sustainable lithium refining, a plan supported by extensive experience in the chemical industry. On 31 December 2023, the capital of Lifthium is held in 85% by José de Mello Capital, S.A. and in 15% by Bondalti Capital S.A..

(n.) On 16 March 2023, Tecnocapital, SGPS, S.A. (“Tecnocapital”) changed its company name to JMCWSG, S.A. (“JMCWSG”), thus becoming the holding company for the wine sector, having, to this end, acquired from JM Capital (holding JM Capital had acquired in January 2023) Ravasqueira Vinhos, S.A. and subsequently, in the second half of the year, having acquired a set of assets (estates), in order to increase its portfolio, its relevance in the market and, at the same time, enhance the efficiency of its operations. JMCWSG is a shareholder, directly or indirectly, of four companies operating in the wine sector, which form the WS Group.

4.2 ASSOCIATED COMPANIES

The associated companies recorded using the equity method, in financial years ended 31 December 2023 and 2022, are as follows:

Company	Registered office	31 dec 2023 % effective	31 dec 2023 % of control	31 dec 2022 % of control
MGICAPITAL - Sistemas de Gestão, S.A.	Lisbon	50.00%	50.00%	50.00%
Rubicone Bidco, S.A. ("Rubicone") (a.)	Lisbon	16.73%	16.73%	17.10%
Centro Gamma Knife - Radiocirurgia, S.A.	Lisbon	22.39%	34.00%	34.00%
Greenimolis - Investimentos, S.A.	Carnaxide	32.93%	50.00%	50.00%
A.Q.P. - Aliada Química de Portugal, Lda.	Estarreja	49.90%	49.90%	49.90%
Enkrott Química Cabo Verde (b.)	Cidade da Praia	50.00%	50.00%	50.00%

(a.) In February 2023, Rubicone increased its share capital, through new contributions in kind, issuing 132 195 new shares, fully subscribed by the majority shareholder, such that JM Investimentos' interest decreased to 16.73%.

(b.) The company Enkrott Química Cabo Verde has been practically dormant over the last few years.

5. CHANGES IN CONSOLIDATION PERIMETER AND BUSINESS COMBINATIONS

The main changes in the consolidation perimeter, in financial years ended 31 December de 2023 and 2022, mainly concern:

5.1 INCOMING IN 2023

Subsidiary	Registered office	Acquisition date	Percentage held effective	Percentage held control
Hospital CUF Açores, S.A.	S.Miguel	mar/23	65.85%	100.00%
Atlanticare – Serviços de Saúde, S.A.	Porto	jun/23	33.58%	51.00%
Ravasqueira Vinhos, S.A. ("RAVV")	Arraiolos	jan/23	100.00%	100.00%

In October 2022, an agreement in principle was signed with the shareholders of HIA - Hospital Internacional dos Açores, S.A., to acquire the entire share capital of that hospital unit, located in the municipality of Lagoa, in São Miguel, and the respective transaction was completed on 24 March 2023. It should be noted that in September 2023, the company changed its company name to Hospital CUF Açores, S.A..

In June 2023, an acquisition agreement was signed between CUF and the shareholders of Atlanticare – Serviços de Saúde, S.A. ("ATL"), according to which its shareholders sold to CUF 51% of the share capital of ATL for Euros 3.32 million, including 51% of the shareholder loans made to ATL, in the amount of Euros 87 thousand, generating goodwill in the amount of Euros 3.2 million. ATL is a shareholder of five companies that form the Atlanticare Group and provides occupational healthcare, safety and hygiene services.

In January 2023, as part of the implementation of a Strategic Plan for the development of its activities in the wine sector, the Group acquired the entire share capital of RAVV.

As of the acquisition date, the fair value of the assets and liabilities acquired was as follows:

	Hospital CUF Açores, S.A.	Atlanticare – Serviços de Saúde, S.A.	Ravasqueira Vinhos, S.A.	Total
Net assets acquired:				
Intangible assets	197 110	2 131	152 032	351 273
Right-of-use assets	604 707	904 416	-	1 509 123
Tangible fixed assets	31 288 993	1 082 958	4 390 417	36 762 368
Financial assets available for sale	74 350	40 108	40 266	154 725
Deferred tax assets	952 822	-	-	952 822
Inventories	513 931	21 991	8 633 388	9 169 310
Customers and advances to suppliers	527 599	1 749 403	6 605 225	8 882 227
State and other public entities	-	18 055	504 074	522 130
Other debtors	320 724	454 898	2 250 816	3 026 437
Other assets	591 624	1 015 082	66 424	1 673 130
Cash and cash equivalents	475 445	203 618	1 586 139	2 265 202
Loans	(20 499 866)	(1 391 632)	(7 358 371)	(29 249 868)
Lease liabilities	(598 138)	(1 179 129)	-	(1 777 267)
Provisions	-	-	(883 540)	(883 540)
Suppliers and advances from customers	(670 970)	(1 751 509)	(3 588 641)	(6 011 120)
State and other public entities	(132 102)	(184 227)	(745 348)	(1 061 676)
Other liabilities	(12 141 372)	(757 945)	(1 185 074)	(14 084 391)
Other creditors	(4 041 279)	(240 422)	(4 650)	(4 286 351)
Equity acquired	(2 536 422)	(12 203)	10 463 158	7 914 533
Holding percentage	100.00%	100.00%	100.00%	
Goodwill (Note 18)	11 333 705	3 245 503	8 436 842	23 016 051
Acquisition cost	8 797 283	3 233 300	18 900 000	30 930 583

The Group acquired control of Hospital CUF Açores, S.A. in April 2023 and of ATL in October 2023. Therefore, the results included in the consolidation comprise the period of nine months and three months, respectively, following the dates of the aforementioned transactions. The acquisition of control of RAVV occurred in January 2023, so the results included in the consolidation cover the period of twelve months.

5.2 INCOMING IN 2022

Subsidiary	Registered office	Acquisition date	Percentage held	
			effective	control
Vigorous Proposal, Lda.	Lisbon	jul/22	65.85%	100.00%
Hospital CUF Trindade, S.A.	Carnaxide	oct/22	65.85%	100.00%

On 29 July 2022, the Group acquired 100% of the share capital of Vigorous Proposal, Lda., an entity which company object is the purchase and sale of real estate.

On 7 October 2022, the Group acquired 53.22% of the shares representing the share capital of Hospital CUF Trindade, S.A., coming to control the operations of that entity on that date.

The entry of these entities into the consolidation perimeter had the following impact on these consolidated financial statements:

	Vigorous Proposal, Lda.	Hospital CUF Trindade, S.A.	Total
Net assets acquired:			
Intangible assets	-	147 835	147 835
Right-of-use assets	-	610 714	610 714
Tangible fixed assets	-	2 574 415	2 574 415
Financial assets available for sale	-	17 366	17 366
Inventories	-	4 354	4 354
Customers and advances to suppliers	-	1 001 100	1 001 100
Other debtors	35	6 884	6 919
Other assets	-	325 496	325 496
Cash and cash equivalents	-	90 993	90 993
Lease liabilities	-	(594 600)	(594 600)
Provisions	-	(6 800)	(6 800)
Suppliers and advances from customers	-	(795 745)	(795 745)
State and other public entities	-	(28 111)	(28 111)
Other liabilities	-	(7 232 430)	(7 232 430)
Other creditors	(35)	(129 878)	(129 878)
Equity acquired	-	(4 008 409)	(4 008 374)
Holding percentage	100.00%	100.00%	
Goodwill (Note 18)	-	9 894 551	9 894 551
Acquisition cost	5 000	5 886 142	5 891 142
Settled through monetary means (Note 43)	5 000	2 189 160	2 194 160
Amount outstanding (Note 40)	-	1 504 781	1 504 781

The results included in the consolidated income statement only comprise the results generated in the periods occurring after the dates of these transactions, respectively, five and three months.

5.3 OTHER OPERATIONS

Rubicone Bidco

On 13 October 2020, JM Investimentos, Tagus and Arcus European Infrastructure Fund GP LLP sold 90 208 089, 243 497 061 and 114 557 795 shares representative of the share capital of Brisa – Auto-Estradas de Portugal, S.A. ("Brisa"), respectively, to the company Rubicone Bidco, S.A. ("Rubicone"), indirectly held by a consortium of international investors. Within the scope of the sale agreement, JM Investimentos remained the reference shareholder of Brisa with a stake of around 15.41%, to which corresponded 16.73% of the voting rights, with Brisa being considered an associated company in which the Group exercised a significant influence, since its vote was required in strategic and financial decisions.

On 21 January 2021, Brisa extinguished all its 47 352 614 treasury shares, with JM Investimentos' shareholding changing to 16.73% of Brisa's capital and that of Rubicone to 81.11%.

During the 2022 financial year, JM Investimentos and Rubicone considered it strategically important to concentrate their holdings in the share capital of Brisa in a common vehicle – Rubicone – whereby, in November 2022, JM Investimentos came to hold 17.1% of the share capital of Rubicone and ancillary capital contributions (subject to the regime provided for in article 213(1) of the CCC), in exchange for the Brisa shares it held, as well as a significant influence in Rubicone.

On 29 December 2022, Rubicone resorted to a right of squeeze-out legal action and purchased the remaining Brisa shares from minority shareholders, thus becoming the holder of 100% of Brisa's share capital.

As mentioned in Note 4.2., in February 2023 Rubicone carried out a capital increase fully subscribed by its majority shareholder, so that, on 31 December 2023, JM Investimentos' stake in this company is 16.73%.

Digihealth and Haspac

The Ministry of Health terminated the concession contract with the company Hospital Amadora Sintra – Sociedade Gestora, S.A. ("HAS"), currently named Digihealth, S.A. ("Digihealth"), on 6 November 2007. This company had managed Hospital Prof. Dr. Fernando Fonseca EPE. The transfer of management took effect from 1 January 2009. For this reason, this activity was discontinued. Consequently, the activity of another company of the Group (directly owned by Digihealth), HASPAC – Patologia Clínica, S.A. ("Haspac"), which operated the Clinical Pathology Department of Digihealth on an exclusive basis, was also discontinued.

On 12 December 2012, the arbitration court, in the ongoing arbitration process, issued a ruling ordering the Administração Regional de Saúde de Lisboa e Vale do Tejo, I.P. ("ARSLVT") to pay Digihealth the sum of Euros 18 123 526, as compensation for the termination of the concession contract. Although ordered and given notice to pay, ARSLVT never paid the ordered amount. ARSLVT filed an action to annul the arbitration ruling in the South Administrative Central Court and the decision is still pending.

At the end of the first quarter of 2014, Digihealth noted that the efforts put into collecting from the ARSLVT were not producing the desired outcome. Therefore, and with the aim of paying off, even if only partially, the liabilities contracted with its creditors, Digihealth sounded out the market and managed to find an entity, Finanfarma – Sociedade de Factoring, S.A., a company controlled by a related entity, willing to sign a factoring contract and to pay a very large sum for the acquisition of Digihealth's credit over ARSLVT, expressly envisaging the possibility of appealing to the Special Revitalisation Process ("PER"). The strategy advocated by Digihealth merited the agreement of a large majority of creditors (74.46%), representative of its liabilities. On 1 August 2014, Digihealth filed the PER process, obtaining approval from 84% of the creditors, which was subsequently ratified by the Commercial Court of Lisbon on 5 March 2015.

Even though it had obtained support from different creditors (47.98%) representative of Haspac's liabilities, the truth is that it was not possible to achieve the qualified majority of 67% that would enable entering a creditor arrangement. In this context, Haspac's Board was forced to submit a voluntary insolvency request to the Tribunal da Comarca de Lisboa Oeste, having been declared insolvent on 19 February 2015, with the respective Insolvency Administrator being appointed.

As in previous accounting periods, CUF Group considered that there is no effective control of the Haspac subsidiary, which is being managed by an Insolvency Administrator and, as such, it was excluded from the consolidation scope.

Regarding the subsidiary currently known as Digihealth, the Board of Directors carried out its activity in accordance with the context and commitments taken on with the creditors, namely the Special Revitalisation Process (PER). This process limits the Board's actions to the realisation of assets for the sole purpose of settling liabilities related to creditors recognised within the scope of the PER.

Nevertheless, after the final and unappealable decision on the PER, Digihealth remained in activity, with a new company object, a change materialised at the Shareholders' General Meeting. Digihealth began redirecting its activity (company object) to a new sector, which will enable it to generate income over the coming years. Except for the use of the contingent assets that may be recovered, which will be used to settle the liabilities that materialise in respect of the part of those contingent assets that are effectively recovered, the Group understands that it has effective control over said entity, as well as the power and capacity to use that power to affect the value of the results of the new activity.

Discontinued operations

The contracts for the management and operation of the Braga and Vila Franca de Xira hospital establishments ended on 31 August 2019 and 31 May 2021, respectively.

During financial years 2023 and 2022, the economic operations associated with these contracts were fundamentally related to the management of the transfer process of the two hospitals to the State and the management of customers and suppliers and of the respective accounts receivable and payable. The activity included the monitoring of the ongoing litigation with the State as a result of the development of those activities.

As provided for by IFRS 5, the consolidated income statement for financial years ended 31 December 2023 and 2022 reflects in a single caption (net profit from discontinued operations), the net profit, after tax, of this discontinued operating unit.

In financial years ended 31 December 2023 and 2022, the net profit / (loss) from discontinued operations were as follows:

	31 dec 2023	31 dec 2022
Operating income:		
Sales and services rendered	-	44 189
Other operating income	294 806	570 063
Total operating income	294 806	614 252
Operating expenses:		
Cost of sales	(168 343)	(276 956)
External supplies and services	(51 651)	(183 071)
Staff expenses	(65 642)	(109 465)
Amortisation and depreciation	(142)	(4 375)
Provisions and impairment losses	(1 651 926)	1 218 737
Other operating expenses	(32 132)	(230 198)
Total operating expenses	(1 969 836)	414 672
Operating results	(1 675 030)	1 028 924
Financial income	-	371
Financial results	-	371
Pre-tax profit / (loss)	(1 675 030)	1 029 295
Income tax	-	(89)
Net profit / (loss) for the financial year from discontinued operations	(1 675 030)	1 029 205

In the 2023 financial year, the Court of Appeal decided to request a repeat of the judgement in the Arbitration Court ("AC") to analyse evidence not analysed in the judgement of the Subsystems and Hepatitis C case, in relation to the activity of providing public healthcare services carried out by the entity Escala Braga (subsequently merged into CUF, S.A.). As a result, and under the AC's decision, the Group reimbursed the amount of Euros 1.6 million, previously settled by the Administração Regional de Saúde do Norte ("ARSN") (Northern Regional Health Administration). Given the framework described, the Group set up an account receivable and a provision in the same amount (Note 27 (c.) and Note 39.3 (f.))

6. BUSINESS SEGMENTS

As recommended in IFRS 8, the Group presents the operating segments based on the internal management information model. The identification of the Group's reporting segments is consistent with the manner in which the Board of Directors allocates resources to the segments, evaluates their performance, makes strategic decisions and controls the businesses.

Thus, the Group presents the following reporting segments:

- Healthcare (includes Residences);
- Chemical industry;
- Wine
- Other (including Shared services, Real estate and Other services).

The "Healthcare" segment includes the CUF and JM Residences Groups. CUF Group's main activity is healthcare provision in the following areas: i) Private healthcare provision, through the operation of eleven hospitals, twelve outpatient clinics and four clinical imaging units; ii) Real estate and infrastructure sector, which includes five entities the company object of which is the purchase, sale, management and leasing of healthcare infrastructures, commercial spaces and car parks; iii) Occupational medicine which includes both the units that provide occupational healthcare, safety and hygiene services as well as units that provide personalised healthcare at home; and iv) Provision, besides the management of shareholdings, of management, training, accounting, consultancy, cleaning and maintenance, renting of equipment and of negotiation and procurement services. The Public Services Provision area, previously carried out by the CUF Group, was considered a discontinued operation. The JM Residences Group, in close articulation with the CUF Group, focuses its activity on developing residential solutions for the elderly and on orthopaedic, geriatric and neurological recovery and rehabilitation programmes, through the management and operation of two residential units.

The "Chemical Industry" segment is composed of the Bondalti Group, an industrial chemical producer that operates in three areas: i) Chemicals, with production and sale of industrial chemical products in the organic (aniline and derivatives) and inorganic (chlor-alkali) segments; ii) Real Estate, with purchase and sale of real estate; and iii) Water treatment and recycling for human and industrial consumption, with production and sale of products and technologies for residual water treatment. This segment also includes the contribution of Lifthium, which has as its object the refining of lithium using electrolysis, taking advantage of the Bondalti Group's knowledge and experience in the chlor-alkali sector.

The "Wine" segment is Grupo José de Mello's most recent business platform, which reinforces its business activity in the wine sector by bringing together wines and estates in a single portfolio, having used for this purpose a company (inactive) that was part of the its consolidation perimeter – Tecnocapital – and, subsequently, in addition to acquiring, in January 2023, Ravasqueira Vinhos, it acquired a set of assets (estates). Thus, this segment comprises, in addition to the holding company, 4 entities dedicated to the wine-growing exploration of properties, wine-growing activities, bottling and marketing of wines and, also, the tourist use of these activities (enotourism).

The “Other” segment includes entities which activities range from consulting and accounting services, centralised procurement services for goods and services, and real estate activities (promotion and management of real estate and tourism investments).

The results of each segment (after excluding intersegment transactions) for financial years ended 31 December 2023 and 2022, were as follows:

	31 dec 2023					
	Healthcare	Chemical industry	Wine	Other	Eliminations	Consolidated
Sales and services rendered	755 514 279	503 630 414	23 309 435	5 761 309	(1 319 592)	1 286 895 844
Other operating income	12 640 501	19 767 429	1 034 773	74 859 032	(7 372)	108 294 363
Other operating expenses	(694 692 261)	(456 410 324)	(21 901 597)	(97 176 117)	1 363 864	(1 268 816 434)
Operating results of the segment	73 462 520	66 987 518	2 442 611	(16 555 776)	36 900	126 373 773
Financial expenses	(29 984 828)	(3 406 850)	(347 044)	(19 078 934)	3 533 862	(49 283 794)
Financial income	1 217 593	3 920 246	15 234	2 728 761	(3 570 762)	4 311 072
Gains / (Losses) from associated companies	133 861	439 830	-	38 708 672	-	39 282 363
Gains / (Losses) from investing activities	156 931	1 358	1 278	53 466	-	213 033
Financial results	(28 476 442)	954 584	(330 532)	22 411 966	(36 900)	(5 477 325)
Pre-tax profit	44 986 078	67 942 102	2 112 078	5 856 190	-	120 896 448
Income tax	(5 141 353)	(18 302 397)	(439 387)	12 860 588	-	(11 022 548)
Net profit / (loss) from discontinued operations	(1 675 266)	-	-	-	-	(1 675 266)
Non-controlling interests	(13 229 707)	160 792	-	15 359	-	(13 053 556)
Consolidated net profit	24 939 751	49 800 497	1 672 692	1	-	95 145 077

	31 dec 2022					
	Healthcare	Chemical industry	Wine	Other	Eliminations	Consolidated
Sales and services rendered	637 704 321	595 072 827	-	2 732 400	(773 322)	1 234 736 225
Other operating income	10 418 079	13 990 274	-	3 375 340	(5 124)	27 778 569
Other operating expenses	(590 795 793)	(528 668 043)	-	(19 141 246)	793 446	(1 137 811 635)
Operating results of the segment	57 326 607	80 395 058	-	(13 033 506)	15 000	124 703 159
Financial expenses	(17 931 195)	(14 520 667)	-	(10 251 387)	683 655	(42 019 594)
Financial income	1 150 226	1 715 266	-	1 029 574	(698 655)	3 196 411
Gains / (Losses) from associated companies	(669 801)	132 803	-	35 291 722	-	34 754 724
Gains / (Losses) from investing activities	(87 084)	(38 600)	-	72 436	-	(53 249)
Financial results	(17 537 854)	(12 711 198)	-	26 142 345	(15 000)	(4 121 708)
Pre-tax profit	39 788 753	67 683 859	-	13 108 839	-	120 581 451
Income tax	(6 717 606)	(15 858 185)	-	5 142 392	-	(17 433 399)
Net profit / (loss) from discontinued operations	1 029 205	-	-	-	-	1 029 205
Non-controlling interests	(11 698 141)	(31 863)	-	11 852	-	(11 718 151)
Consolidated net profit	22 402 212	51 793 811	-	18 263 084	-	92 459 106

Intersegment transactions are carried out at market prices, on a similar base to third-party transactions.

The accounting policies in the various segments are consistent with the Group's policies.

The segments' assets and liabilities and their corresponding reconciliation with the consolidated total, on 31 December 2023 and 2022, were as follows:

31 dec 2023

	Healthcare	Chemical industry	Wine	Other	Eliminations	Consolidated
Goodwill	71 810 723	23 472 148	8 436 842	574 808 525	-	678 528 237
Intangible assets	34 228 737	9 543 734	2 701 823	143 889	-	46 618 184
Right-of-use assets	94 531 377	20 307 436	-	526 433	-	115 365 246
Tangible fixed assets	588 561 372	134 992 614	11 007 486	24 436 470	-	758 997 942
Customers and advances to suppliers	87 340 201	58 448 036	8 335 344	519 350	(384 930)	154 258 002
Cash and cash equivalents	62 337 282	60 765 801	2 605 396	109 696 440	-	235 404 919
Other assets	82 478 739	135 561 347	14 622 154	487 581 155	(238 194 828)	482 048 567
Segment assets	1 021 288 432	443 091 116	47 709 046	1 197 712 262	(238 579 758)	2 471 221 097
Loans and lease liabilities	571 853 093	105 753 182	8 490 449	333 615 158	(63 722 447)	955 989 435
Suppliers and advances from customers	93 499 626	69 135 610	4 191 776	1 137 417	(319 611)	167 644 817
Other liabilities	139 251 795	77 990 776	3 810 731	39 596 068	(33 654 982)	226 994 388
Segment liabilities	804 604 514	252 879 568	16 492 956	374 348 642	(97 697 040)	1 350 628 641

31 dec 2022

	Healthcare	Chemical industry	Wine	Other	Eliminations	Consolidated
Goodwill	57 230 053	23 281 599	-	574 808 525	-	655 320 177
Intangible assets	26 371 641	7 001 499	-	181 002	-	33 554 142
Right-of-use assets	77 540 886	3 621 635	-	531 941	-	81 694 462
Tangible fixed assets	529 194 705	124 495 370	-	24 258 646	-	677 948 722
Customers and advances to suppliers	86 847 175	73 630 595	-	507 952	(113 408)	160 872 313
Cash and cash equivalents	46 874 782	35 626 885	-	58 071 127	-	140 572 794
Other assets	87 569 669	71 601 312	-	728 891 168	(155 049 201)	733 012 948
Segment assets	911 628 911	339 258 895	-	1 387 250 362	(155 162 610)	2 482 975 558
Loans and lease liabilities	536 540 691	108 093 718	-	413 281 043	-	1 057 915 453
Suppliers and advances from customers	86 205 715	67 678 418	-	1 161 731	(66 586)	154 979 279
Other liabilities	110 300 134	46 694 880	-	195 086 022	(119 163 077)	232 917 960
Segment liabilities	733 046 540	222 467 017	-	609 528 797	(119 229 663)	1 445 812 691

Relevant additional information in terms of segmental reporting, is as follows:

31 dec 2023	Healthcare	Chemical industry	Wine	Other	Eliminations	Consolidated
Capital expenditure	75 170 630	36 390 376	9 748 384	883 523	-	122 192 911
Amortisation and depreciation	(49 429 967)	(26 414 851)	(580 188)	(719 319)	-	(77 144 326)
Provisions and impairment losses	(2 717 238)	(924 383)	-	(72 927 683)	-	(76 569 304)

31 dec 2022	Healthcare	Chemical industry	Wine	Other	Eliminations	Consolidated
Capital expenditure	58 730 750	17 822 218	-	790 475	-	77 343 443
Amortisation and depreciation	(41 674 383)	(23 699 743)	-	(708 360)	-	(66 082 487)
Provisions and impairment losses	(4 868 573)	(641 504)	-	(2 878 186)	-	(8 388 264)

7. REVENUE

In financial years ended 31 December 2023 and 2022, sales and services rendered were as follows:

	31 dec 2023	31 dec 2022
Sales:		
Finished and semi-finished products	492 786 063	542 783 627
Goods	50 586 490	52 915 488
By-products and waste	236 467	264 492
Other	(3 542 036)	4 013 697
Discounts and returns	(25 795 068)	(18 597 320)
	514 271 915	581 379 985
Services rendered:		
Clinical and hospital activity	729 831 720	617 621 465
Water management and treatment	11 898 692	10 816 139
Occupational healthcare, safety and hygiene	11 487 467	7 306 797
Support and assistance services	8 019 799	7 274 149
Parking	5 678 296	4 922 589
Performance Fee	2 703 240	1 277 089
Accounting and management support services	2 664 698	3 670 004
Rents	252 892	234 117
Training	6 971	7 467
Other	80 154	226 424
	772 623 929	653 356 241
	1 286 895 844	1 234 736 225

Sales

Sales in the 2022 financial year reflected a significant volume of quantities sold, but also an increase in prices, the mechanism of which is indexed to the market value of several raw materials, which in 2022 reached historic highs. In 2023, despite the increase in the quantities produced, the raw material prices decrease considerably, when compared to the previous year, which led to the sales amounts being lower. On the contrary, and due to the inclusion of the activities of the WS Group, sales of finished and semi-finished products increased by Euros 23 million, through the contribution of the wine sales.

