

REPORT AND ACCOUNTS

1st Half of 2019

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CONSOLIDATED MANAGEMENT REPORT

José de Mello Saúde S.A. reports its consolidated results from the first half of 2019.

Note: Regarding the application of the new IFRS16 accounting standard José de Mello Saúde has adopted the modified retrospective method, according to which there is no obligation to restate comparative information. The impact on the financial statements is in line with the disclosures in the 2018 Report and Accounts, with an increase of 29.6 million euros in Assets and 29.9 million euros in Liabilities seen in June 2019

1.1. HIGHLIGHTS OF ACTIVITY IN THE FIRST HALF OF 2019

During the first half of 2019, José de Mello Saúde presented a positive performance across the majority areas of its healthcare activity, when compared to the first half of 2018. This performance reflects the sustained operational growth, in parallel with the implementation of its investment strategy and geographical expansion:

- Operational income of 383.4 million euros, which represented a growth of 11.4% when compared to the same period of the previous year. Private hospitals revenues' increased by 9.4% and Public-Private Partnerships revenues' increased by 14.9%.
- EBITDA increased to 59.6 million euros (+56.0%) in comparison with the first half of 2018, mainly due to the sustained growth of healthcare activity, new expansion projects, implementation of IFRS16 and extraordinary income from the Public-Private Partnership in Braga, as a result from a favourable decision of the Arbitration Court regarding the State reimbursement of the vertical HIV programs'.
- Adjusted Recurrent EBITDA, which excludes extraordinary income in Braga (13.0 million euros) and nullifies the effect of IFRS16, reaches 44.1 million euros (+15.3%) and a margin of 11.9% (+0.8 pp).
- Net Profit growth of 63.1% vis-à-vis the first half of 2018, reaching 22.4 million euros.
- Net Debt to EBITDA ratio decreases from 4.84x to 4.39x, given the significant evolution of EBITDA and despite the increase of Consolidated Net Financial Debt of 62.1 million euros to 406.5 million euros, in line with the ongoing investment plan, namely CUF Tejo Hospital CUF Sintra Hospital - whose first phase opened to the public in June - and CUF Torres Vedras Hospital.

1.2. OPERATIONAL PERFORMANCE

José de Mello Saúde's Healthcare Indicators

(Thousands)	2019 Jun	2018 Jun	Var. %
Consultations completed	1,418.3	1,340.8	5.8%
Emergencies	353.8	350.5	0.9%
Surgical Patients ¹	46.7	45.2	3.5%
Discharged Patients	40.9	40.1	2.1%
Hospitalization Time (days)	243.8	252.1	-3.3%
Births	4.1	4.0	1.4%

¹Small surgery is not included. Application of new criteria for the classification of small surgery (2018 value was restated).

² Includes regular and new-born hospitalisation.

In the first half of 2019, José de Mello Saúde maintained the sustained growth of its healthcare activity, both in the private and public sectors, achieving increases of 5.8% in consultations, 3.5% in surgical patients, 2.1% in discharged patients, 1.4% in births and 0.9% in emergencies, compared to the same period of 2018.

Consolidated Income Statement

(Million Euros) - Amounts not Audited	2019 Jun	2018 Jun	Var %
Operating Income	383.4	344.0	11.4%
Operating Costs	(323.8)	(305.8)	5.9%
EBITDA	59.6	38.2	56.0%
EBITDA Margin	15.5%	11.1%	+4,4 pp
EBITDA Current ¹	46.6	38.2	22.0%
EBITDA Current Margin	12.6%	11.1%	+1,5 pp
EBITDA Current Adjusted ²	44.1	38.2	15.3%
EBITDA Current Adjusted Margin	11.9%	11.1%	+0,8 pp
Amortisation and Provisions	(20.7)	(17.3)	20.1%
EBIT	38.9	20.9	85.5%
EBIT Margin	10.1%	6.1%	+4,0 pp
Financial Income	0.7	6.3	-88.1%
Financial Costs	(8.4)	(7.6)	9.4%
EBT	31.2	19.6	59.4%
Taxes	(8.8)	(5.7)	55.2%
Net profit attributable to non-controlling interests	0.1	0.2	-67.0%
Net profit attributable to JMS Shareholders	22.4	13.7	63.1%