Services rendered

The 2023 financial year shows an increase in the CUF Group's clinical and hospital activity compared to the previous year, with more surgeries being carried out and a greater influx to emergency services, as well as strong growth in some areas such as Orthopaedics and Urology. On the other hand, the expansion of the activity through the acquisition of new hospitals and clinics (Hospital CUF Açores and Atlanticare) also justify the increase in this caption.

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8. OTHER OPERATING INCOME

Other operating income in financial years ended 31 December 2023 and 2022 has the following breakdown:

	31 dec 2023	31 dec 2022
Support regarding the provision of regulation reserve band services (a.)	11 543 000	-
Indemnities and Compensations received (b.)	2 998 416	367 826
Subsidies	2 883 477	1 195 200
Use of CO_2 emission rights (c.)	2 123 603	2 047 761
Assignment of space and materials (d.)	1 587 119	976 842
Debt recovery (e.)	1 186 559	49 719
Operational exchange differences (f.)	886 327	1 144 352
Assignment of exploration and use of assets	807 824	1 394 040
Inventory gains	570 196	1 433
Tests, exams, clinical analyses and consumables	477 660	435 692
Equipment rental	408 767	379 190
CO_2 licenses (g.)	337 000	317 000
Own works for the company	316 982	315 042
Contractual and cash payment discounts	219 908	230 601
Transport of patients	213 047	-
Regularisation of balances and estimates	174 975	430 689
Gains obtained on the sale of assets (h.)	61 176	5 425 989
Gains from the sale of CO_2 emission rights	-	688 019
VAT reimbursements	-	734 854
Management support services	-	591 000
Other operating and supplementary income	5 519 406	3 970 346
	32 315 442	20 695 595

(a.) This caption considers support regarding the provision of the Regulation Reserve Band service in the amount of Euros 11.5 million. In previous years, this support had different characteristics, being called the “Interruptibility Mechanism” and was considered under the caption External supplies and services, deducted from electricity expenses (Note 11 (e.)). In 2022 the amount was around Euros 4.9 million.

(b.) In the 2023 financial year, this caption refers to the result, net of expenses incurred in previous years, of the judicial conciliation of two cases involving an investee of the Group, which has since been dissolved.

(c.) The gains from the use of emission rights refer to the imputation of the subsidy granted by the Fundo Português de Carbono (Portuguese Carbon Fund), for the reduction of CO_2 emissions (Note 47).

(d.) The caption Assignment of space and materials includes, essentially, the amounts related to the operation of car parks and cafeteria areas of the Group's hospital units.

(e.) In the 2023 financial year, the Debt recovery caption includes the amount of Euros 1.2 million for which impairment losses had been recorded and whose respective accounts receivable and accumulated impairment losses had been derecognised in previous financial years.

(f.) The operational exchange differences recorded in financial years ended 31 December 2023 and 2022, result exclusively from the exchange rate fluctuations of the US Dollar against the Euro and arise from the acquisition of raw materials.

(g.) On 31 December 2023 and 2022, this caption is related to the handover of CO_2 Licenses to a partner and the return of amounts paid in excess in previous years by an ACE (joint venture) in which the Group participates.

(h.) This caption includes accounting gains obtained on the disposal of Investment properties (Note 22) and Tangible fixed assets (Note 21).

9. COST OF SALES

During financial years ended 31 December 2023 and 2022, the cost of the sales was determined as follows:

	31 dec 2023	31 dec 2022
Opening balance (Note 29)	51 473 807	41 209 273
Change in perimeter:		
- incoming (Note 5)	1 130 590	-

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	31 dec 2023	31 dec 2022
Inventory regularisations	(16 057 116)	805 303
Transfer of Investment properties (Note 22)	-	4 121 750
Discontinued operations	(168 343)	(276 956)
Purchases	402 915 943	444 481 384
Cost of sales	(388 760 287)	(438 866 947)
Closing balance (Note 29)	50 534 593	51 473 807

10. VARIATION IN PRODUCTION

During financial years ended 31 December 2023 and 2022, the variation in production was determined as follows:

	31 dec 2023	31 dec 2022
Opening inventories (Note 29)	11 536 062	6 148 340
Inventory regularisations	12 540 205	(399 188)
Change in perimeter:		
- incoming (Note 5)	7 502 811	-
Closing inventories (Note 29)	(18 530 221)	(11 536 062)
	(13 048 857)	5 786 910

11. EXTERNAL SUPPLIES AND SERVICES

In financial years ended 31 December 2023 and 2022, the external supplies and services have the following composition:

	31 dec 2023	31 dec 2022
Fees (a.)	232 324 518	196 580 554
Specialised work (b.)	44 822 324	34 732 029
Subcontracts (c.)	36 261 948	30 285 369
Transport of staff and goods (d.)	29 967 206	27 134 424
Repairs and maintenance	29 552 697	24 784 481
Electricity (e.)	22 368 465	51 270 649
Fuel	11 407 123	11 231 965
Rents	5 702 007	5 318 058
Advertising	5 339 528	4 160 227
Insurance	4 543 640	4 062 721
Communication	3 502 481	3 379 693
Travel and accommodation	3 266 032	1 853 708
Water	3 176 634	2 790 257
Waste collection	1 204 343	1 056 873
Office consumables	986 778	656 869
Tools and utensils	923 779	632 314
Vigilance and security	842 575	793 852
Cleaning, hygiene and comfort	768 839	592 212
Litigation and notarial fees	400 524	361 247
Operational services and consumables	287 506	353 230
Commissions	249 437	30 648
Other supplies and services	2 502 138	1 998 545
	440 400 522	404 059 925

The caption External supplies and services recorded a change of around 9% compared to the previous financial year, which is essentially justified by the increase in Turnover of 4%.

(a.) The caption Fees, which on 31 December 2023 represents 53% of the total external supplies and services, includes, essentially, the amounts paid to healthcare professionals (doctors, nurses, diagnostic technicians and assistants) of the different clinical and hospital units of the CUF Group.

(b.) The caption Specialised work includes Clinical work, Outsourcing of information systems, Consultancy (related to new projects) and Administrative technical assistance.

(c.) The Subcontracts caption includes, essentially, the contracting of specific services such as (i) Catering, (ii) Cleaning, (iii) Transport of patients, (iv) External bottling, (v) Subcontracting of collaborators, and (vi) Complementary diagnostic and therapeutic resources (Meios complementares de diagnóstico e terapêutica ("MCDT")).

(d.) During the 2023 financial year, the increase in sales and the rise in transport expenses, driven by the increase in fuel prices, led to an increase in the caption Transport of staff and goods.

(e.) During the 2023 financial year, in the Bondalti Group, the following developments were observed: i) regulated network access tariffs ("TAR") reduced significantly; ii) the results of the auction for the regulation reserve band service were better than those of the homologous period; and iii) in contracts, electrical energy market values were lower, with a favourable average impact, in the part open to spot. These three components justify a reduction of more than Euros 20 million in electricity charges. Additionally, as a result of the reclassification of the amounts received relating to the "Interruptibility Mechanism", which are now considered in Other operating income (Note 8 (a.)), there was a decrease of around Euros 4.9 million in this caption.

Fees, Specialised work and Subcontracts are among the most relevant captions and are directly linked to Turnover. The degree to which the Group resorts to subcontracting and specialised work reflects the mix of the Group's businesses and of the segments in which they are carried out.

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12. STAFF EXPENSES

Staff expenses in financial years ended 31 December 2023 and 2022, were as follows:

	31 dec 2023	31 dec 2022
Remuneration of corporate bodies	16 828 306	12 601 072
Remuneration of staff	160 583 225	135 393 799
Mandatory social charges	39 692 971	34 034 582
Social action expenses	12 573 832	10 354 501
Insurance	6 953 752	5 903 874
Indemnities	1 629 040	1 549 281
Training	966 061	377 984
Assigned staff	528 342	4 446
Employee benefits	190 762	108 805
Other staff expenses	17 814 357	14 443 478
	257 760 648	214 771 822

The increase in staff expenses is essentially due to the increase in the number of employees. Additionally, and in order to address the impacts of the economic situation on the purchasing power of its employees, namely the inflation effect verified in 2023, the Group decided to increase salaries.

Other staff expenses include, but are not limited to, performance bonuses and medical care.

The number of employees working for the companies included in the consolidation perimeter by the full consolidation method in the years ended on those dates, by business segment, was as follows:

	31 dec 2023	31 dec 2022
Healthcare	7 284	6 693
Wine	77	-
Chemical industry	749	702
Other	98	93
	8 208	7 488

13. OTHER OPERATIONAL EXPENSES

The caption Other operating expenses in financial years ended 31 December 2023 and 2022, has the following breakdown:

	31 dec 2023	31 dec 2022
Direct and indirect taxes (a.)	5 721 008	4 855 189
Donations (b.)	2 681 499	2 098 495
Losses on the disposal and write-off of assets (c.)	1 665 997	43 425
Operational exchange differences (d.)	1 513 292	1 831 213
Membership fees	1 010 780	939 977
Inventory losses (e.)	996 170	-
Levies	759 995	510 282
Bad debts	40 071	530 256
Fines and contractual penalties	38 548	24 866
Inventory gifts and samples	16 384	506
Other	688 748	594 892
	15 132 490	11 429 101

(a.) The caption Direct and indirect taxes mainly reflect the amounts related to IMI (Municipal Property Tax), AIMI (Additional Municipal Property Tax) and Stamp Duty.

(b.) In financial years ended 31 December 2023 and 2022, the caption Donations includes, among other amounts handed over to social solidarity institutions, the amount of one million Euros donated to Universidade Católica Portuguesa (under a protocol celebrated between the Group and this educational institution) and Euros 500 thousand donated to the event "Jornada Mundial da Juventude" (World Youth Day), in both financial years.

(c.) In financial year ended 31 December 2023, the caption Losses on the disposal and write-off of assets refers, essentially, to the sale of land in Loulé.

(d.) In financial years ended 31 December 2023 and 2022, the Operational exchange differences result exclusively from exchange rate fluctuations between the US Dollar against the Euro and arise from raw material purchases.

(e.) The caption Inventory losses refers to losses recorded to regularise/correct inventories.

14. FINANCIAL RESULTS

The financial results for financial years ended 31 December 2023 and 2022 have the following composition:

	31 dec 2023	31 dec 2022
Financial expenses:		
Interest incurred (a.)	42 604 090	26 585 009
Commodity swaps – raw materials (b.)	-	10 612 574
Bank commissions and services	4 875 144	4 324 894
Factoring charges	1 688 141	468 334
Unfavourable exchange differences	3 975	1 768
Charges with issuance of bond loans	196	-
Other financial expenses	112 248	27 015
	49 283 794	42 019 594
Financial income:		
Interest earned	3 259 902	1 293 067
Rents from properties	143 094	218 952

	31 dec 2023	31 dec 2022
Commodity swaps – raw materials (b.)	-	1 293 847
Other financial income	908 076	390 544
	4 311 072	3 196 411
Gains / (losses) from associated companies:		
Application of the equity method	39 282 363	7 772 982
Other gains / (losses) from investments in associated companies	-	(79 482)
Gains / (Losses) on disposal of investments	-	27 061 224
	39 282 363	34 754 724
Gains / (Losses) from investing activities:		
Gains / (Losses) from financial instruments at fair value (c.)	178 611	(53 249)
Other gains / (losses) from investing activities	34 422	-
	213 033	(53 249)

(a.) The caption Interest incurred includes interest on Bank loans, Bond loans, Commercial paper, Secured current accounts, Other bank loans, Factoring, Leasing and Bank overdrafts.

(b.) On 31 December 2022, the Expenses and income from Commodity swaps – raw materials were related to non-speculative transactions to mitigate the impact of changes in commodity prices on the operational cash flows of B. Chemicals.

(c.) On 31 December 2023 and 2022, the detail of the Gains / (Losses) from financial instruments at fair value is as follows:

	31 dec 2023	31 dec 2022
Work Compensation Fund	127 086	(127 632)
Fundo Faber Tech II	12 654	74 383
Fundo Shilling Founders	38 871	-
	178 611	(53 249)

15. INCOME TAX

With effect from 2014, JM Capital and its domestic subsidiaries owned, directly or indirectly, in more than 75% have paid Corporate Income Tax under the Special Taxation Scheme for Groups of Companies; a further two groups co-exist under this scheme - the CUF Group and the SPSI Group, together with their respective domestic subsidiaries owned, directly or indirectly, in more than 75%. RETGS consists of the algebraic sum of the taxable income of all the undertakings included within the taxation perimeter, less the dividends distributed, on which the corporate income tax rate applies, plus the respective surcharges. The entities included in the RETGS assess and record income tax as if taxed on an individual basis; the tax payable estimate is recorded as due to the dominant company of each tax group, which is responsible for the overall assessment and payment of the tax. In relation to companies not included in the RETGS, current tax is calculated based on their respective taxable income, according to the rules and tax regimes applicable in the territory where the registered office of each company is located.

The Company and its subsidiaries domiciled in Portugal are subject to corporate income tax at the nominal tax rate of 21%; at the same time, from an individual perspective, Group companies are taxed at the nominal rate of 17% applicable to the first Euros 50 000 of taxable income (with activity and effective management in the hinterland, it is possible to apply a rate of 12.5%), if they qualify as a small and medium company or small-medium capitalisation company (Small Mid Cap), and at a nominal rate of 21%, above this limit, to which can be added the municipal surcharge at the maximum rate of 1.5% on the taxable income. Moreover, if applicable, a State surcharge of 3% is also payable on the excess of taxable income between Euros 1 500 000 and Euros 7 500 000, 5% between Euros 7 500 000 and Euros 35 000 000 and 9% over Euros 35 000 000. Pursuant to Article 88 of the Corporate Income Tax Code, the Group is also liable to autonomous taxation on a set of charges, at the rates set out in the referred Article.

The State Budget Law for 2023 ("SB 2023"), which came into force on 1 January, eliminated the temporal limitation on the deduction of tax losses in subsequent financial years, whether for tax losses calculated in the periods from 2023 onward, or for tax losses determined in previous periods and whose deduction period is still ongoing. Still within the scope of SB 2023, the annual limit for deduction from taxable income was reduced to 65% from 2023 onwards (instead of 70%, in force until that date). The deduction to be made in each tax period, limited, until 2022, to 70% of the respective taxable income, and, from 2023, to 65% of the respective taxable income, can be increased by 10 p.p. when the difference results from tax losses determined in the 2020 and 2021 tax periods, as provided for in Law No. 27-A/2022, of 24 July (2021 Supplementary Budget).

According to the legislation in force in Portugal, tax returns are subject to review and correction by the tax authorities for a period of four years (five years for Social Security), except when tax losses have occurred (in which case this is extended for a period of ten years), tax benefits have been granted, or inspections, complaints or challenges are underway, in which cases, depending on the circumstances, deadlines can be extended or suspended. Thus, the tax returns of the Company and its subsidiaries domiciled in Portugal from 2020 through 2023 may still be subject to review. The Board of Directors is of the opinion that any corrections to the taxable income assessed that might result from these reviews will not have a significant effect on the consolidated financial statements.

Income tax recognised in financial years ended 31 December 2023 and 2022, is as follows:

	31 dec 2023	31 dec 2022
Current tax:		
Relating to the current financial year	33 113 886	22 764 637
Tax estimate (excess) / shortfall of the previous financial year	(17 290 639)	(6 407 570)
	15 823 247	16 357 067
Deferred tax (Note 26)	(4 800 698)	1 076 332
Charge for the financial year	11 022 548	17 433 399

Temporary differences between the book values of assets and liabilities and the corresponding tax base were recognised in accordance with IAS 12 - Income taxes (Note 26).

16. DIVIDENDS

Following deliberation at the General Meeting of 30 May 2023, the Company distributed Retained earnings in an amount of Euros 6 610 000.

In relation to the current year, the Board of Directors proposes not to pay dividends. This proposal is subject to approval at the Shareholders' General Meeting, to occur in May.

17. EARNINGS PER SHARE

The Earnings per share of financial years ended 31 December 2023 and 2022 were calculated considering the following amounts:

	31 dec 2023	31 dec 2022
Basic earnings per share		
Net profit for the purpose of calculating basic earnings per share	95 145 076	92 459 106
Average weighted number of shares for the purpose of calculating the basic earnings per share	5 000 000	5 000 000
Basic net earnings per share	19,03	18,49

Since there were no diluting effects of the earnings per share in financial years ended 31 December 2023 and 2022, the diluted earnings per share is equal to the basic earnings per share.

18. GOODWILL

The goodwill value in financial years ended 31 December 2023 and 2022 concerns the following entities:

Investee	31 dec 2023	31 dec 2022
José de Mello - Sociedade Gestora de Participações Sociais, S.A. (a.)	342 701 952	342 701 952
Guimarães de Mello Investimentos, SGPS, S.A. (a.)	208 451 745	208 451 745
Window Blue, SGPS, S.A. e Impegest, SGPS, S.A. (b.)	23 293 281	23 293 281
Hospital CUF Porto, S.A.	22 499 909	22 498 446
Bondalti Capital, S.A.	19 052 956	18 862 408
Hospital CUF Tejo, S.A.	13 937 569	13 937 569
Hospital CUF Açores, S.A. (c.)	11 333 705	-
Ravasqueira Vinhos, S.A. (d.)	8 436 842	-
Hospital CUF Coimbra, S.A.	7 703 735	7 703 736
Hospital CUF Santarém, S.A.	7 035 102	7 035 102
Grupo Aguas Alfaro	4 418 631	4 418 631
Atlanticare - Serviços de Saúde. S.A. (e.)	3 245 503	-
CUF, S.A.	2 627 945	2 627 945
Sagies - Segurança e Saúde no Trabalho, S.A.	1 584 193	1 584 193
CENES - Centro de Reprocessamento de Dispositivos Médicos, Lda.	616 412	616 412
Hospital CUF Viseu	624 000	624 000
Hospital CUF Cascais, S.A.	491 285	491 285
Comitur Imobiliária, S.A.	361 547	361 547
Hospital CUF Descobertas, S.A.	97 265	97 265
CUF - Investimentos Imobiliários, S.A.	13 261	13 261
Clínica de Serviços Médicos e Computorizados de Belém, S.A.	837	837
Dolopand - Investimentos Imobiliários e Turísticos, S.A.	561	561
	678 528 237	655 320 177

(a.) In financial year 2017, the companies José de Mello - Sociedade Gestora de Participações Social, S.A. and Guimarães de Mello Investimentos, SGPS, S.A. were incorporated by merger into, the former, SOGEFI - Sociedade de Gestão e Financiamentos, SGPS, S.A. (currently José de Mello Capital, S.A.). These merger operations did not have any impact on the consolidated accounts and, therefore, the goodwill value remains unchanged from that recorded on 31 December 2016.

(b.) In the 2010 and 2011 financial years, to concentrate the Brisa shareholders into a single vehicle, merger operations occurred in the Group through the incorporation of the subsidiaries Window Blue, SGPS, S.A. and Egadi, SGPS, S.A. into JM Investimentos, of Impegest, SGPS, S.A. into Orla, SGPS, S.A. and, later, of Orla, SGPS, S.A. into JM Investimentos.

(c.) In October 2022, an agreement in principle was signed with the shareholders of HIA - Hospital Internacional dos Açores, S.A., to acquire the entire capital of that hospital unit, and the respective transaction was completed on 24 March 2023. Opened in March 2021, Hospital Internacional dos Açores is already a reference health unit, offering a differentiated installed capacity and a wide range of services, namely emergency care, operating rooms, inpatient care, intensive care, day hospital and special exams. It should be noted that in September 2023 the company changed its company name to Hospital CUF Açores, S.A..

(d.) In January 2023, JM Capital acquired from Guimarães de Mello, S.A., a 100% stake in the share capital of RAVV. On 31 March 2023, a contract for the purchase and sale of shares and assignment of credits was signed between JM Capital and JMCWSG, to acquire the entire capital of Ravasqueira Vinhos, S.A.. This set of transactions generated goodwill due to the acquisition of control of the company.

(e.) In June 2023, an acquisition agreement was celebrated between CUF, S.A. and the shareholders of Atlanticare – Serviços de Saúde, S.A. ("ATL"), according to which its shareholders sold to CUF 51% of the share capital of ATL for the amount of Euros 3.32 million, including 51% of ATL's shareholder loans, in the amount of Euros 87 thousand, generating goodwill in the amount of Euros 3.2 million. ATL is a shareholder of five companies that form the Atlanticare Group and is engaged in providing Occupational healthcare, safety and hygiene services.

These values do not include the goodwill recognised in companies consolidated using the equity method, for which the goodwill is presented in the Investments in associated companies' caption.

Impairment tests were carried out on the goodwill values. In 2022, these tests concluded on the existence of impairment at Hospital CUF Coimbra, S.A., in the amount of, approximately, Euros 2 million, in respect of the goodwill then recognised (Note 39.1).

19. INTANGIBLE ASSETS

The changes in the value of intangible assets as well as in the corresponding amortisation and impairment losses, during financial years ended 31 December 2023 and 2022, were as follows:

	Development projects	Software	Industrial property and Rights (a.)	Other intangibles	Intangibles in progress (b.)	Total
Gross assets:						
Balance on 1 January 2022	3 289 971	17 952 625	6 266 379	3 772 704	22 742 623	54 024 303
Changes in perimeter (Note 5)	-	316 416	-	-	-	316 416
Additions	-	2 056 340	989 600	-	7 437 747	10 483 687
Attributed emission rights	-	-	4 043 034	-	-	4 043 034
Use of emission rights	-	-	(2 268 545)	-	-	(2 268 545)
Fair value changes (Note 47)	-	-	247 347	-	-	247 347
Disposals	-	-	-	-	(1 653 543)	(1 653 543)
Reclassifications (Other debtors)	-	-	-	-	(2 499 975)	(2 499 975)
Write-offs and regularisations	(118 004)	(40 518)	(61 864)	(34 604)	(6 315 117)	(6 570 107)
Reclassifications (internal)	(20 000)	10 742 093	1 611 706	(3 054 703)	(10 709 564)	(1 430 468)
Balance on 31 December 2022	3 151 967	31 026 956	10 827 657	683 397	9 002 172	54 692 149

	Development projects	Software	Industrial property and Rights (a.)	Other intangibles	Intangibles in progress (b.)	Total
	-	726 398	100 000	-	26 532	852 930
Changes in perimeter (Note 5)	45 963	3 075 184	2 792 305	-	9 285 505	15 198 956
Additions	-	-	1 785 883	-	-	1 785 883
Fair value changes (Note 47)	-	-	4 031 137	-	-	4 031 137
Attributed emission rights	-	-	(2 056 603)	-	-	(2 056 603)
Use of emission rights	-	170 206	-	-	(170 206)	-
Transfers	(829 230)	(9 675)	(13 486)	-	-	(852 390)
Write-offs and regularisations	-	-	-	-	(68 561)	(68 561)
Reclassifications (internal)	2 368 701	34 989 068	17 466 893	683 397	18 075 443	73 583 502
Balance on 31 December 2023						
	(2 348 462)	(15 884 780)	(2 600 806)	828 433	-	(20 005 614)
Accumulated amortisation and	-	(166 581)	-	-	-	(166 581)
impairment losses:	8 070	8 095	2 332 142	41 189	-	2 389 496
Balance on 1 January 2022	-	-	404	-	-	404
Changes in perimeter (Note 5)	16 667	2 008 255	946 262	(1 540 716)	-	1 430 468
Write-offs and regularisations	-	(2 630 047)	(2 156 133)	-	-	(4 786 180)
Use of impairment	(2 323 725)	(16 665 058)	(1 478 131)	(671 094)	-	(21 138 007)
Reclassifications (internal)	-	(501 359)	-	-	-	(501 359)
Amortisation	987	12 961	2 070 219	-	-	2 084 167
Balance on 31 December 2022	-	-	(1 097 255)	-	-	(1 097 255)
	(1 277)	(3 950 431)	(2 361 156)	-	-	(6 312 863)
Changes in perimeter (Note 5)	(2 324 015)	(21 103 887)	(2 866 323)	(671 094)	-	(26 965 318)
Write-offs and regularisations						
Reclassifications (internal)	828 243	14 361 898	9 349 526	12 303	9 002 172	33 554 142
Amortisation	44 686	13 885 182	14 600 570	12 303	18 075 443	46 618 184
Balance on 31 December 2023						
Carrying amount:						
On 31 December 2022						
On 31 December 2023						

(a.) The caption Rights includes:

i) Exploration rights (Car park): the amount of Euros 2.47 million corresponds to a car park operating right. Initially, a partnership was entered into between Hospital CUF Tejo, S.A., ESLI - Parques de Estacionamento, S.A. and the Lisbon City Council, which granted the right to operate the car park for a period of 50 years (which period started in 2015). In 2016, Hospital CUF Tejo, S.A. ceded its contractual position to Infra-health - Gestão de Infrastruturas, Lda.;

ii) Exploration rights (Brands): correspond to a right to exploit Brands (which includes Brands, Photographic archives and Graphic materials), Vineyards (fruit, vines and land), Wineries, Equipment and Warehouses, in the amount of Euros 1 286 305. The contract, signed in August 2023, provides for the payment of an annual remuneration of Euros 80 000, over a period of 20 years, updated annually according to the Consumer Price Index ("IPC"). In accordance with IFRS 9, upon initial recognition, this asset was accounted for against the recognition of the future obligation to settle the annual remuneration. The caption also includes the amount of Euros 100 000 related to the registration of the brand "Guarda Rios";

iii) Key money: the caption includes the amount of Euros 990 thousand related to key money on the cession of Clínica CUF Montijo (acquired in financial year 2022), key money on the cession of Clínica CUF São Domingos de Rana in the amount of Euros 150 thousand, key money on the cession of Clínica do Barreiro in the amount of Euros 206 thousand and the amount of Euros 350 thousand in respect of an agreement celebrated for the rendering of radiology services by Hospital CUF Sintra;

iv) Gas emission rights: includes the amount of Euros 8.4 million, corresponding to the CO_2 emission licenses attributed under the Plano Nacional de Atribuição de Licenças (National Plan for the Attribution of Licences) (Note 47); and

v) Rights of use: correspond to the acquisition of a set of brands and logos (with national and international registration) and the respective exclusive rights of use, in the amount of Euros 1 300 000. It is expected that the exploration of these rights will result in future economic benefits for the Group, as they are controlled by the Group and their carrying amount corresponds to their acquisition cost.

(b.) The value recorded in the caption Intangibles in progress includes:

i) Go Forward project: expenses incurred, since 2020, with the development and implementation of the Go Forward project, which consists of reformulating the operational systems of the healthcare service delivery units of CUF Group, in the total amount of Euros 17.2 million. Part of said project was concluded in 2022, having started to be amortised. The remaining components of the project were still under development and implementation on 31 December 2023, so they were classified as intangible assets in progress, with their conclusion being expected during financial year 2024. Additionally, during the year ended 31 December 2022, the CUF Group made changes to the design of said project and reached a partial agreement to terminate the software licensing and service provision agreement with the main supplier of the Go Forward project. This agreement resulted in the reimbursement, by way of compensation, of approximately Euros 5 million (of which approximately Euros 2.5 million had been received by 31 December 2023 (Note 27 (b.)), with the remainder being received subsequently, in 2024); and

ii) Surface right: concerns underground surface rights, in the amount of Euros 1.7 million, on a plot of land adjacent to the car park of Edifício Expansão (Building) of Hospital das Descobertas, granted by the Lisbon City Council, for which there is a project for the construction of a car park. In financial year ended 31 December 2022, a purchase and sale agreement was signed with Placeguard, in which a sale price for that right was agreed of Euros 1.8 million; of this total of Euros 1.8 million, Euros 1.2 million are still outstanding on 31 December 2023.

During the 2023 and 2022 financial years, the Amortisation, depreciation and impairment losses caption had the following counter-entries in the consolidated statement of financial position:

	31 dec 2023	31 dec 2022
Intangible assets		
Amortisation	6 312 863	4 786 180
Right-of-use assets (Note 20)		
Amortisation	20 565 245	18 056 865
Depreciation	65 237	54 713
Tangible fixed assets (Note 21)		
Depreciation	50 090 737	43 068 757
Estimate revision	-	(4 048 593)
Impairment losses	58 534	127 640
Investment properties (Note 22)		
Depreciation	110 243	115 972
Total of Amortisation and depreciation	77 144 325	66 082 487
Total of Impairment losses (Note 39)	58 534	127 640

20. RIGHT-OF-USE ASSETS

During financial years ended 31 December 2023 and 2022, the changes in the value of the right-of-use assets, as well as in their corresponding accumulated amortisation, depreciation and impairment losses, were the following:

	Land and buildings	Basic equipment	Office equipment	Transport equipment	Surface right	Other assets	Total
Gross assets:							
Balance on 1 January 2022	41 212 725	86 271 865	847 754	5 060 220	2 210 007	200 695	135 803 266
Changes in perimeter (Note 5)	-	711 879	-	-	-	-	711 879
Additions (a.)	13 128 510	8 507 874	-	1 429 705	-	-	23 066 089
Disposals, write-offs and regularisations	-	73 036	200	(542 573)	-	-	(469 337)
Balance on 31 December 2022	54 341 235	95 564 654	847 955	5 947 352	2 210 007	200 695	159 111 898
Changes in perimeter (Note 5)	419 866	1 466 632	-	-	-	-	1 886 498
Additions (b.)	22 018 316	11 252 788	-	3 328 466	-	34 550	36 634 120
Disposals, write-offs and regularisations	(1 532 729)	(2 797 720)	-	(1 155 032)	-	-	(5 485 482)
Transfers	-	139 979	-	-	364 000	(34 550)	469 429
Regularisations	11 904 738	-	-	185 453	-	-	12 090 192
Balance on 31 December 2023	87 151 426	105 626 334	847 955	8 306 239	2 574 007	200 695	204 706 655
Accumulated amortisation, depreciation and impairment losses							
Balance on 1 January 2022	(13 398 242)	(40 959 133)	(659 962)	(2 653 999)	(263 183)	(200 695)	(58 135 214)
Amortisation	-	-	-	-	(54 713)	-	(54 713)
Depreciation	(4 827 788)	(11 837 703)	(118 454)	(1 272 920)	-	-	(18 056 865)
Disposals, write-offs and regularisations	(1 377 225)	(48 859)	-	254 438	1 002	-	(1 170 644)
Balance on 31 December 2022	(19 603 255)	(52 845 695)	(778 416)	(3 672 480)	(316 894)	(200 695)	(77 417 436)
Amortisation	-	-	-	-	(65 237)	-	(65 237)
Depreciation	(6 381 212)	(12 389 865)	(69 203)	(1 724 965)	-	-	(20 565 245)
Disposals, write-offs and regularisations	1 374 941	2 692 290	-	1 077 483	-	-	5 144 714
Regularisations	3 225 006	91 509	-	287 032	-	-	3 603 547
Changes in perimeter (Note 5)	-	(41 752)	-	-	-	-	(41 752)
Balance on 31 December 2023	(21 384 519)	(62 493 513)	(847 619)	(4 032 931)	(382 131)	(200 695)	(89 341 409)

	Land and buildings	Basic equipment	Office equipment	Transport equipment	Surface right	Other assets	Total
Carrying amount							
On 31 December 2022	34 737 980	42 718 959	69 538	2 274 872	1 893 113	-	81 694 462
On 31 December 2023	65 766 907	43 132 821	335	4 273 307	2 191 876	-	115 365 246

(a.) The increase verified in 2022, in the caption Land and buildings, is justified by the lease contract of Hospital CUF Trindade, S.A., which operation began in October 2022 (Note 5.2). The CUF Group is currently responsible for managing the provision of hospital healthcare at Hospital CUF Trindade, with the property being owned by Celestial Ordem Terceira da Santíssima Trindade. Consequently, on the date of acquisition of control, a right-of-use asset and a liability associated with the respective lease contract, that entered into force on that date, was also recognised. Additionally, in December 2022 the contract related to the start of activity of Clínica CUF Montijo was recorded, guaranteeing access to differentiated healthcare in the municipality of Montijo and neighbouring areas. Works were also carried out in the Coimbra and Santarém Hospitals, as well as in Clínica Luís Alvares, which justify the remaining additions of financial year 2022.

(b.) The increase verified in the 2023 financial year, under the caption Land and buildings, essentially concerns the renegotiation of the lease contract for Hospital CUF Viseu, which now has more units leased and which took effect from 1 January 2023 for a period of 17 years; therefore, a further extension would take the contract period to 27 years, well beyond the period that the CUF Executive Committee is mandated to commit to on behalf of the CUF Group. In this sense, it was considered unreasonable to consider an extension period. There is no early termination option, so neither party can terminate the contract early. In the city of Viseu there is a wide range of facilities with the conditions to install the Hospital, so there are no restrictions on changing location. A new lease contract was also signed in Carnaxide for shared services, for a term of 11 years.

Land and buildings relate, essentially, to contracts for the lease of healthcare facilities and contracts for the lease of premises used for administrative services and for assistance services' support (shared services and call centre, respectively).

Basic equipment includes, essentially, right-of-use assets under medical equipment leasing contracts. The additions, in financial year 2023, of basic equipment, refer essentially to the acquisition of a surgical robot, magnetic resonance equipment and several radiological equipment.

The value recorded under the caption Surface right concerns a contract for the assignment of surface rights, by the Cascais City Council to Hospital CUF Cascais, S.A.. This contract concerns the assignment of the surface right of Hospital Ortopédico José de Almeida, composed of two properties located in the municipality of Cascais, and was granted for a period of 40 years.

All right-of-use assets are measured at cost.

21. TANGIBLE FIXED ASSETS

During financial years ended 31 December 2023 and 2022, the changes in the value of other tangible fixed assets, as well as in their corresponding accumulated depreciation and impairment losses, were the following:

	PAHS and LREA (a.) (b.)	Land and natural resources	Buildings and other constructions (b.)	Basic equipment	Office equipment	Other tangible fixed assets	Down payments and tangible fixed assets in progress (c.)	Total
Gross assets:								
Balance on 1 January 2022	528 027 395	10 688 895	107 501 235	486 335 164	38 842 753	11 466 695	7 370 995	1 190 233 132
Changes in perimeter (Note 5)	-	-	309 191	3 297 640	435 902	-	18 986	4 061 718
Additions	11 438 197	2 703 244	2 488 213	16 834 750	3 164 634	206 867	6 957 762	43 793 668
Disposals and write-offs	-	(29 271)	(10 788)	(3 387)	(20 166)	(232 136)	-	(295 748)
Transfers	-	-	1 507 712	870 378	116 099	80 444	(2 523 295)	51 338
Foreign exchange effect	-	(338 636)	(2 438 944)	(199 112)	(282 006)	(925 481)	-	(4 184 179)
Regularisations	-	-	-	-	(156 007)	4 760	-	(151 247)
Revaluation surplus	10 341 899	-	-	-	-	-	-	10 341 899
Balance on 31 December 2022	549 807 491	13 024 232	109 356 619	507 135 434	42 101 208	10 601 150	11 824 447	1 243 850 582
Changes in perimeter (Note 5)	26 021 810	-	863 354	13 191 111	1 493 383	1 389 054	3 017 274	45 975 986
Additions	3 343 172	2 450 315	7 574 134	22 215 006	3 738 168	933 131	30 094 568	70 348 495
Disposals and write-offs	-	(4 461)	(1 572 191)	(119 030)	(17 308)	(72 703)	-	(1 785 694)
Transfers	-	-	5 820 581	1 127 064	784 428	-	(7 558 082)	173 990
Foreign exchange effect	-	(44 438)	(339 777)	(44 856)	(72 132)	(245 896)	-	(747 100)
Regularisations	-	-	399 940	(291 002)	(38 970)	-	(59 785)	10 182
Revaluation surplus	20 942 961	-	-	-	-	-	-	20 942 961
Balance on 31 December 2023	600 115 434	15 425 648	122 102 661	543 213 726	47 988 777	12 604 735	37 318 421	1 378 769 402
Accumulated depreciation and impairment losses:								
Balance on 1 January 2022	(57 739 603)	(219 308)	(61 926 975)	(369 216 228)	(31 909 830)	(6 901 870)	-	(527 913 814)
Depreciation	(11 349 948)	-	(3 907 160)	(23 679 638)	(3 638 464)	(493 547)	-	(43 068 757)
Impairment losses	(127 640)	-	-	-	-	-	-	(127 640)
Reversal of impairment losses	3 973 976	-	74 617	-	-	-	-	4 048 593

	PAHS and LREA (a.) (b.)	Land and natural resources	Buildings and other constructions (b.)	Basic equipment	Office equipment	Other tangible fixed assets	Down payments and tangible fixed assets in progress (c.)	Total
Regularisations	229 063	-	(846)	(104 178)	(15)	1	-	124 025
Foreign exchange effect	-	-	1 093 900	160 773	204 849	998 169	-	2 457 691
Disposals and write-offs	-	-	559	3 387	17 210	44 190	-	65 346
Changes in perimeter (Note 5)	-	-	(329 268)	(968 676)	(189 359)	-	-	(1 487 303)
Balance on 31 December 2022	(65 014 151)	(219 308)	(64 995 173)	(393 804 561)	(35 515 609)	(6 353 057)	-	(565 901 859)
Depreciation	(11 502 612)	-	(7 097 928)	(27 358 182)	(3 613 673)	(518 342)	-	(50 090 737)
Impairment losses	-	-	(79 294)	-	-	-	-	(79 294)
Reversal of impairment losses	3 275 407	-	74 617	-	-	-	-	3 350 023
Regularisations	(209 508)	3 509	(116 715)	106 643	14 119	55 669	-	(146 283)
Foreign exchange effect	-	-	199 068	35 969	67 630	296 267	-	598 933
Disposals and write-offs	-	-	1 546 879	86 784	16 784	60 878	-	1 711 326
Changes in perimeter (Note 5)	(1 348 739)	-	(243 259)	(5 818 117)	(939 618)	(863 836)	-	(9 213 568)
Balance on 31 December 2023	(74 799 604)	(215 799)	(70 711 805)	(426 751 465)	(39 970 367)	(7 322 420)	-	(619 771 460)
Carrying amount:								
On 31 December 2022	484 793 340	12 804 924	44 361 446	113 330 872	6 585 599	4 248 093	11 824 447	677 948 722
On 31 December 2023	525 315 830	15 209 849	51 390 856	116 462 261	8 018 410	5 282 315	37 318 421	758 997 942

Group determined that the Property Allocated to Healthcare Services of hospital units (“PAHS”) and the Land and natural resources of the real estate activity (“LREA”), constitutes a separate asset class, based on the nature, characteristics, use and risks associated with it. This class is recorded at the revalued amount and the gain / loss on revaluation, net of the tax effect, is recognised in equity.

On 31 December 2023 and 2022, the accumulated impairment for the PAHS was Euros 5.3 million and Euros 8.6 million, respectively.

(a.) Property valuations are carried out annually by management decision and prepared by an external entity registered with the CMVM (Portuguese Securities Market). With reference to 31 December 2023, the valuation was carried out by an independent specialised entity - Ktesios Appraisal - Consultoria e Avaliação Imobiliária, Lda. The valuations follow different methods, according to the characteristics of each property:

i) **Hospital CUF Tejo, Hospital CUF Sintra, Hospital CUF Descobertas 1 and 2, Clínica CUF Almada, Clínica CUF S. João da Madeira, Clínica CUF Belém, Hospital CUF Cascais, Instituto CUF, Hospital CUF Torres Vedras and Hospital CUF Porto**
The Income Method was used for the valuation of these properties. The income capitalisation method is used to determine the value of a property based on its ability to produce income. It relates future income (on an optimisation basis and considering its economic lifetime) to its present value and in such a way as to obtain the market value (on a going concern basis). This method is used to determine the present value of future income, according to the current value and state of repair. Under this method, the capitalisation rates used reflect the behaviour of the housing market in Portugal when analysing the profitability of medium- / long-term investment projects. An analysis of the average capitalisation rates in the Portuguese property market found that a 6.5% rate (6.5% in 2022) reflects the value of the return expected by an investor in the market of spaces intended for services, for vacant property (property on the market for rent).

Under the income method, the value of the completed property, considering the lease of same, was estimated considering the direct capitalisation of the current rent. The direct income capitalisation method is used in cases where the rent can be considered as perpetual and constant; for property, the perpetuity of the income is considered in scenarios of 20 to 25 years.

ii) Hospital CUF Santarém and Hospital CUF Açores

These properties are the only properties dedicated to healthcare services of hospital units that do not have leases, since they are owned by the healthcare company (Hospital CUF Santarém, S.A. and Hospital CUF Açores, S.A., respectively). For the valuation of these properties the Cost Method is used.

The Cost Method is based on a "new construction" (built using modern technology and materials) which is identical to that of the asset being valued, plus all indirect charges incurred in the development of the investment project and a normal market margin and the risk of the investment under consideration.

The construction cost will be affected by a factor (asset state of repair factor or coefficient) to reflect the asset's state of repair at the time of valuation. Use of the cost method requires the estimation of the values of the built-up land and the public space (with infrastructure or free of infrastructure). The land value is estimated based on the principle of maximum utility (or aptness) and optimised use, as if it were vacant.

The valuations of the properties identified above were also carried out considering the current state of repair of the properties. For the purposes of the calculation, the transaction value of similar properties obtained from the prospecting carried out was used, having been adjusted to the characteristics of the properties under valuation.

iii) Edifício Infante Santo 34

In December 2021, a sale and purchase promissory contract for the property "Edifício Infante Santo 34" was signed, which agreed a sale value of Euros 7.4 million. An advance of Euros 2.22 million was made on the date of the signing of the promissory contract. At the end of 2021, an impairment loss of Euros 369 thousand was recorded for this property. In July 2022, the sale of the property was executed for the amount agreed in the sale and purchase promissory contract, with the respective revaluation surplus in the amount of Euros 4 831 thousand having been reclassified to the caption Retained earnings.

Property considered strategic for private healthcare operations, such as Hospital CUF Sintra, Hospital CUF Porto, Instituto CUF, Hospital CUF Descobertas (Expansão), Hospital CUF Descobertas, Clínica CUF Almada, Hospital CUF Tejo, Hospital CUF Cascais, Hospital CUF Torres Vedras, Hospital CUF Santarém and Clínica CUF São João da Madeira were used as collateral for loans obtained by the Group (Notes 36 and 46).

(b.) The balance of the PAHS and LREA class also includes a plot of land (with a total area of 3 685 000 m2), located in Sesimbra, for real estate development purposes (belonging to the subsidiary Herdade do Vale da Fonte - Sociedade Agrícola, Turística e Imobiliária S.A.). This land was revalued in 2008, based on a valuation report issued by CB Richard Ellis, S.A., that assigned it a value of Euros 18 million. During financial year 2021, CBRE Consultoria e Avaliação de Imóveis, Unipessoal, Lda. carried out a new valuation, determining that the market value of the land was Euros 12 million; as a result, on that date, a negative adjustment was made in the land's revaluation surplus in the amount of Euros 5.5 million.

(c.) Assets that qualify as Tangible fixed assets in progress are essentially assets that will be recognised as Land and natural resources or as Buildings and other constructions when they are available for use in the conditions intended by the Board. These assets are valued at cost at the date of the consolidated statement of financial position.

22. INVESTMENT PROPERTIES

Investment properties are held for rental income or for capital appreciation or for both purposes. Therefore, an investment property generates cash flows that are highly independent of the other assets held by the entity, which are either monetised through their use in producing goods and services or are occupied by Group companies. In the latter case, the property does not qualify as an investment property in the consolidated financial statements but is reclassified to Tangible fixed assets because the property is occupied by the owner from the Group perspective; however, from the perspective of the entity that owns it, that property is an investment property in its separate financial statements.

As described in Note 2.4.9, the Group uses the cost model to measure its investment properties.

During financial years ended 31 December 2023 and 2022, the movements in the value of Investment properties, as well as in the corresponding accumulated depreciation, were as follows:

	Land and natural resources	Buildings and other constructions	Total
Gross assets:			
Balance on 1 January 2022	19 218 401	11 979 182	31 197 583
Disposals and write-offs	(4 846 123)	(1 319 653)	(6 165 776)
Transfer to inventories (a.)	-	(4 487 120)	(4 487 120)
Transfers and regularisations	66 443	565 848	632 290
Balance on 31 December 2022	14 438 721	6 738 256	21 176 977
Additions	11 340	-	11 340
Disposals and write-offs (b.)	(1 497 922)	(1 285 174)	(2 783 096)
Transfers and regularisations	(460 456)	(565 847)	(1 026 303)
Balance on 31 December 2023	12 491 683	4 887 235	17 378 918

Accumulated depreciation and impairment losses:			
Balance on 1 January 2022	-	(5 427 308)	(5 427 308)
Depreciation	-	(115 972)	(115 972)
Use of impairment	-	77 558	77 558
Transfer to inventories (a.)			
Depreciation	-	365 371	365 371
Impairment losses	-	1 851 456	1 851 456
Disposals	-	1 042 445	1 042 445
Balance on 31 December 2022	-	(2 206 451)	(2 206 451)
Depreciation	-	(110 243)	(110 243)
Use of impairment	-	555 782	555 782
Write-offs	-	(3 044)	(3 044)
Disposals	-	113 106	113 106
Balance on 31 December 2023	-	(1 650 849)	(1 650 849)
Carrying amount:			
On 31 December 2022	14 438 721	4 531 805	18 970 526
On 31 December 2023	12 491 683	3 236 386	15 728 069

(a.) In 2022, the Group transferred 11 stores in the "Aveiro Centrum" development registered under Investment properties, with a net value of Euros 2 270 294, to Inventories, as it considered that it would sell them in the near future.

(b.) During financial year ended 31 December 2023, Bondalti sold land located in Loulé (Note 13 (c.)); additionally, in August 2023, the Group sold a set of 195 parking spaces in the "Aveiro Centrum" development, which justifies the decrease shown in the Buildings and other constructions caption.

On 31 December 2023, this caption had the following breakdown:

	31 dec 2023
Land - Estarreja	4 300 113
Land - Lavradio	3 831 278
19 apartments - Junqueira	2 920 817
1 store - "Aveiro Centrum" development	454 781
Other	4 221 079
	15 728 069

23. INVESTMENTS IN ASSOCIATED COMPANIES

The detail of the investments in associated companies on 31 December 2023 and 2022 is as follows:

	31 dec 2023	31 dec 2022
Rubicone Bidco, S.A.	294 019 670	462 381 482
Greenimolis - Investimentos, S.A.	4 726 855	4 542 678
A.Q.P. - Aliada Química de Portugal, Lda.	1 056 630	807 027
Centro Gamma Knife - Radiocirurgia, S.A.	431 115	302 181
Enkrott Química Cabo Verde	9 155	9 153
	300 243 426	468 042 521

This caption includes equity holdings, supplementary capital contributions, shareholder loans and goodwill.

The assets, liabilities, equity and net profit, relating to the Companies' statutory data, that is, before extra-accounting adjustments to harmonise the accounting policies to the Group, of the associated companies for financial year ended 31 December 2023 are as follows:

Company	Assets	Liabilities	Equity	Net profit
Rubicone Bidco, S.A.	2 568 273 243	992 745 815	1 575 527 428	35 091 009
Greenimolis - Investimentos, S.A.	13 509 837	3 715 507	9 794 331	379 217
A.Q.P. - Aliada Química de Portugal, Lda.	3 795 872	1 678 376	2 117 496	881 423
Centro Gamma Knife - Radiocirurgia, S.A.	2 332 437	1 064 452	1 267 985	379 217
Enkrott Química Cabo Verde	n.d.	n.d.	n.d.	n.d.