¹Extra receipt of 13.0 Millions Euros from Braga Public-Private Partnership was excluded

² IFRS16 effect was removed from EBITDA Current

During the first half of 2019, José de Mello Saúde's consolidated operating income reached 383.4 million euros, an increase of 11.4% versus the same period of the last year.

Consolidated EBITDA reached 59.6 million euros in the first half of 2019 (+56.0%) and the EBITDA margin was 15.5%, an increase of 4.4. pp over the same period of last year. Adjusted Recurrent EBITDA, which cumulatively excludes the extraordinary revenue of 13.0 million euros from Braga Public-Private Partnership and nullifies the effect of IFRS16, reaches 44.1 million euros (+15.3%), maintaining the positive evolution of the Adjusted Recurrent EBITDA margin (+0.4 pp) that reached 11.5%.

Consolidated EBIT of 38.9 million euros in the first half of 2019 (+85.5%) with an EBIT margin of 10.1%, an increase of 4.0 pp compared to the same period last year. Not considering the effect of IFRS16 and the extraordinary revenue in Braga, consolidated EBIT would also have performed positively, reaching a value of 25.5 million euros (+21.6% yoy).

CUF

In the private healthcare segment there was a revenue¹ increase (+9.4%), driven by the sustained growth of healthcare activity, with a particular contribution from the new CUF Descobertas Hospital building, which opened in July 2018.

In terms of EBIT¹, there was a 17.9% improvement driven by growth in healthcare activity in the first six months of 2019. Despite the context of major expansion, with the opening over the last two years of CUF São João da Madeira Clinic, CUF Coimbra Hospital, the expansion of CUF Descobertas Hospital and the opening of the first phase of CUF Sintra Hospital, operating margin in the private sector had a positive evolution, growing +0.9 pp year-on-year. In the case of CUF Descobertas Hospital, which in June 2018 increase its installed capacity by 50%, EBIT¹ increased by 8.1%, in parallel with a minor reduction in EBIT¹ margin (-0.5 pp).

At the beginning of 2019, the price list applied to individual customers was updated by an average increase of 1.8%, and in the main headings this increase was 3.0%.

¹ Includes intra-group transactions.

Public-Private Partnerships

In the public sector, emphasis should be placed on the extraordinary income of 13.0 million euros (plus 0.5 million euros in interest on arrears) at the Braga Hospital, as a result from the favourable decision of the Arbitration Court regarding the State reimbursement of the vertical HIV programs'. Excluding this extraordinary income operating income in the public sector increased by 4.8 million euros (+4.0%).

The favourable decision of the Arbitration Court on the Braga Hospital had a direct positive impact on the EBIT margin. Excluding this effect, EBIT decreased by 2.0 million euros, with a 1.4 pp drop in EBIT margin, as a result of the increase in costs of drugs, clinical consumables and staff costs.

Financial Results

Excluding the non-recurring effect of the financial income recorded in the first half of 2018, relating to the sale of José de Mello Saúde's stake in the building and parking management companies of the Braga Public-Private Partnership, there was a 0.2 million euros reduction (-2.7%) in the financial results of the first half year of 2019, compared to the same period of the previous year. Two relevant and contrasting factors should be highlighted: on one hand, the receipt of interest on arrears of 0.5 million euros in relation to the decision of the Arbitration Court about the Braga Hospital and, on the other, the 0.7 million euros increase in financial costs due to the application of IFRS16 and the increase in debt associated with expansions.

Net Income

Consolidated net profit in June 2019 was 22.4 million euros, an increase of 63.1% over the same period of the previous year.

Investment

Total investment made in the first half of 2019 was 58.4 million euros.