The holdings in associated companies had the following movements in financial years ended 31 December 2023 and 2022:

	31 dec 2023	31 dec 2022
Balance on 1 January	468 042 521	464 255 093
Acquisitions and increases	-	61 053 311
Application of equity method:		
Effect on results	39 282 363	7 772 982
Effect on equity	(12 090 083)	269 718
Dividends received	(190 226)	(19 641 505)
Other	2	(78 646)
Ancillary capital contributions	(194 980 401)	426 005 708
Supplementary capital contributions	179 250	1 084 878
Changes in perimeter (Note 5)	-	576 000
Disposals and write-offs	-	(473 255 019)
Balance on 31 December	300 243 426	468 042 521

The detail of the amounts recognised in the income statement concerning holdings in associated companies in financial years ended 31 December 2023 and 2022, is as follows:

	31 dec 2023			31 dec 2022		
Company	Equity method (Note 14)	Gains / (Losses) on disposal (Note 14)	Total	Equity method (Note 14)	Gains / (Losses) on disposal (Note 14)	Total
Rubicone Bidco, S.A.	38 708 672	-	38 708 672	2 361 603	-	2 361 603
A.Q.P. - Aliada Química de Portugal, Lda.	439 830	-	439 830	190 226	-	190 226
Centro Gamma Knife - Radiocirurgia, S.A.	128 934	-	128 934	68 472	-	68 472
Greenimolis - Investimentos, S.A.	4 928	-	4 928	(16 811)	-	(16 811)
Brisa - Auto-Estradas de Portugal, S.A.	-	-	-	32 930 119	-	32 930 119
Hospital CUF Trindade, S.A.	-	-	-	(721 462)	-	(721 462)
Enkrott Química Cabo Verde	-	-	-	(25)	-	(25)
Other	-	-	-	-	22 084	22 084
	39 282 363	-	39 282 363	34 812 122	22 084	34 834 206

The goodwill concerning investments in associated companies is not subject to amortisation and is subject to annual impairment tests, or when there are indications of possible loss of value, as provided for in Note 2.3. (c.).

24. INVESTMENTS HELD TO MATURITY

On 31 December 2023 and 2022, the investments held to maturity were as follows:

	Maturity	31 dec 2023		31 dec 2022	
		Current	Non-current	Current	Non-current
Farminveste 2020-2023	jun/23	-	-	-	7 000 000
		-	-	-	7 000 000

At the end of June 2020, the bonds issued by Farminveste — Investimentos, Participações e Gestão, S.A. ("Farminveste"), amounting to Euros 10 million, matured and were redeemed in full. In June 2020, a bond loan of Euros 7 million was issued by Farminveste, initially set to mature in June 2022, being fully subscribed by the Group. In March 2022, as a result of ongoing negotiations, this maturity was extended until June 2023, in exchange for better conditions and additional guarantees. These bonds were redeemed in full on maturity, in June 2023.

25. FINANCIAL ASSETS AVAILABLE FOR SALE

The financial assets available for sale, measured at fair value through profit or loss, on 31 December 2023 and 2022, are as follows:

	31 dec 2023			31 dec 2022		
	Gross value	Impairment losses (Note 39)	Carrying amount	Gross value	Impairment losses (Note 39)	Carrying amount
Assets with market value available:						
Shares:						
Ynvisible Interactive Inc.	25 576	-	25 576	24 219	-	24 219
Other:						
Work Compensation Fund (“WCF”)	2 490 347	(369 783)	2 120 564	2 195 860	(369 658)	1 826 202
Fundo Faber Tech II (a.)	337 037	-	337 037	324 383	-	324 383
	2 852 961	(369 783)	2 483 177	2 544 462	(369 658)	2 174 804
Assets without market value available:						
Loans granted:						
Guimarães de Mello II - Portugal, S.A. (b.)	-	-	-	30 000	-	30 000
Equity holdings:						
Fundo Shilling Founders (c.)	3 128 871	-	3 128 871	3 090 000	-	3 090 000
Fundo Bem Comum FCR	500 000	-	500 000	500 000	-	500 000
Faber Partners, S.A. (collective undertaking association) (d.)	237 767	-	237 767	244 208	-	244 208
Hytlantic, S.A.	209 750	(117 446)	92 304	209 750	-	209 750
Guimarães de Mello, S.A.	97 500	-	97 500	97 500	-	97 500
Bem Comum, Sociedade de Capital de Risco, S.A.	80 000	-	80 000	80 000	-	80 000
Erase - Agrupamento para a Regeneração Ambiental dos Solos de Estarreja, ACE	22 628	(13 400)	9 228	22 628	(13 400)	9 228
Guimarães de Mello II - Portugal, S.A. (b.)	-	-	-	5 050	-	5 050
Other	98 357	-	98 357	26 204	-	26 204
	4 374 873	(130 846)	4 244 027	4 305 340	(13 400)	4 291 940
	7 227 833	(500 629)	6 727 204	6 849 801	(383 058)	6 466 743

(a.) In financial year ended 31 December 2022, 250 participation units in Fundo Faber Tech II (Venture Capital Fund) were subscribed, in the amount of Euros 250 thousand; on 31 December 2023, the fair value of this investment corresponds to Euros 337 037, with the corresponding appreciation having been recorded in the amount of Euros 12 654 (Note 14); the unpaid capital amounts to Euros 89 230 (Note 40).

(b.) In 2023, this company changed its company name from Scauri – Consultadoria Económica e Participações, S.A. to Guimarães de Mello II – Portugal, S.A..

(c.) In 2021, the Group contracted an investment in Fundo Shilling Founders (Venture Capital Fund), in the amount of Euros 3 090 000, with capital contributions deferred for a maximum period of 6 years. In financial year ended 31 December 2023, the unpaid capital amounts to Euros 2 086 thousand (Note 40).

(d.) In 2021, the Group entered into a collective undertaking association contract, contributing Euros 250 000 to a capital pool in the global amount of Euros 1 500 000, with the aim of participating in the activity of Faber Partners, S.A.. In financial years ended 31 December 2023 and 2022, the carrying amount corresponds to the value of the investment, net of the reimbursements made by the venture capital company, pro rata, to the investors.

On 31 December 2023 and 2022, the Financial assets available for sale for which there is no available market value (because no market prices or comparable transactions exist) are recorded at their cost value less any impairment losses.

26. DEFERRED TAXES

The Group recorded deferred taxes related to temporary differences between the tax and the accounting base of the assets and liabilities. The detail of the deferred tax assets and liabilities on 31 December 2023 and 2022, according to the temporary differences that originated them, was as following:

	31 dec 2023		31 dec 2022	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Tax losses carried forward (a.)	6 193 477	-	3 993 671	-
Non-deductible provisions	6 181 073	-	6 338 869	-
Employee benefits (b.)	974 040	-	1 070 707	-
Impairment	882 434	-	1 118 665	-
Revaluation of assets (c.)	227 411	25 241 681	673 693	20 709 068
Derivative financial instruments (d.)	193 174	-	-	-
Inventories	155 150	-	-	-
Subsidies	-	-	-	1 596 702
Other	3 902 434	24 801	3 206 394	24 777
	18 709 192	25 266 482	16 401 999	22 330 547

(a.) The deferred tax assets relating to tax losses carried forward derive, essentially, from income generated by the subsidiaries of the Bondalti and CUF Groups, in the amounts of Euros 2.6 million and Euros 3.15 million, respectively (Euros 3.6 million and Euros 0.2 million in 2022, respectively). On 31 December 2023, there are temporary differences relating to tax losses carried forward, in the amount of Euros 138.6 million, which, according to the IRC rates currently in force, may result in deferred tax assets. With the approval of the SB 2023, tax losses ceased to have a use by date but are limited to a deduction of 65% of taxable income (in each year).

(b.) The amount of deferred tax assets relating to employee benefits refers to a life annuity insurance taken out by CUF in January 2016. This insurance made it possible to comply with a contract existing since 2000, whereby CUF is responsible for ensuring a lifetime annuity payment to an employee who retired under Social Security on I January 2016.

(c.) As regards deferred tax liabilities, these relate to the revaluation of tangible fixed assets and to temporary differences arising from the deprecation considered for tax purposes.

(d.) The caption Deferred tax assets relating to derivative financial instruments has a balance of Euros 193 thousand on 31 December 2023, resulting from the contracting of a new derivative financial instrument in February 2023 (Note 44).

Deferred taxes to be recognised as a result of temporary differences between taxable income and accounting income were assessed. Where these differences gave rise to deferred tax assets, these were only recorded to the extent considered probable that taxable income will occur in the future, and which can be used to recover the tax losses, or deductible tax differences. This assessment was based on the business plans of the Group's companies, which are periodically reviewed and updated, and on the available and identified opportunities for tax optimisation.

27. OTHER CURRENT AND NON-CURRENT DEBTORS

On 31 December 2023 and 2022, these captions had the following breakdown:

	31 dec 2023		31 dec 2022	
	Current	Non-current	Current	Non-current
Related entities	16 906 360	-	35 601 680	-
Têxtil Manuel Gonçalves, S.A. (a.)	4 086 469	67 606 591	2 033 069	69 659 991
Go Forward project (b.)	2 499 975	-	2 499 975	-
Advances on account of the HBCC process (c.)	1 641 757	-	-	-
Expropriations and Security deposits	1 491 974	-	449 163	-
Surface right (d.)	1 254 882	-	1 254 882	-
Security deposit (e.)	1 084 908	-	230 826	-
Doubtful debtors	724 787	-	1 567 071	-
Staff	679 590	-	674 323	-
Hospital de Vila Franca de Xira, E.P.E. (f.)	642 298	-	795 851	-
Security deposits (g.)	160 000		-	
Advances for acquisition of holdings (h.)	112 296	-	120 000	112 296
Tax and legal claims	84 524	-	93 076	-
Suppliers – debit balances	14 819	-	111 356	-
Other debtors (i.)	2 675 638	104 451	3 108 180	660 825
	34 060 277	67 711 042	48 539 451	70 433 113

	31 dec 2023 Current	31 dec 2023 Non-current	31 dec 2022 Current	31 dec 2022 Non-current
Impairment losses (Note 39)	(5 641 092)	(67 606 591)	(1 567 071)	-
	28 419 184	104 451	46 972 380	70 433 113

(a.) On 31 December 2023, the amounts of Euros 4 million and Euros 67.6 million, included in the caption Other debtors in current assets and non-current assets (Euros 2 million and Euros 69.7 million, in 2022) relate to a credit resulting from the exercise of the put options on the Compulsorily Convertible Securities issued by MGI Capital. As mentioned in Note 39.3 (e.), in the 2023 financial year, the Group reversed the provision made in previous years and recognised an impairment on the amount owed, as the payment plan for same is not being complied with by the debtor entity.

(b.) On 31 December 2023 and 2022, the amount receivable of Euros 2.5 million, results from the agreement to terminate the contract with the main supplier of the Go Forward project (Note 19), amount which was subsequently received at the beginning of the year 2024

(c.) The amount of Euros 1.6 million refers to the Subsystems and Hepatitis C case. In the 2023 financial year, the Court of Appeal decided to request a repeat of the judgement in the Arbitration Court ("AC") to analyse evidence not analysed in the judgement of the Subsystems and Hepatitis C case, in relation to the activity of the entity Escala Braga (subsequently merged into CUF, S.A.). As a result, and under the AC's decision, the Group reimbursed the amount of Euros 1.6 million, previously settled by the Administração Regional de Saúde do Norte ("ARSN") (Northern Regional Health Administration). Given the framework described, the Group set up an account receivable and a provision in the same amount (Note 39.3).

(d.) In financial year ended 31 December 2022, a purchase and sale agreement was signed with Placeguard, for the sale of the underground surface right on the parcel of land adjacent to the parking lot of Edifício Expansão of the Hospital das Decobertas, through which a sale price for that right was agreed of Euros 1.8 million. Of the total amount of Euros 1.8 million, Euros 1.2 million are still outstanding.

(e.) In the 2022 financial year, for the purposes of suspending a tax enforcement process ("SISA Expocomitur" Process), the Group set up a security deposit, in the amount of Euros 230 826, in favour of the Tax and Customs Authority, in partial substitution of a mortgage provided by the subsidiary SIT Cojo. In 2023, this guarantee was again partially substituted, through a reinforcement, in the amount of Euros 854 082, of the security deposit. On 31 December 2023, the total amount of the security deposit is Euros 1 084 908.

(f.) On 31 December 2023 and 2022, the amounts of Euros 642 thousand and Euros 796 thousand, respectively, include the values of the inventories that were not returned by Hospital Vila Franca de Xira upon termination of the public--private partnership contract in 2021, and which are included in the final settlement with ARSLVT. This amount has an associated impairment loss in the same amount.

(g.) This caption concerns the amount of Euros 160 000, granted as a deposit and guarantee for the signing of a contract, referred to in Note 19, under which, in exchange for an annual remuneration, the exploration rights of a set of brands, real estate, vineyards, facilities and equipment began to be exercised.

(h.) On 31 December 2023 and 2022, the amounts recorded under Advances for acquisition of holdings relate to the sale agreement of the Group's holding in Campos Costa.

(i.) On 31 December 2023, the amount recorded in non-current assets of Euros 104 451 (Euros 660 825 in 2022) relates to a financial investment by the investee AEMA in a customer's facilities.

28. OTHER CURRENT ASSETS

On 31 December 2023 and 2022, this caption had the following breakdown:

	31 dec 2023	31 dec 2022
Accrued income:		
Income from unbilled production (a.)	14 847 082	14 847 293
Provision of medical services not invoiced (b.)	13 298 973	17 804 097
Rappel receivable	6 715 465	5 973 270
Interest receivable	1 746 733	1 067 540
Performance fee	1 287 943	1 277 089
Other accrued income	1 775 374	19 893
	39 671 570	40 989 182
Deferred expenses:		
Insurance	3 988 303	1 378 373
IT outsourcing contracts	723 595	223 284
Deferral of the sale price	28 093	148 093
Deferred interest	40 806	57 129
Rents	20 734	25 544
Other deferred expenses	887 021	437 217
	5 688 553	2 269 640
Impairment losses (Note 39) (a.)	(12 476 119)	(11 284 555)
	32 884 003	31 974 267

(a.) Income from unbilled production includes accruals of income in respect of ARSLVT, IP, arising from the calculation of actual production from 2013 through 2020 (and which is still in the process of verification and closure), as provided for in the Management Contract, as well as accruals for services rendered and not invoiced to third parties and, also, medicines to be invoiced. This caption has the following breakdown on 31 December 2023 and 2022:

	31 dec 2023	31 dec 2022
Production of the year 2013	2 443 757	2 443 757
Production of the year 2014	2 770 113	2 770 113
Production of the year 2015	115 595	115 595
Production of the year 2016	388 617	388 617
Production of the year 2017	663 633	663 633
Production of the year 2018	3 406 131	3 406 400
Production of the year 2019	4 120 458	4 120 400
Production of the year 2020	938 778	938 778
	14 847 082	14 847 293
Impairment losses (Note 39)	(12 476 119)	(11 284 555)
	2 370 963	3 562 738

(b.) Provision of medical services not invoiced relates to medical acts rendered but not yet invoiced to customers. These invoices pending issue result, essentially, from the following situations: lack of consent form, billing only at the end of the treatment and lack of confirmation of billing codes.

29. INVENTORIES

On 31 December 2023 and 2022, this caption had the following breakdown:

	31 dec 2023			31 dec 2022		
	Gross amount	Impairment losses (Note 39)	Net value	Gross amount	Impairment losses (Note 39)	Net value
Goods and raw materials (Note 9)						
Raw materials (a.)	25 332 484	(1 491 472)	23 841 012	25 741 497	(1 224 500)	24 516 997
Miscellaneous materials	9 677 117	-	9 677 117	8 016 094	-	8 016 094
Goods (b.)	8 270 067	(2 298 299)	5 971 769	12 042 440	(3 782 400)	8 260 040
Subsidiary materials	5 115 295	-	5 115 295	4 659 952	-	4 659 952
Packaging materials	1 338 471	-	1 338 471	192 293	-	192 293
Materials in transit	801 158	-	801 158	821 531	-	821 531
	50 534 593	(3 789 770)	46 744 823	51 473 807	(5 006 899)	46 466 907
Finished products and work in progress (Note 10)						
Finished and semi-finished products	11 624 650	(467 662)	11 156 988	10 851 244	(467 648)	10 383 595
Products and work in progress	7 373 233	-	7 373 233	1 152 467	-	1 152 467
	18 997 883	(467 662)	18 530 221	12 003 710	(467 648)	11 536 062
	69 532 476	(4 257 432)	65 275 044	63 477 517	(5 474 548)	58 002 969

(a.) On 31 December 2023, the caption Raw materials includes: i) materials (mainly benzene) for the production of organic and inorganic products (Euros 9.9 million); ii) clinical consumables (Euros 8.3 million), iii) pharmaceutical products (Euros 4.5 million) and iv) wine (Euros 1.5 million).

(b.) In April 2023, 9 stores in the “Aveiro Centrum” development were sold, for the amount of Euros 1.35 million.

30. CUSTOMERS AND ADVANCES TO SUPPLIERS

On 31 December 2023 and 2022, the caption Customers and advances to suppliers had the following breakdown:

	31 dec 2023			31 dec 2022		
	Gross amount	Impairment losses (Note 39)	Net value	Gross amount	Impairment losses (Note 39)	Net value
Customers - current accounts	152 080 121	-	152 080 121	159 877 058	(1 517 232)	158 359 826
Doubtful debts	15 799 608	(17 026 641)	(1 227 033)	16 138 528	(15 489 013)	649 514
Customers - bills receivable	273 435	-	273 435	914 990	-	914 990
Advances to suppliers	3 131 478	-	3 131 478	947 983	-	947 983
	171 284 643	(17 026 641)	154 258 002	177 878 559	(17 006 246)	160 872 313

The amounts shown in the consolidated statement of financial position are net of impairment losses (Note 39.2).

The Board of Directors believes that the carrying amount of customers and advances to suppliers is close to their fair value since they bear no interest and the unwinding effect is considered immaterial.

The Group has no significant concentration of credit risk, as the risk is diluted over a vast range of customers.

At the end of 2023, customer receivables amounting to Euros 43.3 million (Euros 35.6 million on 31 December 2022) were derecognised under factoring contracts with a banking entity, considering that, as a result of the respective contractual conditions, the Group no longer retains control over such receivables and does not retain the respective significant risks and benefits at the statement of financial position date.

31. STATE AND OTHER PUBLIC ENTITIES

On 31 December 2023 and 2022, the balances of Current tax were as follows:

	31 dec 2023	31 dec 2022
Balances receivable:		
Corporate Income Tax	5 868 603	2 359 925
	5 868 603	2 359 925
Balances payable:		
RETGS, withholdings and other	23 212 134	17 720 072
Corporate Income Tax	201 172	25 759
	23 413 306	17 745 831

On 31 December 2023 and 2022, the remaining balances of State and other public entities were as follows:

	31 dec 2023	31 dec 2022
Balances receivable:		
Value Added Tax	8 071 343	6 373 730
Personal Income Tax - Withholding of income tax	3 178	-
Other	14 870	14 775
	8 089 390	6 388 505
Balances payable:		
Value Added Tax	3 755 450	4 230 843
Personal Income Tax - Withholding of income tax	3 129 229	3 180 589
Contributions to Social Security	4 702 351	4 014 324
Other	15 390	5 786
	11 602 420	11 431 542

32. CASH AND CASH EQUIVALENTS

On 31 December 2023 and 2022, this caption had the following breakdown:

	31 dec 2023	31 dec 2022
Demand deposits	123 034 472	128 017 636
Term deposits	108 289 729	10 237 225
Cash	4 080 719	2 315 343
Other negotiable securities	-	6 580
	235 404 919	140 576 784
Impairment losses	-	(3 990)
	235 404 919	140 572 794
Bank overdrafts (Note 36)	(3 008 280)	(79 804)
	232 396 639	140 496 981

Cash and cash equivalents include cash amounts, demand deposits, treasury investments and term deposits maturing in under three months, and for which there is insignificant risk of a change in value. Bank overdrafts record credit balances in demand deposit accounts with financial institutions.

On 31 December 2023 and 2022, the caption Demand deposits includes Euros 12 933 thousand and Euros 15 122 thousand, respectively, relating to customer receivables ceded to banks under factoring contracts.

33. CAPITAL

On 31 December 2023, the fully subscribed and paid-up capital in the amount of Euros 25 000 000 was represented by 5 000 000 shares, with the nominal value of five Euros each.

34. OTHER EQUITY CAPTIONS

Legal reserve
On 31 December 2023 and 2022, the Legal reserve amounted to Euros 5 000 000, being fully constituted. In accordance with the legislation in force, the Company is obligated to transfer to the legal reserve at least 5% of the annual net profit, until the legal reserve reaches at least 20% of the capital. This reserve is not distributable to the shareholders but may, however, be used to absorb losses after all other reserves are exhausted or incorporated into the capital.

Fair value of hedging derivative financial instruments
This caption includes changes in the fair value of derivative financial instruments hedging the risk of interest rate variability, net of tax effects. According to current legislation, increases resulting from the application of fair value through equity components only qualify for distribution when the elements that gave rise to them are sold.

Revaluation of tangible fixed assets
This caption includes changes due to increases or decreases in the fair value of the PAHS and LREA (Note 21), net of tax effects. According to current legislation, increases resulting from the application of fair value through equity components only qualify for distribution when the elements that gave rise to them are sold.

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

35. NON-CONTROLLING INTERESTS

On 31 December 2023 and 2022, the share of non-controlling interests in the consolidated net profit and equity has the following breakdown:

	31 dec 2023		31 dec 2022	
	Net profit / (loss)	Equity	Net profit / (loss)	Equity
Healthcare:				
CUF, S.A.	13 187 091	72 487 296	11 975 696	65 820 156
José de Mello - Residências e Serviços, SGPS S.A.	42 616	1 791 179	(277 555)	1 748 562
Chemical industry:				
Bondalti Capital, S.A.	(160 792)	(683 335)	31 863	(294 958)
Other:				
José de Mello Imobiliária, SGPS S.A.	(15 359)	2 369 572	(11 852)	2 388 200
	13 053 556	75 964 713	11 718 151	69 661 960

36. LOANS OBTAINED

On 31 December 2023 and 2022, the loans obtained were as follows:

	31 dec 2023	31 dec 2022
Non-current liabilities:		
Bank loans	491 136 924	627 418 399
Bond loans	129 696 868	96 687 387
Commercial paper	72 696 227	77 239 274
Other loans obtained	87 067	604 881
	693 617 085	801 949 941
Current liabilities:		
Bank loans	108 224 225	99 790 408
Commercial paper	20 124 109	40 406 011
Bond loans	2 939 988	20 147 807
Factoring (a.)	12 933 482	15 741 988
Bank overdrafts (Note 32)	3 008 280	79 804
Other loans obtained	502 957	-
	147 733 042	176 166 018
	841 350 127	978 115 959

(a.) On 31 December 2023 and 2022, this caption refers to customer receivables transferred under factoring with recourse agreements.

On 31 December 2023 and 2022, the Group had contracted with the banking system but not used, short-term credit lines and secured current accounts in a total maximum amount of Euros 103.3 million and Euros 101.6 million, respectively.

36.1 BOND LOANS

On 31 December 2023 and 2022, the bond loans were composed of the following issues:

Issuer	Interest rate	Maturity	Amount outstanding on 31 Dec 2023		
			Nominal	Current	Non-current
Guimarães de Mello Portugal, SGPS, S.A. (a.)	Euribor 6M + 2,00%	jun/25	310 000	152	310 000
José de Mello, SGPS, S.A. (a.)	Euribor 6M + 0,75%	jun/28	1 450 000	560	1 450 000
José de Mello, SGPS, S.A. (a.)	Euribor 6M + 2,00%	dec/25	200 000	98	200 000
José de Mello 2023 1ª (b.)	4,5% fixed rate	jun/28	29 900 000	28 319	29 864 765
Sustainability Bonds José de Mello Capital 2023-2028 (c.)	Euribor 6M + 1,275%	dec/28	4 000 000	777 879	3 078 659
José de Mello Saúde 2019/2025 (d.)	Euribor 6M + 3,75%	may/25	35 000 000	1 890 493	33 353 433
José de Mello Saúde 2019/2027 (d.)	Euribor 6M + 3,875%	jan/27	61 710 000	242 487	61 440 010
				2 939 988	129 696 868

Issuer	Interest rate	Maturity	Amount outstanding on 31 Dec 2022		
			Nominal	Current	Non-current
Guimarães de Mello Portugal, SGPS, S.A. (a.)	Euribor 6M + 2,00%	jun/25	310 000	-	310 000
José de Mello, SGPS, S.A. (a.)	Euribor 6M + 0,75%	jun/23	53 180 000	1 450 617	-
José de Mello, SGPS, S.A. (a.)	Euribor 6M + 2,00%	dez/25	200 000	-	200 000
José de Mello Saúde 2017/2023 (d.)	4% fixed rate	set/23	21 720 000	17 678 018	-
José de Mello Saúde 2019/2025 (d.)	Euribor 6M + 3,875%	jan/27	61 710 000	827 403	61 370 143
José de Mello Saúde 2019/2027 (d.)	Euribor 6M + 3,75%	mai/25	35 000 000	191 769	34 807 244
				20 147 807	96 687 387

(a.) In 2017, four merger operations occurred in the Group by incorporation of the subsidiaries José de Mello Participações II, SGPS, S.A., Guimarães de Mello Portugal, SGPS, S.A., Guimarães de Mello Investimentos, SGPS, S.A. and José de Mello, S.G.P.S., S.A. into the company formerly named SOGEFI - Sociedade de Gestão e Financiamentos, SGPS, S.A., which became José de Mello Capital, S.A..

(b.) The bond issue "José de Mello 2023 1ª" corresponds to book-entry and registered bonds, with repayment date of 15 June 2028 and a fixed gross interest rate of 4.5% and aims to refinance new projects and manage treasury.

(c.) The bond issue "Sustainability Bonds José de Mello Capital 2023 – 2028" aims to finance the investment project carried out by JM Capital in the rehabilitation of its office building located on Avenida 24 de Julho, in Lisbon, which will incorporate several energy efficiency measures and the use of more sustainable materials without harmful substances, and will also cater to the valorisation of human capital (including the creation of more comfortable, modernised and safe spaces for employees, as well as the creation of access for users with reduced mobility at the entrance to the building) thus having positive environmental and social impacts.

(d.) The bond loans issued by CUF, S.A. were placed with institutional investors and admitted to trading in the regulated markets of Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A. and Bourse de Luxembourg - Societé de la Bourse de Luxembourg, S.A.. These contracts include Net Financial Debt / EBITDA debt ratio obligations. On 31 December 2023 and 2022, the CUF Group was compliant with the financial covenants on all bond loans.

In July 2022, Euros 4.17 million of the José de Mello Saúde 2017/2023 bonds were reacquired, with the balance outstanding at year-end 31 December 2022, standing at Euros 17 678 thousand; during financial year 2023, these bonds were redeemed in full at maturity.

For financial years ended 31 December 2023 and 2022, the figures shown under this caption are net of own bonds held in the portfolio, amounting to Euros 11 250 thousand and Euros 37 800 thousand, respectively.

36.2 BANK LOANS

The Banks loans caption has the following breakdown on 31 December 2023:

	31 dec 2023		31 dec 2022	
	Current	Non-current	Current	Non-current
Syndicated loans (a.)	51 182 069	265 919 384	74 587 804	435 646 191
Loans (b.)	52 503 258	188 325 195	22 918 518	170 638 590
Other financings	4 538 898	36 979 412	2 284 085	21 738 498
	108 224 225	491 223 990	99 790 408	628 023 280

(a.) On 31 December 2023, this caption includes:

i) the amount of approximately Euros 76.6 million (Euros 99.4 million in 2022) relating to a long-term syndicated loan contracted by B. Chemicals in 2019, which made it possible for same to refinance its entire debt and create conditions for new investments in the subsequent financial years; this loan presupposes compliance with ratios of financial autonomy with a minimum of 25% and Net Financial Debt to EBITDA with a maximum of 4.0X. At the close of the financial year, the ratios were being complied with.

ii) the amount of approximately Euros 233.6 million (Euros 410.8 million in 2022) relating to two bank syndicated loans of JM Capital and JM Investimentos; both financings comply with standard market contractual limits, which, at the closing date of the current financial year, have been complied with.

(b.) For the Loans, the reference index used is the EURIBOR rate, which term varies between 3M and 12M, plus a spread in line with market practice for similar operations.

Some of these loans have associated guarantees and collateral, described in Note 46.

Bank loans have the following repayment terms on 31 December 2023 and 2022:

	31 dec 2023	31 dec 2022
Up to 1 year	108 224 225	99 790 408
	108 224 225	99 790 408
Over one year but not more than five years	309 456 349	280 930 695
More than five years	181 767 641	347 092 585
	491 223 990	628 023 280
	599 448 216	727 813 688

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36.3 COMMERCIAL PAPER

On 31 December 2023 and 2022, the commercial paper debt presented the following breakdown:

	31 dec 2023		31 dec 2022	
	Current	Non-current	Current	Non-current
Healthcare	20 124 109	72 696 227	40 406 011	77 239 274
	20 124 109	72 696 227	40 406 011	77 239 274

The Group has contracted four Commercial paper programmes for short-term treasury financing with a limit of Euros 71 million, of which Euros 17.3 million had been used at the statement of financial position date.

The Group has also contracted two long-term Commercial paper programmes to finance the work at Hospital CUF Tejo with a limit of Euros 95 million, and at the statement of financial position date an amount of Euros 75.7 million is outstanding.

Although there are programmes with a maturity exceeding one year, there are annual renewals, so the Commercial paper is all classified as current, except for the Commercial paper program for the subsidiary CUF Investimentos (contracted with Caixa de Crédito Agrícola to finance the construction of Hospital CUF Tejo), given that there is a firm commitment by the bank up to the program's contracted maturity date.

These commercial paper programmes include financial covenants that are common in financing contracts. The contracts include obligations to meet the following debt ratios: Net Financial Debt (considered as gross financial debt less cash and bank deposits and other financial instruments) / EBITDA (corresponding to the Operating Result plus amortisation and depreciation, provisions and impairment losses); Debt service coverage ratio (EBITDA / Financial expenses) and Financial autonomy (Equity / Assets). These financial covenants are calculated based on the consolidated financial statements of the CUF Group.

On 31 December 2023, the CUF Group was compliant with all financial covenants in commercial paper programmes. It should be noted that, although there were no changes to the contracted amounts or terms, two amendments to the Hospital CUF Tejo financing were signed, which include ESG ("Environmental, Social and Governance") covenants, namely the annual measurement of performance in terms of Clinical Quality and Safety, as well as Sustainability indicators according to the GRI indicators, with gradual KPIs ("Key Performance Indicators") being defined from 2023 until the end of the financing programmes, which non-compliance with does not impact the segregation of the debt.

The Hospital CUF Tejo property is pledged as collateral in the Commercial paper program for an agreed amount of Euros 95 million.

37. LEASE LIABILITIES

The outstanding rents of lease contracts in force on 31 December 2023 and 2022 had the following maturities:

	31 dec 2023	31 dec 2022
Minimum lease payments under finance leases:		
Up to 1 year	22 246 387	17 855 530
Over one year but not more than five years	53 670 954	37 210 220
More than five years	38 721 967	24 733 743
	114 639 308	79 799 494

In financial years ended 31 December 2023 and 2022, the following amounts were recognised as expenses:

	31 dec 2023	31 dec 2022
Amounts recognised in expenses of the financial year:		
Right-of-use amortisation and depreciation	20 630 482	18 056 865
Lease interest	1 591 496	1 081 350
Short-term and low-value lease rents (a.)	5 702 007	5 318 058

(a.) The Group has a few lease contracts with a duration of less than 12 months and of low value. In these situations, the Group recognises the respective rents as expenses.

38. EMPLOYEE BENEFITS

The Group has defined benefit plans for retirement pensions and healthcare plans, the liabilities of which are determined annually based on actuarial studies carried out by independent bodies, and the cost determined by these studies is expensed in the year determined. These plans are as follows:

38.1 RETIREMENT BENEFITS

Healthcare segment

The subsidiary Hospital CUF Tejo, S.A. ("HCT") has the responsibility of topping up the retirement pensions of some of its employees, with whom this was agreed. Although it has not established any fund or insurance to cover this liability, a provision has been set up for this purpose, which is updated annually according to an actuarial study conducted by a specialised and independent entity.

The expiry of the Collective Labour Agreement was requested and formally agreed with the Ministry of Labour, in accordance with legislation in force, and the effects of same were applied as from 6 February 2013 in relation to employees still in active service. The law envisages, according to a legal opinion, the maintenance of the "remuneration, category and respective definition, duration of working hours and social protection schemes which benefits substitute those of the general social security scheme or under a protocol substituting the National Health Service". The pension top-up does not fall under this requirement and ceases to have effect from February 2013. Accordingly, the liability remains in force for retired employees of Hospital CUF Tejo.

According to the actuarial valuation report prepared by CFPO Consulting - Soluções Actuariais e Financeiras, Lda., the current value of past service liabilities in respect of retirement pensions, as of the date of the statement of financial position, is estimated at Euros 803 thousand (Euros 872 thousand in 2022), with the provision for retirement pensions having been adjusted accordingly.

The actuarial valuation of pension plan liabilities was performed using the Projected Credit Unit method, considering the following assumptions and technical actuarial bases:

	31 dec 2023	31 dec 2022
Discount rate	3,00%	3,00%
Growth rate of pensions	0,00%	0,00%
Mortality table:		
Men	TV 88/90	TV 88/90
Women	TV 88/90	TV 88/90
Number of retirees	45	47
Average age	79,07	78,57

Chemical industry segment

As indicated in Note 2.4.13, some Bondalti Group companies have commitments to some of their former and current employees, with whom this responsibility has been assumed, and solely to these, for the payment of old-age, disability and survivor pension supplements.

To estimate their liabilities, the companies of the Bondalti Group have a procedure of obtaining an actuarial valuation report at the end of each year, presented by Actuariado - Estudos Actuariais Económicos e Financeiros, Lda.. On 31 December 2023 and 2022, the actuarial studies quantified the amount of past service commitments at Euros 1 657 thousand and Euros 1 851 thousand, respectively.

The above actuarial studies were carried out using the Projected Credit Unit method and have the following assumptions and technical actuarial bases:

	31 dec 2023	31 dec 2022
Growth rate of salaries for Social Security	2,00%	2,00%
Growth rate of salaries	2,00%	2,00%
Discount rate	3,00%	0,75%
Growth rate of pensions	0,00%	0,00%
Technical rate (annuities)	0,75%	0,75%
Revaluation of salaries for Social Security	1,00%	1,00%
Mortality table	TV 88/90	TV 88/90
Disability table	EKV80	EKV 80

38.2 HEALTH BENEFITS

B. Chemicals also has the responsibility to cover costs of hospitalisation, medical appointments and surgical procedures according to the regulations of this subsidiary and the agreement in force with Hospital CUF Tejo, S.A. (formerly Hospital CUF Infante Santo, S.A.), as well as the part not co-funded of medicines partially co-funded by the National Health Service (only for medicines subject to co-funding by the National Health Service) for some of its former (from

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the former Quimigal) and current employees, with whom this responsibility was assumed, and only to these. Although it has not established any fund or insurance to cover this liability, a provision has been set up for this purpose, which is updated according to an actuarial study conducted by a specialised and independent entity. According to the actuarial valuation report presented by Actuariado - Estudos Actuariais Económicos e Financeiros, Lda., the value of B. Chemicals' past service liabilities under the Healthcare plan on 31 December 2023 and 2022, is estimated at Euros 235 thousand and Euros 271 thousand, respectively, and are recorded under the caption Employee benefits.

The movement in Employee benefits during financial years ended 31 December 2023 and 2022 was as follows:

	Retirement pension plan	Healthcare plan	Total
Balance on 1 January 2022	3 509 008	266 396	3 775 404
Interest expense	16 844	-	16 844
Benefits paid	(366 529)	-	(366 529)
Actuarial gains and losses	(435 740)	4 288	(431 452)
Balance on 31 December 2022	2 723 584	270 684	2 994 268
Interest expense	51 745	-	51 745
Benefits paid	(420 082)	-	(420 082)
Actuarial gains and losses	104 778	(35 461)	69 317
Balance on 31 December 2023	2 460 025	235 223	2 695 248

39. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

39.1 IMPAIRMENT LOSSES OF NON-CURRENT ASSETS

The movement in the accumulated impairment losses of non-current assets during financial years ended 31 December 2023 and 2022, was as follows:

	Goodwill (Note 18)	Right-of-use assets (Note 20)	Tangible fixed assets (Note 21)	Investment properties (Note 22)	Investments in associated companies (Note 23)	Financial assets available for sale (Note 25)	Total
Balance on 1 January 2022	1 135 390	102 321	16 566 157	2 658 230	11 440 112	342 417	32 244 626
Impairment	2 009 612	-	127 640	-	-	-	2 137 252
Regularisations	(15 896)	-	571 985	-	-	-	556 089
Transfer of impairment	-	-	-	(1 851 456)	-	-	(1 851 456)
Reversal	-	-	(4 048 593)	-	-	-	(4 048 593)
Discontinued operations (Note 5.3)	-	-	-	-	-	43 476	43 476
Use	-	-	-	(77 558)	-	(2 835)	(80 393)
Balance on 31 December 2022	3 129 106	102 321	13 217 188	729 216	11 440 112	383 058	29 001 001
Impairment	-	-	58 534	-	-	117 571	176 105
Regularisations	-	-	75 785	-	-	-	75 785
Reversal	-	-	(3 408 557)	-	-	-	(3 408 557)
Use	-	(102 321)	-	(555 782)	-	-	(658 103)
Balance on 31 December 2023	3 129 106	-	9 942 950	173 434	11 440 112	500 629	25 186 230

39.2 IMPAIRMENT LOSSES OF CURRENT ASSETS

The movement in the accumulated impairment losses of current assets during financial years ended 31 December 2023 and 2022, was as follows:

	Other debtors (Note 27)	Other assets (Note 28) (a.)	Inventories (Note 29)	Customers (Note 30)	Total
Balance on 1 January 2022	1 555 386	11 479 184	3 516 143	18 697 108	35 247 822
Increase	57 610	-	1 079 051	1 314 122	2 450 783
Use	-	-	(972 103)	228 037	(744 065)
Reversal	-	-	-	(225 636)	(225 636)
Regularisations	15 167	(179 571)	-	(39 622)	(204 026)
Discontinued operations (Note 5.3)	(76 150)	-	-	(2 967 765)	(3 043 915)
Reclassification	15 058	(15 058)	-	-	-
Transfers	-	-	1 851 456	-	1 851 456
Balance on 31 December 2022	1 567 071	11 284 555	5 474 548	17 006 246	35 332 419
Increase	71 693 060	1 171 968	1 048 510	1 936 292	75 849 830
Use	-	-	(2 003 736)	(1 754 116)	(3 757 852)
Reversal	-	-	(261 903)	(250 163)	(512 066)
Regularisations	7 148	-	-	-	7 148
Discontinued operations (Note 5.3)	-	-	-	(31 711)	(31 711)
Transfers	(19 596)	19 596	-	-	-
Changes in perimeter (Note 5)	-	-	13	120 094	120 108
Balance on 31 December 2023	73 247 683	12 476 119	4 257 432	17 026 641	107 007 875

(a.) On 31 December 2023, impairment was recognised, in the amount of Euros 1 171 968, in respect of the interest on the debt resulting from the conversion of put options on the Compulsorily Convertible Securities issued by MGI Capital (Note 39.3 (e.)).

39.3 PROVISIONS

The movement in provisions during financial years ended 31 December 2023 and 2022, was the following:

	Tax and legal contingencies (a.)	Other responsibilities (b.) (c.) (d.) (e.)	Investments in associated companies (f.)	Other (g.)	Total
Balance on 1 January 2022	2 234 110	7 772 558	73 129 627	6 037 350	89 173 645
Increase	2 656 568	500 000	576 373	67 288	3 800 229
Use	-	(62 741)	-	(23 213)	(85 954)
Reversal	(764 712)	-	(2 012 940)	(31 093)	(2 808 745)
Discontinued operations (Note 5.3)	(55 201)	(1 562 431)	-	15 660	(1 601 972)
Changes in perimeter (Note 5)	6 601	-	-	31 433	38 034
Foreign exchange effect	1 961	-	-	-	1 961
Regularisations	-	-	-	7 559	7 559
Balance on 31 December 2022	4 079 326	6 647 386	71 693 060	6 104 983	88 524 756
Increase	100 307	275 000	-	168 062	543 368
Use	(52 245)	(60 760)	-	(75 941)	(188 945)
Reversal	(13 797)	-	(71 693 060)	(351 440)	(72 058 297)
Transfers	15 000	7 559	-	(22 559)	-
Discontinued operations (Note 5.3)	35 000	1 648 637	-	-	1 683 637
Changes in perimeter (Note 5)	112 743	-	-	770 797	883 540
Regularisations	-	-	-	9 765	9 765
Balance on 31 December 2023	4 276 334	8 517 823	-	6 603 667	19 397 825

(a.) This caption includes the following provisions:

i) Legal proceedings: provisions resulting from legal proceedings lodged by the customers of the various units of the CUF Group, amounting to Euros 1 540 thousand, in connection with the provision of hospital services; these provisions are made based on an assessment and ranking of the risk of the proceedings. On 31 December 2023, proceedings had been brought against the Group and the responsibility estimated by the Group is for that not covered by its insurance contracts, with these limits amounting to approximately Euros 27.5 million (Euros 21 million in 2022). In addition, this caption includes, besides the amount of Euros 283 thousand, the amount of Euros 113 thousand, related to a legal case, brought by Sport Lisboa e Benfica and Sport Lisboa e Benfica - Futebol SAD, against the subsidiary RAVV, resulting from the rescission / resolution of a sponsorship contract.

ii) Tax contingencies: in March 2022, the Constitutional Court conceded on an appeal by the Public Prosecutor's Office and ordered the reformulation of the decision of the Supreme Administrative Court, regarding an action filed by JM Imobiliária opposing the tax enforcement related to a debt of land transfer tax (SISA) imputed by the Autoridade Tributária e Aduaneira to the company, in its capacity as a shareholder of Expocomitur - Promoção e Gestão Imobiliária, S.A., which had been liquidated in the meantime. Despite the process not having yet been finalised but based on the assessment of its lawyers and legal advisers, JM Imobiliária constituted a provision for the entire amount in question of Euros 2 264 314. In 2023, the amount was reinforced in Euros 62 655, to Euros 2 326 969, following the updating of the amounts for compensatory interest, late payment fees and court fees.

(b.) Within the context of Nutriquim - Produtos Químicos, S.A. and to accommodate the restructuring plan of the company's activity, a provision was made in 2013 totalling Euros 1 150 thousand; during financial years 2015 through 2023, this provision has been used, with the amount of the provision available on 31 December 2023 being Euros 471 thousand.

(c.) In February 2009, the Bondalti Group decided to permanently discontinue the production of urea and ammonia. To meet the liabilities arising from that discontinuation decision, the Group had initially made a provision amounting to Euros 58 million; in financial years 2009 through 2017, the provision was reduced by Euros 53 million due to settling compensation liabilities with employees, terminating contracts with suppliers, dismantling decommissioned facilities and cleaning up land. During financial years ended 31 December 2023 and 2022, the provision was increased in Euros 275 thousand and Euros 500 thousand, respectively, as it was considered that due to the price increases verified in the last few years, the existing provision was not adequate considering market values. The amount of the provision available on 31 December 2023 amounts to Euros 5.775 million, which, in the opinion of the Group's Board of Directors, will be sufficient to meet any remaining liabilities arising from the discontinuation of this productive activity.

(d.) In 2022, the cancellation of provisions in the line Discontinued operations includes the amount of approximately Euros 1 071 thousand, which concerns a provision constituted in 2014, in respect of Escala Braga (merged in CUF, S.A., by incorporation, in 2021) referring to values imputed to CUF but not accepted (related to financial years 2009 through 2014), due to it being understood that there was a risk of same being claimed within the scope of the negotiation process for the termination of the public-private partnership. Considering the closure of the negotiation process in 2022 and their ageing, it is considered that that amount was not enforceable on 31 December 2022.

(e.) On 31 December 2020, the Group had set up a provision of Euros 152 million, to cover the possibility of the put options held by credit institutions on Mandatory Convertible Securities issued by MGI Capital, S.A. being exercised against JM Capital, given the principle of solidarity agreed upon and, that, initially, might have to assume a liability for that amount. In 2021, the put options on the aforementioned Mandatory Convertible Securities were exercised by the credit institutions, with JM Capital coming to hold Mandatory Convertible Securities issued by MGI Capital, S.A., in the amount of Euros 76 million and a claim on the other entity involved in the agreement, in the same amount. Subsequently, the aforementioned securities were converted into shares representing MGI Capital, S.A.'s share capital and the company Têxtil Manuel Gonçalves, S.A. proceeded to pay part of the debt. Following these operations, the existing provision was reduced to Euros 73.1 million. The maintenance of the provision created in 2020 was justified by the prudence that the payment plan defined with the other entity involved in the agreement with the credit institutions, over a very long term, called for. In financial year ended 31 December 2022, the provision amounted to Euros 71.7 million. In the financial year under review, the debt payment plan was not complied with, so JM Capital, out of prudence, decided to record impairment on the entire existing credit, plus applicable interest. JM Capital considers that the non-compliance is due to extraordinary circumstances and that the agreed payment plan will be resumed, which will allow, in future years, the recording of the reversal of the recorded impairment. In parallel, JM Capital reversed the provision it had maintained as a matter of prudence.

(f.) Contractual risks – Provisions for other contractual risks were made to address a set of risks arising from the termination of the Public-Private Partnership Regime Management Contracts with the companies Escala Braga - Sociedade Gestora do Estabelecimento, S.A. (subsequently merged into CUF, S.A.. In the 2023 financial year, the Court of Appeal decided to request a repeat of the judgement in the Arbitration Court ("AC"), to analyse evidence not analysed in the judgement of the Subsystems and Hepatitis C process, in relation to the activity of the entity Escala Braga (subsequently merged into CUF, S.A.). As a result, and in accordance with the Arbitration Court's decision, the Group reimbursed the amount of Euros 1.6 million previously settled by ARSN. In view of the above, the Group set up an account receivable and a provision in the same amount (Note 27).

The amounts provisioned were based on the Group's experience, supported by the opinion of its legal advisors, and the Group considers that it has no additional liabilities in the scope of the above processes that are not recorded in the consolidated financial statements as of 31 December 2023. In addition, there are disputed amounts which are included under Other current assets, as disclosed in Note 28 (a.).

During the 2023 and 2022 financial years, movements in the Impairment losses and Provisions captions had the following impacts on profit or loss:

	31 dec 2023		31 dec 2022	
	Increase	Reversal	Increase	Reversal
Impairment of non-current assets	176 105	(3 408 557)	2 137 252	(4 048 593)
Impairment of current assets	75 849 830	(512 066)	2 450 783	(225 636)
	76 025 935	(3 920 623)	4 588 035	(4 274 229)
Provisions	543 368	(72 058 297)	3 800 229	(2 808 745)
	543 368	(72 058 297)	3 800 229	(2 808 745)

40. OTHER CURRENT AND NON-CURRENT CREDITORS

On 31 December 2023 and 2022, these captions had the following breakdown:

	31 dec 2023		31 dec 2022	
	Current	Non-current	Current	Non-current
Related entities	-	2 458 269	-	2 530 454
Investment suppliers (a.) (b.)	10 444 185	1 221 512	5 350 860	1 699 568
Fees (c.)	7 047 574	-	6 002 908	-
Advances from IAPMEI (d.)	5 989 000	-	-	-
Acquisition of financial investments (e.)	3 025 469	1 675 375	320 719	3 283 864
Concession right (f.)	1 206 305	-	-	-
Advances to staff and trade unions	678 554	-	795 416	-
CO2 licenses (g.)	337 000	-	-	-
Autoridade Nacional de Proteção Civil (National Civil Protection Authority) (h.)	280 000	-	-	-
Guarantees and security deposits	63 554	-	51 154	-
Creditors to regularise	10 282	-	6 136	-
Creditors for unreleased subscriptions (i.)	-	2 174 980	-	3 902 337
Other creditors	1 207 474	313 386	1 839 510	-
	30 289 396	7 843 522	14 366 703	11 416 223

(a.) Non-current: This caption, in financial year ended 31 December 2023, refers to Bondalti Cantabria, S.A.'s debt of Euros 1 221 512 (Euros 1 699 568 in 2022) to its main supplier (Solvay) in respect of the reconversion of the chlor-alkali plant, located in Torrelavega, which started production in 2020, and which will be settled in a period exceeding one year.

(b.) Current: The balance of Investment suppliers mainly refers to the balance of three suppliers, totalling Euros 4 million, related to the Electrolysis Technological Reconversion in Estarreja.A rubrica Honorários refere-se aos valores a liquidar aos Employees do Grupo CUF sem vínculo contratual permanente.

(c.) The caption Fees refers to amounts to be paid to CUF Group employees without a permanent contractual relationship.

(d.) This caption, in financial year ended 31 December 2023, corresponds to an advance made by IAPMEI, I.P. - Agência para a Competitividade e Inovação, I.P. within the scope of the New Generation Storage (NGS) agenda of the Recovery and Resilience Plan, a project that is still at an initial phase.

(e.) This caption includes the amounts payable relating to the acquisition of the following financial investments: Clínica CUF Montijo (Euros 300 thousand in 2023 and 2022); Clínica Dr. Luís Álvares, S.A. (Euros 360 thousand in 2023 and Euros 450 thousand in 2022); Hospital CUF Trindade (Euros 1 049 thousand in 2023 and Euros 1 505 thousand in 2022); ICIL (Euros 1 355 thousand in 2023 and 2022); and, two down-payments on the acquisition of land located in Faro and Seixal (Euros 560 thousand in 2023).

(f.) This amount corresponds to the present value of the future obligation related to the concession right acquired by WS Group (Note 19 a) ii)), the subsequent measurement of which, in accordance with IFRS 9, is carried out at fair value through profit or loss.

(g.) The CO2 Licenses caption refers to the amount to be settled to a partner.

(h.) On 31 December 2023, this amount corresponds to a co-payment agreement with the National Civil Protection Authority, to be settled in 2024 and 2025.

(i.) In financial year ended 31 December 2023, this caption includes:

i) Euros 767 thousand payable to the former shareholders of the Alfaro Group (within three years), relating to the acquisition of an investment in a Venture Capital Fund;

ii) unpaid capital, in the amount of Euros 2 086 thousand (Euros 2 781 thousand in 2022), of the investment in Fundo Shilling Founders (Venture Capital Fund) (Note 25 (c.)); and

iii) unpaid capital, in the amount of Euros 89 thousand (Euros 121 thousand in 2022), to be paid within a maximum period of 5 years of the investment in Fundo Faber Tech II (Venture Capital Fund) (Note 25 (a.)).

41. OTHER CURRENT AND NON-CURRENT LIABILITIES

On 31 December 2023 and 2022, these captions had the following breakdown:

	31 dec 2023		31 dec 2022	
	Current	Non-current	Current	Non-current
Accrued expenses:				
Remuneration payable to staff	51 958 356	-	39 364 272	-
Operating expenses (a.)	13 592 297	-	7 459 789	-
Medical fees payable (b.)	6 116 903	-	6 262 500	-
Municipal Property Tax (“IMI”)	897 821	-	1 096 320	-
IT	879 579	-	1 337 326	-
Interest, fees and bank charges	450 367	-	322 727	-
Water resource and wastewater treatment levies	416 000	-	-	-
Studies and consultations	412 527	-	-	-
Rappel payable	356 047	-	-	-
Distribution and marketing	280 133	-	-	-
Multi-annual contracts	-	-	33 793	-
Other accrued expenses	329 367	-	2 134 889	-
	75 689 396	-	58 011 616	-
Deferred income:				
Subsidies in respect of Emission rights	8 034 155	-	-	-
Liability for credit notes pending issue (c.)	4 708 666	-	4 708 666	-
Investment subsidies	3 990 107	11 352 364	-	-
Surface rights	419 650	-	439 560	-
Credit notes	142 950	-	-	-
Advances (d.)	38 719	-	-	-
Rents	20 605	-	25 681	-
Use and housing rights - Residential Condominiums	-	-	82 635	-
Other deferred income	1 227 194	-	839 932	-
	18 582 046	11 352 364	6 096 475	-
	94 271 442	11 352 364	64 108 091	-

(a.) This caption includes the accrued expenses at the end of the year related to Cost of sales, External supplies and services (Complementary diagnostic and therapeutic resources (“MCDT”), Insurance and Specialised work), Staff expenses and Other operating expenses.

(b.) The caption Medical fees payable refers to the estimated amounts to be paid to the employees of the CUF Group who have no permanent contractual relationship. This estimate is based on the monthly amount paid historically, the agreements made with each service provider and the time worked.

(c.) The caption Liability for credit notes pending issue relates to recognised liabilities in favour of ARSLVT, IP as a result of the difference between the amounts advanced over the years 2020 and 2021 and the actual production. This situation results from the final closing of the invoiced value, which is the contracted value, being higher than the actual value of production determined by the CUF Group in those financial years.

(d.) The balance of this caption refers to advances made on account of grapes suitable for generous must for Port wine; this balance will be settled in January 2024, through the issuance of final invoices relating to the sale of these grapes.

42. SUPPLIERS AND ADVANCE PAYMENTS FROM CUSTOMERS

On 31 December 2023 and 2022, these captions had the following breakdown:

	31 dec 2023	31 dec 2022
Suppliers - current account	141 508 810	131 502 855
Suppliers - invoices pending approval	16 943 650	14 766 296
Suppliers - notes payable	3 042	4 009
Advances from customers	9 189 316	8 706 118
	167 644 817	154 979 279

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43. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

43.1 RECEIPTS RELATED TO FINANCIAL INVESTMENTS

The most significant receipts related to financial investments, occurring during financial years ended 31 December 2023 and 2022, concern the following entities:

Counterparty	Classification	31 dec 2023	31 dec 2022
Rubicone Bidco, S.A.	Ancillary capital contributions	195 074 645	-
Guimarães de Mello, S.A.	Ancillary capital contributions	9 000 000	-
Farminveste - Investimentos, Participações e Gestão, S.A.	Redemption of bonds	7 000 000	-
Fundo de Compensação do Trabalho	Reimbursements	165 141	197 500
Dr. Campos Costa - Cons. de Tomografia Computorizada, S.A.	Sale of financial holdings	120 000	120 000
Guimarães de Mello II - Portugal, S.A.	Ancillary capital contributions	55 000	-
Faber Partners, S.A.	Reimbursements	6 441	4 988
Guimarães de Mello II - Portugal, S.A.	Share capital decrease	5 000	-
		211 426 227	322 488

43.2 DIVIDENDS RECEIVED

The dividends received during financial years ended 31 December 2023 and 2022 concern the following entities:

	31 dec 2023	31 dec 2022
A.Q.P. - Aliada Química de Portugal, Lda.	190 226	397 288
Brisa - Auto-Estradas de Portugal, S.A.	-	19 244 217
Centro Gamma Knife - Radiocirurgia, S.A.	-	153 000
	190 226	19 794 505

43.3 PAYMENTS RELATED TO FINANCIAL INVESTMENTS

The most significant payments related to financial investments, occurring during financial years ended 31 December 2023 and 2022, concern the following entities

Counterparty	Classification	31 dec 2023	31 dec 2022
Hospital CUF Açores, S.A.	Acquisition of holding	21 000 000	-
Hospital CUF Açores, S.A.	Cash and cash equivalents acquired	(475 445)	-
Guimarães de Mello, S.A.	Ancillary capital contributions	9 000 000	-
Atlanticare – Serviços de Saúde, S.A.	Acquisition of holding	3 233 000	-
Atlanticare – Serviços de Saúde, S.A.	Ancillary capital contributions	87 000	-
Atlanticare – Serviços de Saúde, S.A.	Cash and cash equivalents acquired	(203 618)	-
Clínica CUF Belém S.A.	Reinforcement of holding	2 888 560	-
Fundo Shilling Founders Fund	Reinforcement of holding	695 250	-
Hospital CUF Trindade, S.A.	Acquisition of holding	456 188	2 189 160
Ravasqueira Vinhos, S.A.	Acquisition of holding	203 480	-
Ravasqueira Vinhos, S.A.	Cash and cash equivalents acquired	(1 602 841)	-
Greenimolis - Investimentos, S.A.	Ancillary capital contributions	179 250	1 085 000
Rubicone Bidco, S.A.	Ancillary capital contributions	94 244	-
Clínica Dr. Luís Álvares S.A.	Acquisition of holding	90 000	-
Fundo Faber Tech II	Capital deliveries	28 150	128 633
Fundo de Compensação do Trabalho	Capital deliveries	13 138	77 507
Sagies - Segurança e Saúde no Trabalho, S.A.	Acquisition of holding	-	1 147 000
Enkrott - Gestão e Tratamento de Águas, S.A.	Acquisition of holding	-	727 171
Hytlantic, S.A.	Ancillary capital contributions	-	203 000
Vigorous Proposal, Lda.	Acquisition of holding	-	5 000
		35 686 354	5 562 472

43.4 DIVIDENDS PAID

The dividends paid during financial years ended 31 December 2023 and 2022 were distributed by the following entities:

	31 dec 2023	31 dec 2022
CUF, S.A.	9 732 750	-
José de Mello Capital, S.A.	6 610 000	6 300 000
HD - Medicina Nuclear, S.A.	77 044	-
Clínica de Serviços Médicos Computorizados de Belém, S.A.	61 746	-
Clínica CUF Belém, S.A.	33 142	177 229
	16 514 682	6 477 229

44. DERIVATIVE FINANCIAL INSTRUMENTS

As part of the CUF Group's financial risk management policy, a financial instrument was contracted in February 2023, to minimise the risks of exposure to interest rate fluctuations in the form of an interest rate swap, to cover Euros 33.8 million of commercial paper of Hospital CUF Tejo. The contracted derivative financial instrument respects the characteristics of the aforementioned commercial paper in order to be considered a hedging product.

There is a relationship between the covered item and the hedging instrument, as the conditions (period and reference rate) of the financing and hedging instruments are the same. The Group establishes a hedging ratio of 1:1 for the hedging. Efficacy tests are carried out at the beginning of the hedge and in subsequent periods; the hedge is expected to be highly effective in offsetting changes in cash flows attributable to the hedged risk for which the hedge was designated. This expectation is demonstrated by the high statistical correlation between the cash flows of the hedged item and those of the hedging instrument.

The characteristics of the derivative financial instruments contracted associated with financing operations were as follows:

Derivatives designated as cash flow hedges	31 dec 2023			
	Amount	Maturity	Economic objective	Fair value
Interest rate swap	33 800 000	jun 2032	Cash flow edge of commercial paper	(862 383)
	33 800 000			(862 383)

45. RELATED PARTIES

The balances and transactions between JM Capital ("parent company") and the Group's companies were eliminated in the consolidation process.

The balances between the Group and other related parties are described below:

	31 dec 2023				
	Balances receivable			Balances payable	
	Customers	Debtors and shareholders	Other assets	Suppliers	Creditors and shareholders
Ageas Portugal Holdings SGPS, S.A.	-	-	-	-	2 569 758
Centro Gamma Knife-Radiocirurgia, S.A.	8 168	-	-	355 135	-
Greenimolis - Investimentos Imobiliários, S.A.	86 769	-	139 981	19 175	-
Rubicone Bidco Group	61 294	231 025 308	-	-	-
MGICapital Group	15 636	-	-	15 835	700
Guimarães de Mello, S.A.	3 506	16 906 360	-	202 833	-
LHEA - Association for Lifelong Health	-	-	1 350 000	-	-
Guimarães de Mello II - Portugal, S.A.	1 292	-	-	-	-
Sociedade Agrícola D. Diniz, S.A.	3 093	-	-	599	2 272

	31 dec 2023				
	Balances receivable			Balances payable	
	Customers	Debtors and shareholders	Other assets	Suppliers	Creditors and shareholders
Ana Maria Godinho Silveira	-	-	-	-	69 760
João Gonçalves da Silveira	-	-	-	-	91 718
	179 758	247 931 668	1 489 981	593 577	2 734 207

	31 dez2022				
	Balances receivable			Balances payable	
	Customers	Debtors and shareholders	Other assets	Suppliers	Creditors and shareholders
Ageas Portugal Holdings SGPS, S.A.	-	-	-	-	2 589 900
Centro Gamma Knife-Radiocirurgia, S.A.	84 718	-	-	19 280	55 687
A.Q.P. - Aliada Química de Portugal, Lda.	-	-	-	-	2 107
Farminveste - Investimentos, Participações e Gestão, S.A.	-	-	7 000 000	-	-
Greenimolis - Investimentos Imobiliários, S.A.	-	-	84 769	-	-
Rubicone Bidco Group	101 745	426 139 469	-	321	-
MGICapital Group	296 847	31 611	21 879	881 672	10 726
Guimarães de Mello, S.A.	2 706	35 601 680	-	202 833	-
L.A.R.F. - Imobiliária, S.A.	289	-	-	-	-
LHEA - Association for Lifelong Health	-	-	250 000	-	-
SCAURI - Consultadoria Económica e Participações, S.A.	308	25 000	30 000	-	-
Sociedade Agrícola D. Diniz, S.A.	2 669	-	-	854	4 998
Ravasqueira Vinhos, S.A.	127 257	635	-	-	-
Ana Maria Godinho Silveira	-	-	-	-	69 760
João Gonçalves da Silveira	-	-	-	-	91 718
	616 539	461 798 396	7 386 648	1 104 960	2 824 896

Additionally, the transactions between the Group and the associated companies and other related parties for financial years ended 31 December 2023 and 2022 are described below:

	31 dec 2023				
	Transactions				
	Services rendered	Operating income	Operating expenses	Financial expenses	Financial income
Ageas Portugal Holdings SGPS, S.A.	-	-	-	51 859	-
Centro Gamma Knife-Radiocirurgia, S.A.	-	-	1 151 898	-	12 000
Farminveste - Investimentos, Participações e Gestão, S.A.	4 435	-	207 000	-	-
Greenimolis - Investimentos Imobiliários, S.A.	12 000	-	327 556	-	4 928
Rubicone Bidco Group	174 290	-	784 249	-	-
MGICapital Group	-	10 472	28 999	-	-
Guimarães de Mello, S.A.	34 200	-	-	-	-
L.A.R.F. - Imobiliária, S.A.	1 500	-	-	-	-
Guimarães de Mello II - Portugal, S.A.	4 200	-	-	-	-
Sociedade Agrícola D. Diniz, S.A.	32 904	-	13 737	-	-
Ana Maria Godinho Silveira	-	-	-	3 257	-
João Gonçalves da Silveira	-	-	-	4 282	-
	263 530	10 472	2 513 440	59 397	16 928

	31 dec 2022				
	Transactions				
	Services rendered	Operating income	Operating expenses	Financial expenses	Financial income
Ageas Portugal Holdings SGPS, S.A.	-	-	-	54 720	-
Centro Gamma Knife-Radiocirurgia, S.A.	381 931	-	1 132 511	13 400	-
Farminveste - Investimentos, Participações e Gestão, S.A.	4 531	-	-	-	-
Greenimolis - Investimentos Imobiliários, S.A.	-	-	12 000	-	-
Rubicone Bidco Group	172 539	863	660 340	-	-
MGICapital Group	699 449	92 046	7 843 942	-	-
Guimarães de Mello, S.A.	26 400	-	952 020	-	-
L.A.R.F. - Imobiliária, S.A.	1 613	-	-	-	-
SCAURI - Consultadoria Económica e Participações, S.A.	3 000	-	-	-	-
Sociedade Agrícola D. Diniz, S.A.	220 331	28 582	19 876	-	-
Ravasqueira Vinhos, S.A.	123 093	9 485	-	-	-
Ana Maria Godinho Silveira	-	-	-	1 012	-
João Gonçalves da Silveira	-	-	-	1 035	-
	1 632 887	130 976	10 620 689	70 167	-

The terms or conditions practiced between the Group and the other related parties are substantially identical to those which would usually be contracted, accepted and practiced between independent entities in comparable operations.

Benefits attributed to members of the Board of Directors

The benefits attributed to the members of the Board of Directors of José de Mello Capital, S.A., in financial years ended 31 December 2023 and 2022, were Euros 8 120 thousand and Euros 4 846 thousand, respectively.

46. CONTINGENCIES

46.1 GUARANTEES

On 31 December 2023 and 2022, the companies included in the consolidation had provided guarantees to third parties as follows:

	31 dec 2023	31 dec 2022
EDP Clientes S.A.U.	700 000	-
REN Rede Elétrica Nacional, SA	260 213	-
Autarquias locais	74 282	74 282
Merlin Properties, Socimi, SA	28 948	-
Autoridad Portuaria de Vigo	24 500	24 500
Instituto Superior Técnico	23 500	23 500
Agência Portuguesa do Ambiente	21 122	21 122
Sundry supplies	14 964	14 964
Bureau of Indian Standards	10.000 USD	-
Other	6 500	6 500
	1 154 028	164 868

46.2 SURETY BONDS

The surety bonds assumed on 31 December 2023 and 2022, are as follows:

	31 dec 2023	31 dec 2022
Autoridade Tributária e Aduaneira	200 000	200 000
Autoridade Tributária e Aduaneira - Alfândega de Aveiro	75 000	75 000
Autoridade Tributária e Aduaneira - Alfândega de Aveiro	75 000	75 000
AdP - Águas de Portugal Serviços Ambientais	76 628	16 875
	426 628	366 875

46.3 DEBTS TO THIRD PARTIES COVERED BY COLLATERAL

On 31 December 2023 and 2022, the companies included in the consolidation had provided the following collateral to third parties (in favour of banking institutions to guarantee financing), which consists of pledges over the following shares (number of shares):

	31 dec 2023	31 dec 2022
Bondalti Capital, S.A. shares	4 084 400	4 084 400
CUF, S.A. shares	2 154 540	1 679 040

46.4 COLLATERAL PROVIDED TO THIRD PARTIES

On 31 December 2023, the Group had provided collateral to financial institutions, through mortgages on the following properties: Hospital CUF Sintra, Hospital CUF Porto, Instituto CUF, Hospital CUF Descobertas (Expansão), Hospital CUF Descobertas, Clínica CUF Almada, Hospital CUF Tejo, Hospital CUF Cascais, Hospital CUF Torres Vedras, Hospital CUF Santarém and Clínica CUF São João da Madeira.

Additionally, in financial year ended 31 December 2022, CUF Cascais constituted in favour of financial institutions a first-degree mortgage on the Surface right held by it, free of encumbrances or charges, until the full payment of the obligations arising from the financing agreement between LHEA - Association for Lifelong Health Education, which CUF Cascais is a partner of, and Caixa Central – Caixa Central de Crédito Agrícola Mútuo, C.R.L., Caixa de Crédito Agrícola Mútuo de Entre Tejo e Sado, C.R.L. and Caixa de Crédito Agrícola Mútuo de Loures Sintra e Litoral, C.R.L..

Other guarantees

- Under a financing contract celebrated (in June 2019) by B. Chemicals and to ensure the proper performance of the obligations arising from same, a mortgage on land, a pledge on equipment, a pledge on bank account balances, a pledge on shares representing the share capital of Elnosa and Bondalti Cantabria, Miralcalis shares and shareholder loans, and some receivables and shareholder loans were ceded as collateral.

- Collateral in the form of a mortgage on units A, B, D, I and M of the urban building located at Rua D. Luís I, nos. 19, 19-A, 19-B and 19-C and on units A, B, C, D, E, F, G, H and I of the ban building located at Avenida 24 de Julho, no. 24, both in Lisbon, to guarantee financing.

- Surety provided by José de Mello Capital, S.A. to cover all obligations arising from bank financing in the amount of Euros 265 000.

- Financial pledge on any amount paid by CUF, S.A. as distributions, in favour of banking institutions, to guarantee financing.

- Endorsement by José de Mello Capital, S.A. on a promissory note signed by Ravasqueira Vinhos, S.A. to guarantee a Loan Agreement.

- Endorsement by José de Mello Capital, S.A. on a promissory note signed by Ravasqueira Vinhos, S.A. to guarantee a Credit Line Agreement.

- Blank promissory note signed by José de Mello Capital, S.A. to guarantee the responsibilities assumed in the scope of the issuance of the sustainability bonds “Sustainability Bonds José de Mello Capital 2023-2028”.

- Surety provided by José de Mello Investimentos, S.G.P.S., S.A. (Madeira International Business Centre) to cover all obligations arising from bank loans.

- Financial pledge on the available balance of Euros 13 080 199 in bank accounts at credit institutions.

- Promissory pledge on new CUF, S.A. and Bondalti Capital, S.A. shares to guarantee financing.

- CUF, S.A. is a guarantor for finance leasing contracts for medical equipment celebrated with several CUF Group companies.

- Blank promissory note signed by CUF Investimentos Imobiliários, S.A. and endorsed by CUF, S.A. and Hospital CUF Tejo, S.A.. For the commercial paper contracted by CUF Investimentos, the consignment of the rent paid by Hospital CUF Tejo, S.A. was presented as a guarantee.

- Consignment of any and all income arising from lease contracts relating to the Hospital CUF Cascais and Hospital CUF Sintra properties presented as a guarantee for the financing contracted by Imo Health Cascais - Investimentos Imobiliários, S.A. and Simplygreen - Investimentos Imobiliários, S.A., respectively.

- Two blank promissory notes signed by Hospimob - Imobiliária, S.A. and endorsed by CUF, S.A. and Hospital CUF Porto, S.A..

- Two blank promissory notes signed by CUF Investimentos Imobiliários, S.A. and endorsed by CUF, S.A., in the scope of two mortgage loans.

- In the scope of a loan, CUF Investimentos Imobiliários, S.A. signed a blank promissory note endorsed by CUF, S.A..

- Hospital CUF Santarém signed, to guarantee banking loans acquired from a financial institution, a blank promissory note.

- Blank promissory note signed by Hospital CUF Tejo, S.A., Clínica CUF Alvalade, S.A., Hospital CUF Santarém, S.A., Hospital CUF Descobertas, S.A., Clínica CUF Belém, S.A., Hospital CUF Cascais, S.A., Hospital CUF Torres Vedras, S.A., Hospital CUF Coimbra, S.A., Hospital CUF Porto, S.A. and Hospital CUF Viseu, S.A. in the context of several leasing contracts.

- For the Commercial Paper contracted, for each contract, a blank promissory note was signed by the issuing entities CUF, S.A., Hospital CUF Descobertas, S.A. and Hospital CUF Tejo, S.A..

- Endorsement provided by CUF, S.A. and Hospital CUF Descobertas, S.A. under a loan contact.

- Blank promissory note signed by CUF - Investimentos Imobiliários, S.A., under a loan contact.

- Under the lease contracted by CUF, S.A., a promissory note was signed and any and all income from the leasing contract for the medical equipment was consigned as a guarantee.

- First-degree mortgage on the property on which the Edifício Hospitalar de Leiria (Hospital Building) will be built.

- Consignment of all income from Edifício Hospitalar de Leiria and the car park attached to it.

- Within the scope of the Secured Current Account contracted, two blank promissory notes and a further blank promissory note, were signed by Hospital CUF Açores S.A., within the scope of a loan.

- Within the scope of loans, nine blank promissory notes were subscribed by Atlanticare, S.A..

- Blank promissory note signed by Greenimolis – Investimentos, S.A. and endorsed in 50% by CUF, S.A. as part of the contracting of a loan for the construction of Edifício Hospitalar de Leiria, in the amount of Euros 23.6 million.

- Guarantees provided within the scope of the "Competition Authority Administrative Offense Process", in the amount equivalent to 50% of the fine imposed by the Competition Authority.

- Endorsement provided by JMCWSG, S.A. in respect of a blank promissory note signed by Ravasqueira Vinhos, S.A. in favour of a financial institution to guarantee the credit line agreement under a secured current account.

- Eleven blank promissory notes signed by Ravasqueira Vinhos, S.A. in favour of several financial institutions for finance lease contracts for several equipment.

- Blank promissory note signed by Ravasqueira Vinhos, S.A. in favour of a financial institution as guarantee for a loan.

- Blank promissory note signed by Ravasqueira Vinhos, S.A. in favour of a financial institution as guarantee for a credit line agreement.

- Blank promissory note signed by Ravasqueira Vinhos, S.A. in favour of a financial institution as guarantee for a credit line agreement under a secured current account.

- Blank promissory note signed by Ravasqueira Vinhos, S.A. in favour of a financial institution as guarantee for a supplier payment management contract.

- Blank promissory note signed by Ravasqueira Vinhos, S.A. in favour of a financial institution as guarantee for a factoring contract.

- Two blank promissory notes signed by Burkina – Sociedade Imobiliária, S.A. and endorsed by S.P.S.I. – Sociedade Portuguesa de Serviços de Apoio e Assistência a Idosos, S.A. and pela José de Mello – Residências e Serviços, SGPS S.A., to guarantee a loan.

- First degree mortgage on two buildings allocated to Assisted Residences, one on Rua Arquiteto Resende Carvalheira, in the union of the parishes of Carcavelos and Parede, municipality of Cascais, and the other at Travessa da Praia, 1 and 1-A, in the parish of Alcântara, municipality of Lisbon, to guarantee a loan.

- Mortgage on the autonomous unit designated by the letter E of the urban building "Aveiro Centrum" in favour of Autoridade Tributária e Aduaneira.

46.5 OTHER COMMITMENTS AND CONTINGENCIES

- As part of a project to replace the electrolysers at the chlorine plant in Estarreja, B. Chemicals contracted a documentary credit in the amount of Euros 10 200 thousand, which matures in 2025.

- On 1 July 2022, CUF was notified by the Competition Authority ("AdC") of its decision on the administrative offense proceedings brought, by that entity, against Associação Portuguesa de Hospitalização Privada (APHP) and the hospital groups CUF, Trofa Saúde, Hospital Particular do Algarve, Lusíadas and Luz Saúde for alleged involvement in an agreement or concerted practice restricting competition in the contracting of private hospital healthcare services by the public healthcare subsystems ADSE and IASFA and which Statement of Objections had been notified on 29 July 2021.

  Briefly, the AdC closed the administrative offense proceedings regarding any coordination and/or concerted behaviour to put pressure on the achievement of a debt settlement by IASFA, in particular, by the targeted Luz and CUF, as it concluded that there was not enough evidence to demonstrate the culpability of the targets.

  Differently, with regard to the negotiations with ADSE, the AdC concluded that the targeted companies coordinated their interests and behaviour within the scope of the negotiations with ADSE, regarding its price list and rules, as well as the settlement process of the invoices of 2015 and 2016, above all, through and with the participation of APHP, which constitutes an agreement or concerted practice, under the terms of Article 9(1)(a) and (b) of the Competition Law, with the object of preventing, distorting or restricting, in an appreciable way, competition.

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

Convinced of its scrupulous compliance with Competition Law, CUF, S.A. and José de Mello Capital, S.A., absolutely reject the decision of the AdC and its legal basis, having appealed to the competent legal instances, with a view to guaranteeing the full clarification of the truth of the facts and the restoration of justice, in a situation that seriously undermines their good conduct and good name. As a result, the Group did not recognise any provision for the aforementioned case. In May 2023, an order was issued by the Tribunal da Concorrência, Supervisão e Regulação ("TCSR") (Competition, Supervision and Regulation Court) conditioning the suspensive effect of the appeal, and as a consequence of the obligation to pay the fine applied by the Competition Authority, a guarantee in the amount corresponding to 50% of the value of same was provided.

46.6 CONTINGENT ASSETS

Following the signing of a lending right contract valid for five years, resulting from the demerger operation that took place in 2022 in Sociedade Agrícola D. Diniz, S.A., the Right to exploit land and other assets was transferred to RAVV. Due to difficulties in determining its value, said right is not recorded in its statement of financial position, being only recorded as a contingent asset.

47. ENVIRONMENTAL MATTERS

Climate change measures have been a key element of environmental policy, with obvious implications for the near future, and an innovative set of policies and measures has been outlined within this framework, through which important elements of interaction with economic actors have been successfully introduced, in a true realisation of shared responsibility.

As part of this theme, the European Emissions Trading Scheme (ETS) is worth highlighting, in activities that account for about 45% of the European Union's GHG emissions, such as fuel burning, mineral oil refining, metallurgy, clinker, lime and glass production, ceramics, pulp and paper, chemicals and aviation.

The global GHG emission cap set at EU level has been lowered over time. In the fourth ETS implementation period (2021-2030) a linear reduction factor of 2.2% was introduced for the total quantity of emission licences available (instead of 1.74% in the period 2013-2020).

An emission licence permits the emission of the equivalent of one tonne of carbon dioxide (CO_2) during a given period. The obtaining of emission licences is done, as a rule, through auction. The revenues generated from auctioning the licences allocated to Portugal integrate the Environmental Fund.

Some of the emission licences are attributed free of charge as a transitional rule of this scheme, notably to prevent "carbon leakage" - the transfer of production to countries where emission restrictions are less stringent. The free attribution of emission licences does not include the production of electricity or the capture, transport and storage of carbon dioxide. The free attribution of licences has been reducing and, except for urban heating, will be eliminated by 2030.

52 183 Licences have been attributed to B. Chemicals for the 2023 financial year (50 299 in 2022).

APA - Agência Portuguesa do Ambiente (Portuguese Environment Agency) - has not yet published the quantity of licences that will be attributed in the remaining years (2022-2030) within the fourth ETS implementation period.

The movement, in tonnes of carbon dioxide and its respective value, in respect of greenhouse gas emission licences, during financial years ended 31 December 2023 and 2022, was as follows:

	31 dec 2023		31 dec 2022	
	Tonnes	Value	Tonnes	Value
Opening balance	83 777	5 783 489	67 536	3 540 869
Use (Note 8)	(27 490)	(2 123 603)	(25 476)	(2 047 761)
Fair value changes (Note 19)	-	1 785 883	-	247 347
Attributed	52 183	4 031 137	50 299	4 043 034
Adjustments and transfers	(110)	(1 106 097)	-	-
Reversal	-	-	(8 582)	-
Balance on 31 December	108 360	8 370 810	83 777	5 783 489

Actual emissions in the course of 2023 were 27 490 tonnes of CO_2 (25 476 tonnes of CO_2 in 2022), with a positive difference being verified, vis-à-vis for the attributed emissions, over the years since the implementation of the system, of 108 360 tonnes of CO_2, which are available for future use.

48. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved, and their publication authorised by the Board of Directors, on 9 May 2024, and will be subject to approval at the Shareholders' General Meeting. The Board of Directors expects these to be approved without significant changes.

49. SUBSEQUENT EVENTS

On 5 January 2024, the CUF Group, through CUF - Sociedade Gestora de Participações Sociais, S.A. completed the acquisition process of Grupo Clínica Médica Arrifana de Sousa, owner of several health units in the Tâmega and Sousa municipalities, and the Group is currently evaluating the effects of said acquisition. CUF's arrival in this region is a source of great satisfaction, making it possible to place at the disposal of the half-a-million Portuguese who live there, its 78 years of experience in providing healthcare, as well as reinforce the offer of differentiated care available to same.

On 1 January 2024, the contractual position of 17 employees was transferred from Ravasqueira Vinhos, S.A. to JMCWSG, S.A.. This assignment of contractual position implied the assumption by JMCWSG of the seniority rights, as well as the rights to holiday pay and subsidy for 2023 of the 17 employees. The value of the right to holiday pay and subsidy, assumed by JMCWSG, amounts to approximately Euros 91 155.

On 1 January 2024, the company Quinta do Retiro Novo, Unipessoal, Lda., assumed the contractual position of four employees coming from an external entity. Hence, the rights relating to the seniority of these employees were assumed, as were the rights to holiday pay and subsidy for 2023. The value of the right to holiday pay and subsidy, assumed by the company, amounts to approximately Euros 17 820.

On 4 January 2024, JMCWSG concluded the process of acquiring 100% of Quinta de Pancas Vinhos, Unipessoal Lda., a company, founded in 1945, that owns a centuries-old property, located in the municipality of Alenquer, in the Lisbon wine region. The operation includes, as part of the acquisition of the company, all its assets, with an emphasis on 75 hectares of land, of which 60 hectares are vineyards.

On 19 May 2021, B. Chemicals entered a framework contract for the sale of assets, transfer of the concession, sale of properties and transfer of employees from its wholly owned subsidiary, Renoeste. In 2023, it was agreed with the buyer to change the contract, which now focuses on the sale of all shares of Renoeste. The share purchase and sale contract was signed after the end of the year, on 10 January 2024.

On 10 April 2024, a limited liability company, Lifhthium Energy Capital, was incorporated in Luxembourg, under the laws of the Grand Duchy of Luxembourg, with a share capital of Euros 50 000, subscribed in 85% by JMCapital and in 15% by Bondalti Capital, S.A., through contributions in kind corresponding to shares representing the share capital of Lifthium Energy, S.A., whose corporate object is the acquisition of holdings.

Bondalti announced, on 5 March 2024, the launch of a public offer of acquisition (OPA) for 100% of the shares of the Spanish company Ercros, S.A. (“Ercros”), through its subsidiary, incorporated for this purpose in February 2024, Bondalti Ibérica, S.L.U., with registered office in Barcelona. The offer was made at a price of Euros 3.60 per share, which represents a premium of 40.6% over the shares' closing price on the previous day of Euros 2.56, which could therefore amount to Euros 329 170 316.40. The offer is conditional on acceptance by more than 75% of the capital and obtaining all relevant regulatory and governmental approvals, which will be described in the prospectus accompanying the offer. Bondalti's objective, upon completion of the operation, is to withdraw Ercros’ shares from the Spanish stock exchange.

There are no other events between the statement of financial position date and the date of authorisation for publication that have not already been recorded or disclosed in these consolidated financial statements.

50. NOTE FOR TRANSLATION

These consolidated financial statements are a free 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 or misinterpretations, the Portuguese language version prevails.

The Certified Accountant

The Board of Directors

LEGAL CERTIFICATION OF ACCOUNTS

LEGAL CERTIFICATION OF ACCOUNTS

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the attached consolidated financial statements of José de Mello Capital, S.A. (the Group), which comprise the consolidated statement of financial position as of December 31, 2023 (showing a total of 2,471,221,097 euros and total equity attributable to shareholders of 1,044,627,744 euros, including a net profit of 95,145,076 euros), the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and the accompanying notes to the consolidated financial statements, which include a summary of significant accounting policies.

In our opinion, the attached consolidated financial statements present fairly, in all material respects, the consolidated financial position of José de Mello Capital, S.A. as of December 31, 2023, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for Opinion

Our audit has been conducted in accordance with International Standards on Auditing (ISA) and other applicable technical and ethical standards and guidelines issued by the Order of Chartered Accountants. Our responsibilities under those standards are described in the “Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section below. We are independent of the entities that make up the Group in accordance with the law and comply with other ethical requirements under the code of ethics of the Order of Chartered Accountants.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Statements

Management is responsible for:

• the preparation of the consolidated financial statements that present fairly, in all material respects, the financial position, financial performance, and cash flows of the Group in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;

• the preparation of the management report in accordance with legal and regulatory requirements;

• the design, implementation, and maintenance of adequate internal control over financial reporting to enable the preparation of financial statements free from material misstatement, whether due to fraud or error;

• the adoption of appropriate accounting policies and accounting estimates in the circumstances; and

• the assessment of the Group's ability to continue as a going concern, disclosing, when applicable, matters that may cast significant doubt on the Group's ability to continue its activities.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement due to fraud or error, and to issue a report containing our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA) will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in aggregate, they are reasonably expected to influence the economic decisions of users based on these financial statements.

As part of an audit in accordance with ISA, we make professional judgments and maintain professional skepticism throughout the audit, including:

• Identifying and assessing the risks of material misstatement of the consolidated financial statements due to fraud or error, designing and performing audit procedures to respond to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, false representations, or override of internal controls.

• Obtaining an understanding of the relevant internal control for the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

LEGAL CERTIFICATION OF ACCOUNTS

• Evaluating the adequacy of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Concluding on the appropriateness of management's use of the going concern assumption and, based on the audit evidence obtained, whether there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is a material uncertainty, we must draw attention in our report to the related disclosures included in the financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease its activities.

• Evaluating the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves appropriate presentation.

• Obtaining sufficient and appropriate audit evidence regarding the financial information of entities or activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group's audit and are the ultimate responsible party for our audit opinion.

Communicating with those charged with governance, among other matters, the scope and planned timing of the audit, and significant audit findings, including any significant deficiencies in internal control identified during the audit.

• Our responsibility also includes verifying that the information contained in the management report is consistent with the audited consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Regarding the management report

In compliance with Article 451, paragraph 3, letter e) (Código das Sociedades Comerciais), we are of the opinion that the management report has been prepared in accordance with the applicable legal and regulatory requirements, the information contained is consistent with the audited financial statements, and, based on our knowledge and understanding of the Group, we have not identified material misstatements.

Lisbon, May 10, 2024

RSM & ASSOCIADOS - SROC, LDA
Represented by Joaquim Patrício da Silva (ROC nº 320)
Registered with CMVM under no. 20160076

REPORT AND OPINION OF THE STATUTORY AUDITOR

CONSOLIDATED FINANCIAL STATEMENT

REPORT AND OPINION OF THE STATUTORY AUDITOR

Consolidated Financial Statement

Year 2023

1. In accordance with article 508º D (“Código das Sociedades Comerciais”), we have examined the consolidated management report and consolidated Financial Statement of the companies belonging to the Consolidating Company - José de Mello Capital, S.A..

2. According to the information provided in the Consolidated Management Report, the consolidated financial statement now presented reflect the results of the operations recorded during the year.

3. Based on the analysis conducted on the documentation made available to us and the information provided in the Legal Certification of the Consolidated Financial Statement, which we also issued, it is our

OPINION

a) that the aforementioned elements of the consolidated financial statements are prepared in accordance with applicable legal provisions, in compliance with international financial reporting standards as adopted in the European Union; and

b) that they reflect the financial position as of December 31, 2023, of the group of companies included in the Consolidation.

Lisbon, May 10, 2024

STATUTORY AUDITOR

RSM & ASSOCIADOS - SROC, LDA

represented by Joaquim Patrício da Silva (ROC No. 320)

Registered with CMVM under No. 20160076

JOSÉ DE MELLO

7.3 Shareholder positions

01
02
03
04
05
06
07

ARTICLE NO. 447 OF THE PORTUGUESE COMMERCIAL COMPANIES CODE

In the capital of the Company	31 dec 2023 Shares	31 dec 2023 Percentage	31 dec 2023 Free transfer (a.)	31 dec 2022 Shares	31 dec 2022 Percentage
Vasco Maria Guimarães José de Mello	192.853	3,86%	-	192.853	3,86%
Pedro Maria Guimarães José de Mello	296.701	5,93%	-	296.701	5,93%
Gonçalo Maria Guimarães José de Mello	369.986	7,41%	891	370.877	7,42%
João Maria Guimarães José de Mello	203.981	4,08%	-	203.981	4,08%
Salvador Maria Guimarães José de Mello	278.157	5,56%	-	278.157	5,56%
Maria Amélia Guimarães José de Mello Bleck	333.789	6,68%	-	333.789	6,68%
João Pedro Ribeiro de Azevedo Coutinho	12.369	0,25%	-	12.369	0,25%
João Pedro Stilwell Rocha e Melo	12.369	0,25%	-	12.369	0,25%
Luís Eduardo Brito Freixial de Goes	12.369	0,25%	-	12.369	0,25%
Rui Alexandre Pires Diniz	12.369	0,25%	-	12.369	0,25%

(a.) Free broadcast on May 17, 2023

In companies that are in a relationship of dominion or group with the Company
Not applicable

JOSÉ DE MELLO

7.4
GRI Table

Declaration of use	José de Mello reported in accordance with the GRI Standards for the period between 1 January and 31 December 2023
GRI 1 used	GRI 1: Fundamentals 2021
Sectoral standard applicable	-

GRI Content	Location	Omission
GRI 2: General Content 2021		
2-1 Organisation details	1. Who we are – 1.4 Where we operate José de Mello Capital, SA Avenida 24 de Julho, 24 1200-480 Lisbon	
2-2 Entities included in the organisation's sustainability report	1. Introduction - 1.1 About this report	
2-3 Reporting period, frequency and contacts	1. Introduction - 1.1 About this report	
2-4 Reformulation of information	1. Introduction - 1.1 About this report GRI indicator 305-2 Scope 2 emissions	
2-5 External verification	1. Introduction - 1.1 About this report	
2-6 Activities, value chain and other business relationships	3. José de Mello Group - 3.4 Our portfolio 6. Our governance model – 6.2 The accountability of our management	-

GRI Content	Location	Omission
GRI 2: Conteúdos Gerais 2021		
2-7 Employees	3. José de Mello Group - 3.6 Our people	Consolidated information is unavailable, as some employees are part of more than one Group company and it would be impossible to avoid duplication of people. In order to present this information, it will be necessary to define an agreed methodology among all Group companies.

	2021				2022				2023				
	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	JdM	Bondalti[1]	CUF	JMRS	WineStone
Total temporary employees	0	51	840	93	0	46	926	107	1	47	890	57	12
Men	0	40	144	16	0	28	171	17	0	38	166	21	4
Women	0	11	696	77	0	18	755	90	1	9	724	36	8
Total permanent employees	87	640	5 207	89	90	683	5 555	79	95	701	6 179	157	65
Men	44	477	981	19	44	513	1 037	14	48	513	1 147	29	34
Women	43	163	4 226	70	46	170	4 518	65	47	188	5 032	128	31
Total part-time employees	4	26	453	13	4	27	545	10	4	21	618	18	1
Men	4	5	103	6	4	3	122	3	4	3	140	6	0
Women	0	21	350	7	0	24	423	7	0	18	478	12	1
Total full-time employees	83	665	5 593	170	86	717	5 936	177	92	731	6 451	197	76
Men	40	512	1 022	29	40	550	1 086	28	44	552	1 173	45	38
Women	43	153	4 571	141	46	167	4 850	149	48	179	5 278	152	38

[1] Excluded from the employee numbers by hours worked are the members of the Board of Directors.

GRI Content	Location	Omission
2-8 Workers who are not employees	Most workers who are not José de Mello Group employees are healthcare service providers, namely Doctors, Nurses, Diagnostic and Therapeutic Technicians and Senior Health Technicians, who carry out functions at CUF or at José de Mello Residências e Serviços. Complementarily, at WineStone consultancy employees are considered in Winery and Oenology.	Information regarding external providers, belonging to companies providing maintenance, food, security services, among others, from JdM, Bondalti and JMRS, is unavailable.

	JdM	Bondalti	CUF	JMRS	WineStone	JdM Group
Workers who are not employees but whose work and/or workplace is controlled by the organisation	1	17	8 183	24	14	8 239

GRI Content	Location	Omission
2-9 Governance structure and its composition	6. Our governance model – 6.1 Who governs us	-
2-10 Nomination and selection to the highest governance body	6. Our governance model – 6.1 Who governs us	-
2-11 Chairman of the highest governance body	6. Our governance model – 6.1 Who governs us	-
2-12 Role played by the highest governance body in supervising the management of impacts	6. Our governance model – 6.1 Who governs us	-
2-13 Delegation of responsibility for managing impacts	6. Our governance model – 6.1 Who governs us 4. Our strategy - 4.2 Our business strategy – Approach to sustainability	-
2-14 Role played by the highest governance body in sustainability reporting	1. Introduction - 1.1 About this report	-
2-15 Conflicts of interest	6. Our governance model – 6.2 The accountability of our management	-
2-16 Communication of critical concerns	4. Our strategy – 4.4 Involvement with stakeholders 6. Our governance model – 6.2 The accountability of our management	-

GRI Content	Location	Omission
2-17 Collective knowledge of the highest governance body	6. Our governance model – 6.2 The accountability of our management	-
2-18 Performance appraisal of the highest governance body	A significant part of the remuneration of the Executive Directors of José de Mello Capital is determined by the level of success and the results of the Group and of its investees. Thus, the level of performance shown is intended to demonstrate the sustainable growth seen in the business and the commitment to pre-defined objectives, measured through KPIs. This approach, through an assessment of compliance with performance objectives, annual and multiannual, reviewed annually, also aims to ensure alignment between management interests, shareholder interests and medium-term performance, aiming at the long-term sustainability of the Group's businesses.	-
2-19 Remuneration policy	Determining the remuneration of the members of the Board of Directors is the responsibility of the Remuneration Committee, appointed by the Shareholders' General Meeting, which ensures that remuneration is adequate, contributes to the Company's business strategy and sustainability, reflects the risk profile and the Company's long-term objectives and interests, and is also in line with best practices in the sector. The Remuneration Committee is also attentive to market references, in particular national and international market criteria and practices, and resorts, whenever appropriate, to market studies and benchmarking. The remuneration of management staff and other José de Mello Capital employees is the responsibility of the Executive Committee. Regarding the Board of Directors, non-executive Directors earn a fixed remuneration, which must be defined in accordance with the best practices in the sector, considering the respective responsibilities and availability, and reviewed periodically. It should also bear in mind the need to maintain the focus on the activity and the proper monitoring of the corporate life. The remuneration of Executive Directors includes two components: fixed remuneration and variable remuneration.	-

GRI Content	Location	Omission
2-20 Process for determining remuneration	Determining the remuneration of the members of the Board of Directors is the responsibility of the Remuneration Committee, appointed by the Shareholders' General Meeting. The definition of the Directors' remuneration must support the alignment with the interests of shareholders, be centred on the creation of long-term value and be compatible with adequate and rigorous risk management, contributing to José de Mello Group's strategy, to its values, long-term interests and to its sustainability. For management staff and other José de Mello Capital employees, the remuneration determination decision is the responsibility of the Executive Committee, which necessarily pays attention to the criteria of internal equity and external competitiveness.	-
2-21 Total annual remuneration ratio[2]	JdM: 9.26 Bondalti: •Bondalti Chemicals Group: 6.99 •Bondalti Water Solutions Group - Enkrott: 5.47 •Bondalti Water Solutions Group - AEMA: 3.68 CUF: 11.4 JMRS: 3.8 WineStone: 5.17	Information on the percentage increase in the remuneration of the highest paid individual and the average of the remaining people excluding the highest paid individual is unavailable. Consolidated information is unavailable, as some employees are part of more than one Group company and it would be impossible to avoid duplication of people. In order to present this information, it will be necessary to define an agreed methodology among all Group companies.
2-22 Statement on sustainable development strategy	2. Our leadership commitment – 2.1 Message from the Chairman 2. Our leadership commitment – 2.2 Message from the Chief Executive Officer	-
2-23 Policies	4. Our strategy – 4.5 The resilience of our operations - Risk and opportunity management 6. Our governance model – 6.2 The accountability of our management	-
2-24 Incorporation of Policies	4. Our strategy – 4.5 The resilience of our operations - Risk and opportunity management 6. Our governance model – 6.2 The accountability of our management	-

GRI Content	Location	Omission
2-25 Processes to remedy negative impacts	4. Our strategy - 4.2 Our business strategy – Approach to sustainability 4. Our strategy – 4.4 Involvement with stakeholders 4. Our strategy – 4.5 The resilience of our operations - Risk and opportunity management 6. Our governance model – 6.2 The accountability of our management	-
2-26 Mechanisms for counselling and raising concerns	4. Our strategy – 4.4 Involvement with stakeholders 6. Our governance model – 6.2 The accountability of our management	-
2-27 Compliance with laws and regulations	6. Our governance model – 6.2 The accountability of our management In 2023 no cases were recorded of non-compliance with laws and regulations.	-
2-28 Participation in associations	4. Our strategy - 4.2 Our business strategy – Approach to sustainability José de Mello Capital is associated, among others, with the following entities: • Associação Business Roundtable Portugal Vasco de Mello, Chairman (on behalf of José de Mello Capital) • ACEGE – Associação Cristã de Empresários e Gestores Salvador de Mello, Chairman of the General Meeting Board and member of the Strategic Council (on behalf of José de Mello Group) Vasco de Mello, Member of the Strategic Council (on behalf of Brisa) Rui Diniz, Member of the Board Raúl Galamba, Member of the Strategic Council • Câmara de Comércio e Indústria Portuguesa • COTEC Portugal – Associação Empresarial para a Inovação Vasco de Mello, Chairman of the General Meeting Board • GRACE - Associação Empresas Responsáveis • Instituto Português de Corporate Governance • PCS – Plataforma do Crescimento Sustentável	-

[2] For the purpose of calculating the total annual remuneration ratio, the members of the corporate bodies were not considered.

GRI Content	Location	Omission
2-29 Stakeholder engagement approach	4. Our strategy – 4.4 Involvement with stakeholders	-
2-30 Acordos de negociação coletiva	3. José de Mello Group - 3.6 Our people	-

	JdM	Bondalti Chemicals	Bondalti Water Solutions	CUF	JMRS	WineStone
% of employees with collective bargaining agreement	0%	82%	46%	95%	0%	0%

GRI Content	Location	Omission
GRI 3: Material themes		
3-1 Process for defining material themes	1. Introduction - 1.2 Materiality	-
3-2 List of material themes	1. Introduction - 1.2 Materiality	-
Attraction, retention and development of human capital		
3-3 Management of material themes	3. José de Mello Group - 3.6 Our people José de Mello Group monitors the information associated with this theme and reports it annually, namely through GRI indicators: 2-7, 2-21, 2-30, 401-1, 401-2, 401-3, 404-1, 404-1, 405-2 and 406-1.	-
Diversity and inclusion		
3-3 Management of material themes	3. José de Mello Group - 3.6 Our people José de Mello Group monitors the information associated with this theme and reports it annually, namely through GRI indicators: 405-1, 405-2 and 406-1.	-
Innovation		
3-3 Management of material themes	4.Our strategy – 4.3 Innovation at the core of our business José de Mello Group monitors the information associated with this theme and reports it annually, using its own KPIs.	-

GRI Content	Location	Omission
Economic performance and operational efficiency		
3-3 Management of material themes	5. Our performance – 5.1 Our financial results José de Mello Group monitors the information associated with this theme and reports it annually, namely through GRI indicators: 201-1 and 201-4.	-
Responsible investment		
3-3 Management of material themes	4. Our strategy – 4.2 Our business strategy 5. Our performance – 5.1 Our financial results	
Ethics, transparency and integrity		
3-3 Management of material themes	6. Our governance model – 6.2 The accountability of our management José de Mello Group monitors the information associated with this theme and reports it annually, namely through GRI indicators: 2-23, 2-26, 2-27, 201-4, 204-1, 205-3 and 206-1.	-
Brand and reputation management		
3-3 Management of material themes	4. Our strategy – 4.4 Involvement with stakeholders	-
Climate change		
3-3 Management of material themes	5. Our performance – 5.3 We preserve the Planet José de Mello Group monitors the information associated with this theme and reports it annually, namely through GRI indicators: 302-1, 302-3, 305-1 and 305-2.	-
Involvement with society		
3-3 Management of material themes	5. Our performance – 5.2 We operate in Society José de Mello Group monitors the information associated with this theme and reports it annually, namely through GRI indicators: 203-2 and 413-1.	-

GRI Content	Location	Omission
Thematic standards		
GRI 201: 2016 Economic performance		
201-1 Direct economic value generated and distributed [3]	5. Our performance – 5.1 Our financial results	-

	2021	2022	2023
Economic value generated	1 046 403 655 €	1 256 277 735 €	1 320 280 466 €
Economic value distributed	935 664 900 €	1 087 266 267 €	1 167 962 610 €
Operating expenses	718 711 105 €	842 783 919 €	849 388 856 €
Employee salaries and benefits	184 300 728 €	213 853 305 €	256 744 969 €
Payments to capital suppliers	25 197 619 €	24 820 435 €	51 168 696 €
Taxes	-4 503 317 €	-3 080 252 €	-7 470 709 €
Investments in the community	2 952 131 €	2 728 356 €	3 189 380 €
Economic value accumulated	110 738 755 €	169 011 467 €	152 317 856 €

GRI Content	Location	Omission
201-4 Financial aid received from the government	6. Our governance model – 6.2 The accountability of our management	-

2021

	JdM	Bondalti	CUF	JMRS	JdM Group
Government grants (€)	2 995	2 381 141	62 348	9 084	2 455 567

2022

	JdM	Bondalti	CUF	JMRS	JdM Group
Government grants (€)	998	1 062 879	35 965	15 848	1 115 709

2023

	JdM	Bondalti	CUF	JMRS	WineStone	JdM Group
Government grants (€)	0	2 570 868	45 412	0	281 359	2 897 639

[3] Consolidated amounts of José de Mello Group.

GRI Content	Location	Omission
GRI 203: Indirect economic impacts 2016		
203-2 Significant indirect economic impacts	5. Our performance – 5.2 We operate in Society	-
GRI 204: Procurement practices 2016		
204-1 Proportion of expenditure with local suppliers	6. Our governance model – 6.2 The accountability of our management	-

2021

	JdM	Bondalti	CUF	JMRS	JdM Group
Percentage of expenditure with local suppliers	99.4%	42.2%	99.2%	99.8%	73,1%

2022

	JdM	Bondalti	CUF	JMRS	JdM Group
Percentage of expenditure with local suppliers	96.9%	39,4%	99.3%	99.8%	67,5%

2023

	JdM	Bondalti	CUF	JMRS	WineStone	JdM Group
Percentage of expenditure with local suppliers	98.8%	36,3%	99,3%	99.4%	89,6%	73,5%

GRI Content	Location	Omission
GRI 205: Fighting Corruption 2016		
205-3 Confirmed cases of corruption and measures taken	6. Our governance model – 6.2 The accountability of our management In 2023, no cases of corruption were registered.	For reasons of confidentiality, information about Bondalti is not considered.
GRI 206: Unfair Competition 2016		
206-1 Lawsuits for unfair competition, antitrust practices and monopoly	1 pending legal action regarding unfair competition and violations of antitrust and antimonopoly laws in which JdM has been identified as a participant.	-
GRI 302: Energy 2016		
302-1 Energy consumption within the organisation	5. In 2023, no cases of corruption were registered.	-

2021

	JdM	Bondalti	CUF	JMRS	JdM Group
Energy consumption (GJ)	1 052.1	2 660 030.0	237 700.8	5 506.5	2 904 289.5

2022

	JdM	Bondalti	CUF	JMRS	JdM Group
Energy consumption (GJ)	1 251.6	2 639 555.0	247 377.6	5 419.9	2 893 604.1

2023

	JdM	Bondalti[4]	CUF	JMRS	WineStone	JdM Group
Energy consumption (GJ)	1 140.0	2 882 299.9	261 324.0	5 565.3	1 659.0	3 151 988.2

GRI Content	Location	Omission
GRI 305: Emissions 2016		
305-1 Direct emissions (scope 1) of greenhouse gases (GHG)	5. Our performance – 5.3 We preserve the Planet The emissions of José de Mello Capital, of José de Mello Residências e Serviços and of WineStone are calculated based on the methodology of the GHG Protocol, considering the following emission factors: The calculation methodologies used by CUF and by Bondalti are described, respectively in "Integrated Report - CUF 2023" and in "Integrated Report - Bondalti 2023.	-

2021

	JdM	Bondalti	CUF	JMRS
Scope 1 emissions (tCO_{2e})	180.5	29 979.5	7 694.5	351.5

2022

	JdM	Bondalti	CUF	JMRS
Scope 1 emissions (tCO_{2e})	185.7	26 950.4	6 804.7	402.5

2023

	JdM	Bondalti	CUF	JMRS	WineStone	JdM Group
Scope 1 emissions (tCO_{2e})	155.4	29 929.0	6 307.5	584.0	238.9	37 195.8

[4] Updated amount.

GRI Content	Location	Omission
305-2 Indirect emissions (scope 2) of greenhouse gases (GHG) from energy acquisition	5. Our performance – 5.3 We preserve the Planet Note: the information reported in Integrated Report - 2022, in respect of scope 2 emissions, refers to market-based emissions.	The location-based scope 2 emissions value of Bondalti includes solely Bondalti Chemicals due to unavailability of information related to Bondalti Water Solutions.

	2023				
	JdM	Bondalti	CUF	JMRS	WineStone
Location-based scope 2 emissions	54.8	99 088.8	9 728.2	267.5	86,8
Location-based scope 2 emissions	60.1	63 328.8[5]	9 149.0	291.2	79,7

[5] Of which 2 757 482 GJ derive from the activities of the Bondalti Chemicals Group.

GRI Content	Location	Omission
305-3 Other indirect emissions (scope 3) of greenhouse gases (GHG)	5. Our performance – 5.3 We preserve the Planet	-

	2023				
	JdM	Bondalti[6]	CUF	JMRS	JdM Group
Category 1: Goods and Services	1.52	526 181.23	101 042.20	0.001	627 224.96
Category 2: Capital Goods	-	3 728.49	7 843.00	6.07	11 577.56
Category 3: Fuel and Energy	-	26 228.37	3 534.50	-	29 762.87
Category 4: Transport and distribution	-	19 251.54	8 649.00	-	27 900.54
Category 5: Waste generated	7.68	750.72	2 630.30	0.10	3 388.80
Category 6: Business trips	22.38	359.29	228.10	-	609.78
Category 7: Mobility (employee travel)	18.05	380.10	24 219.00	-	24 617.15
Category 8: Rented assets	-	-	373.00	-	373.00
Category 9: Transport and distribution	-	2 953.18	-	-	2 953.18
Category 10: Transformation of products sold	-	387 335.66	-	-	387 335.66
Category 15: Investments	-	-	79.80	-	79.80
Scope 3 emissions	49.63	967 168.59	148 598.90	6.17	1 115 823.29

[6] Of which 63 256 tCO_2 derive form the activity of the Bondalti Chemicals Group.

GRI Content	Location	Omission
GRI 401: Employment 2016		
401-1 New hirings and employee turnover	3.José de Mello Group - 3.6 Our People	Consolidated information is unavailable, as some employees are part of more than one Group company and it would be impossible to avoid duplication of people. In order to present this information, it will be necessary to define an agreed methodology among all Group companies.

	2021				2022				2023				
	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	WineStone
New hirings	13	30	1 522	74	10	40	1 774	117	11	107	1 696	122	16
Men	7	22	312	19	3	25	362	22	8	80	329	39	6
‹30 years	0	8	149	5	1	7	167	8	3	33	132	16	3
30-50 years	1	12	149	13	0	15	167	9	1	45	169	16	3
›50 years	6	2	14	1	2	3	28	5	4	2	28	7	0
Women	6	8	1 210	55	7	15	1 412	95	3	27	1 367	83	10
‹30 years	1	3	589	12	0	6	688	30	1	10	574	26	6
30-50 years	4	5	533	28	7	8	606	50	1	15	714	42	4
›50 years	1	0	88	15	0	1	118	15	1	2	79	15	0
Percentage of new hirings	14.9%	8.0%	25.2%	40.4%	11.1%	10.4%	27.4%	62.6%	11.5%	14.2%	24.0%	56.7%	20.8%
Men	15.9%	7.5%	27.7%	50%	6.7%	8.3%	30.0%	66.7%	16.7%	14.4%	25.1%	76.5%	15.8%
‹30 years	0.0%	18.2%	57.3%	71.4%	33.3%	17.5%	64.5%	160.0%	75.0%	-[7]	50.0%	133.3%	33.3%
30-50 years	8.3%	9.5%	21.3%	59.1%	0.0%	10.8%	21.2%	50.0%	3.6%	-[7]	84.9%	84.2%	15.8%
›50 years	21.4%	1.6%	8.5%	11.1%	6.9%	2.5%	17.4%	50.0%	25.0%	-[7]	3.3%	35.9%	0.0%
Women	14.0%	10.1%	24.6%	37.9%	15.2	5.0%	26.8%	65.5%	6.3%	13.7%	23.8%	50.6%	25.6%
‹30 years	33.3%	33.3%	52.7%	57.1%	0.0%	50.0%	58.8%	100.0%	33,3%	-[7]	46.8%	108.3%	50.0%
30-50 years	16.0%	10.6%	18.0%	39.4%	23.3%	15.4%	18.6%	71.4%	5.6%	-[7]	76.4%	55.3%	19.0%
›50 years	6.7%	0.0%	10.6%	28.3%	0.0%	4.8%	14.0%	34.0%	3.7%	-[7]	2.2%	23.4%	0.0%

[7] Industrial Chemicals.

	2021				2022				2023				
	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	WineStone
Departures	7	21	1 062	90	7	25	1 340	112	5	66	1 108	96	10
Men	6	17	221	20	3	15	279	26	4	53	224	22	7
<30 years	0	1	85	6	0	3	117	7	2	8	87	9	3
30-50 years	2	5	114	12	0	4	131	14	1	24	122	11	4
>50 years	4	11	22	2	3	8	31	5	1	21	15	2	0
Women	1	4	841	70	4	10	1061	86	1	13	884	74	3
<30 years	0	0	345	16	1	2	460	15	0	5	352	23	2
30-50 years	1	4	412	36	2	3	493	54	0	5	437	40	1
>50 years	0	0	84	18	1	5	108	17	1	3	95	11	0
Turnover	8.0%	5.6%	17.6%	49.2%	7.8%	6.5%	20.7%	59.9	5.2%	8.8%	15.7%	44.7%	13.0%
Men	13.6%	5.8%	19.6%	52.6%	6.6%	5.0%	23.1%	78.8%	8.3%	9.5%	17.1%	43.1%	18.4%
<30 years	0.0%	2.3%	32.7%	85.7%	0.0%	7.5%	45.2%	140.0%	50.0%	-[8]	33.0%	75.0%	33.3%
30-50 years	16.7%	4.0%	16.3%	54.5%	0.0%	2.9%	16.6%	77.8%	3.6%	-[8]	61.3%	57.9%	21.1%
>50 years	14.3%	8.8%	13.4%	22.2%	10.3%	6.6%	19.3%	50.0%	6.3%	-[8]	1.8%	10.0%	0.0%
Women	2.3%	5.1%	17.1%	48.3%	8.7%	11.8%	20.1%	55.8%	2.1%	6.6%	15.4%	45.1%	7.7%
<30 years	0.0%	0.0%	30.9%	76.2%	50.0%	16.7%	39.3%	50.0%	0.0%	-[8]	28.7%	95.8%	16.7%
30-50 years	4.0%	8.5%	13.9%	50.7%	6.7%	5.8%	15.1%	77.1%	0.0%	-[8]	46.7%	52.6%	4.8%
>50 years	0.0%	0.0%	10.1%	34.0%	7.1%	23.8%	12.8%	31.5%	3.7%	-[8]	2.6%	17.2%	0.0%

[8] It was not possible to obtain the necessary data to ensure methodological alignment for the purposes of calculating this indicator.

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GRI Content	Location	Omission
401-2 Benefits offered to full-time employees that are not offered to temporary or part-time employees	3. José de Mello Group - 3.6 Our People	-

GRI Content	Location	Omission
401-3 Maternity/Paternity leave [9]	3. José de Mello Group - 3.6 Our People	Consolidated information on return to work and retention rates is unavailable, as some employees are part of more than one Group company and it would be impossible to avoid duplication of people and also because the methodological alignment between companies does not exist. In order to present this information, it will be necessary to define a concerted methodology among all Group companies.

	2021				2022				2023				
	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	WineStone
Employees entitled to take parental leave	87	374	6 046	183	90	21	6 481	187	96	756	7 069	215	77
Men	44	517	1 125	38	44	553	1 208	33	48	558	1 313	51	38
Women	43	174	4 921	145	46	191	5 273	154	48	198	5 756	164	39
Employees who took parental leave	3	9	280	2	3	21	289	3	2	45	294	2	3
Men	2	7	61	1	1	19	56	2	1	34	70	1	1
Women	1	2	219	1	2	2	233	1	1	11	224	1	2
Employees who returned to work after the end of parental leave	3	9	272	2	3	21	275	3	3	41	286	2	2
Men	2	7	56	1	1	19	52	2	1	31	68	1	1
Women	1	2	216	1	2	2	223	1	2	10	218	1	1
Employees who returned to work after the end of parental leave and remained employed twelve months after their return to work	1	9	305	2	3	21	353	3	2	41	366	2	0
Men	0	7	46	1	2	19	60	2	1	34	55	1	0
Women	1	2	259	1	1	2	293	1	1	9	311	1	0

[9] For the purposes of calculating the indicators, José de Mello, José de Mello Residências e Serviços and WineStone consider the following assumptions:

- Leave that began between 1 January and 31 December of the reporting year is considered.
- For each year, employees who returned to work after the end of maternity/paternity leave are considered to be all those employees who took parental leave in that year and are active on 31 December, regardless of whether the parental leave has already ended on this date.
- Employees who returned to work after the end of maternity/paternity leave and continued to be employed 12 months after returning to work are those employees who took maternity leave in year x-1 and returned to work and who continue with the company in year x.

The assumptions and calculation methodologies used by CUF and Bondalti are described, respectively, in the “Integrated Report - CUF 2023” and in the “Integrated Report - Bondalti 2023”.

GRI Content	Location	Omission
GRI 404: Training and Education 2016		
404-1 Average training hours per year, by employee	3. José de Mello Group - 3.6 Our People	Consolidated information is unavailable, as some employees are part of more than one Group company and it would be impossible to avoid duplication of people. In order to present this information, it will be necessary to define an agreed methodology among all Group companies.

	2021				2022				2023				
	JdM	Bondalti[10]	CUF	JMRS	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	WineStone
Average training hours	3	37	6	11	6	43	6	42	6	60	15	4	6
Governance bodies	0	0	0.2	8	1	0.8	6	0	14	-[11]	36	0	59
Men	0	-	0	8	1	1	5	0	18	-[11]	28	0	44
Women	0	-	1	0	1	0	8	0	0	-[11]	55	0	88
Top management	6	9	3	2	12	24	15	32	19	-[11]	16	5	2
Men	7	-	3	0	5	21	14	0	20	-[11]	15	0	6
Women	6	-	3	3	21	46	17	32	18	-[11]	17	5	0
Remaining employees	4	39	6	11	6	47	13	43	4	-[11]	14	4	5
Men	0	-	6	6	4	51	11	27	2	-[11]	13	2	6
Women	6	-	6	12	8	35	14	46	6	-[11]	14	5	4

[10] Information by gender unavailable.

[11] It was not possible to obtain the necessary data to ensure methodological alignment for the purposes of calculating this indicator.

GRI Content	Location	Omission
GRI 405: Diversity and Equal Opportunities 2016		
405-1 Diversity in governance bodies and employees	3. José de Mello Group - 3.6 Our People	Consolidated information is unavailable, as some employees are part of more than one Group company and it would be impossible to avoid duplication of people. In order to present this information, it will be necessary to define an agreed methodology among all Group companies.

	2021				2022				2023				
	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	WineStone
Governance bodies													
Men	87%	83%	79%	100%	88%	77%	69%	100%	82%	100%	71%	100%	67%
Women	13%	17%	21%	0%	13%	23%	31%	0%	18%	0%	29%	0%	33%
‹30 years	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30-50 years	13%	17%	28%	0%	13%	5%	34%	0%	0%	14%	25%	0%	67%
›50 years	87%	83%	72%	100%	88%	95%	66%	100%	100%	86%	75%	100%	33%
Top management													
Men	62%	82%	44%	25%	57%	89%	45%	0%	63%	85%	50%	0%	40%
Women	38%	18%	56%	75%	43%	11%	55%	100%	38%	15%	50%	100%	60%
‹30 years	0%	0%	1%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%
30-50 years	38%	36%	79%	50%	43%	46%	81%	33%	44%	54%	68%	50%	90%
›50 years	62%	64%	20%	50%	57%	54%	19%	67%	56%	46%	32%	50%	10%
Remaining employees													
Men	39%	73%	17%	17%	37%	74%	18%	17%	38%	73%	18%	24%	50%
Women	61%	27%	83%	83%	63%	26%	82%	83%	62%	27%	82%	76%	50%
‹30 years	12%	11%	24%	16%	8%	12%	23%	19%	11%	13%	21%	17%	33%
30-50 years	51%	63%	60%	51%	53%	63%	62%	48%	48%	63%	63%	44%	45%
›50 years	37%	26%	16%	33%	38%	25%	15%	33%	41%	24%	16%	39%	22%

01 02 03 04 05 06 07

GRI Content	Location	Omission
405-2 Proportion between base salary and the remuneration received by women and that received by men	3. José de Mello Group - 3.6 Our People Information regarding the proportion between the base salary and remuneration received by women and those received by men, in Bondalti, can be consulted in the respective Integrated Report .	Consolidated information is unavailable, as some employees are part of more than one Group company and it would be impossible to avoid duplication of people. In order to present this information, it will be necessary to define an agreed methodology among all Group companies.

JdM		CUF		JMRS		WineStone	
Managers	0.65	Administrative staff	1.00	Assistants	1.11	Operations	0.87
Technical staff	0.90	Assistants	1.00	Nurses	0.81	Executive	1.06
Support staff	0.88	Business Support	0.80	Health Technical staff	0.88	Specialist	0.68
Administrative staff	-[12]	Nurses	1.00	General Services	0.95	Manager	0.70
-	-	Interns	1.00	Administrative staff	-	-	-
-	-	Doctors	0.90	Managers	-	-	-
-	-	General Services	1.00	Senior Technical staff	-	-	-
-	-	Diagnostic and Therapeutical Technicians	1.00	Other	-	-	-
-	-	Higher Health Technical staff	1.00	-	-	-	-

[12] The employees falling under this professional category are of the same gender.

01 02 03 04 05 06 07

GRI Content	Location	Omission
GRI 406: Non-discrimination 2016		
406-1 Cases of discrimination and corrective actions adopted	3. José de Mello Group - 3.6 Our People In 2023 no cases of discrimination were registered in José de Mello Group	-
GRI 413: Local Communities 2016		
413-1 Operations with involvement, assessment of impact and development programmes aimed at the local community	5. Our performance – 5.2 We operate in Society	-
Other material indicators for the investees		
GRI 303: Water and Wastewater 2018		
303-3 Water catchment	5. Our performance – 5.3 We preserve the Planet	

	2021				2022				2023					
	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	Wine Stone[14]	JdM Group
Total water catchment (m³)	1 295	3 003 584	281 193	16 800	2 223	2 904 949	272 533	15 770	2 364	3 057 080[13]	270 994	13 940	10 670	3 337 144

[13] Of which 3 057 080 m³ correspond to water catchment by the Bondalti Chemicals Group.
[14] Consider consumption in the Ravasqueira winery.

GRI Content	Location	Omission
GRI 403: Occupational Safety and Health 2018		
403-9 Accidents at work	3. José de Mello Group - 3.6 Our People	Information on workers that are not employees not available. Consolidated information is unavailable, as some employees are part of more than one Group company and it would be impossible to avoid duplication of people. In order to present this information, it will be necessary to define an agreed methodology among all Group companies.

	2021				2022				2023				
	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	Wine Stone
Deaths resulting from accidents at work	0	0	0	0	0	0	0	0	0	0	0	0	0
Rate of deaths resulting from accidents at work	0	0	0	0	0	0	0	0	0	0	0	0	0
Accidents at work with serious consequences (except deaths)	0	0	9	0	0	14	11	0	0	1	13	0	1
Rate of accidents at work with serious consequences (except deaths)	0	0	0.96	0	0	0	1	0	0	0.74	1.11	0	7.50
Accidents at work with mandatory reporting	0	14	9	6	0	14	11	9	0	12	13	6	4
Rate of accidents at work with mandatory reporting	0	14.06	0.96	15.5	0	10.21	1	26.6	0	8.87	1.11	16.82	30
Main types of accidents at work	Falls, knocks, wricks, strains, superficial lesions and simple fractures.												
Number of hours worked	-	995.957	11 959 558	386 146	-	1.371.832	11 429 578	337 458	-	1 371 349	11 743 195	356 613	133 286

GRI Content	Location	Omission
403-10 Occupational diseases	3. José de Mello Group - 3.6 Our People	Information on workers that are not employees is not available. Consolidated information is unavailable, as some employees are part of more than one Group company and it would be impossible to avoid duplication of people. In order to present this information, it will be necessary to define an agreed methodology among all Group companies.

	2021				2022				2023				
	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	JdM	Bondalti	CUF	JMRS	WineStone
Occupational diseases with mandatory reporting	0	0	1	0	0	0	5	0	0	0	3	0	0
Main types of occupational diseases	Musculoskeletal disorders.												

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