Recurring investment amounted to 12.4 million euros, essentially consisting of replacement of clinical equipment and other technological upgrades in the CUF units.

Expansion investment was 46.1 million euros and consisted on the construction of CUF Sintra and CUF Tejo Hospitals' and the expansion of CUF Torres Vedras Hospital.

Financial Position

(Million Euros) - Amounts Not Audited	2019 Jun	2018 Dec	Var.	(Million Euros) - Amounts Not Audited	2019 Jun	2018 Dec	Var.
Non-current Assets	576.1	504.5	71.6	Total Equity	121.3	98.9	22.4
Goodwill	45.6	45.6	0.0	Share capital	53.0	53.0	0.0
Intangible assets	9.7	10.3	-0.6	Retained earnings + Reserves	41.9	30.4	11.5
Tangible fixed assets	508.1	438.9	69.1	Net income	22.4	15.6	6.8
Investments in associates	0.2	0.3	0.0	Interim dividends	0.0	-4.2	4.2
Other investments	5.4	2.1	3.3	Non-controlling interests	4.0	4.2	-0.1
Deferred tax assets	4.6	4.6	0.0	Financial Liabilities	491.9	446.9	45.0
Other non-current debtors	0.4	0.6	-0.2	Borrowings	393.7	382.2	11.5
Other non-current assets	2.2	2.2	0.0	Finance lease creditors	98.2	64.7	33.5
Current Assets	315.9	312.7	3.2	Non-Financial Liabilities	278.9	271.4	7.4
Inventories	13.9	12.7	1.2	Employee benefits	1.3	1.3	0.0
Trade receivables and advances to suppliers	102.0	99.5	2.5	Provisions	15.9	15.6	0.3
Other current debtors	10.7	10.9	-0.2	Trade payables and advances from clients	122.7	121.1	1.7
State and other public entities	16.8	4.0	12.7	Other current creditors	19.3	19.0	0.4
Cash and cash equivalents	50.3	67.4	-17.1	State and other public entities	37.2	10.5	26.8
Other financial instruments	35.2	35.2	0.0	Deferred tax liabilities	13.3	13.3	0.0
Other current assets	87.1	83.0	4.1	Other current and non-current liabilities	69.0	90.7	-21.6
Total Assets	892.1	817.3	74.8	Total Liabilities	770.8	718.4	52.4
				Total Equity + Liabilities	892.1	817.3	74.8

In the first half 2019, total assets increased by 74.8 million euros when compared to the end of 2018, reaching 892.1 million euros (+9.2%). The growth was largely due to the increase in tangible fixed assets through expansion projects, valued at 46.1 million euros, as well as the application of the IFRS16 accounting standard, which translates into an increase of 29.6 million euros in assets.

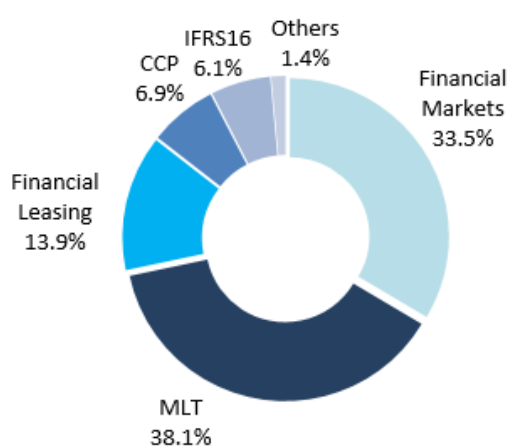
Equity reached a total value of 121.3 million euros at the end of the half year period, an increase of 22.4 million euros when compared to the end of 2018.

Consolidated gross financial debt amounted to 491.9 million euros at the end of the first half of 2019, an increase of 45.0 million euros versus the end of 2018, largely explained by the application of the IFRS16 standard, which increased liabilities by 29.9 million euros, as well as the recourse to financing for the expansion of the CUF network.

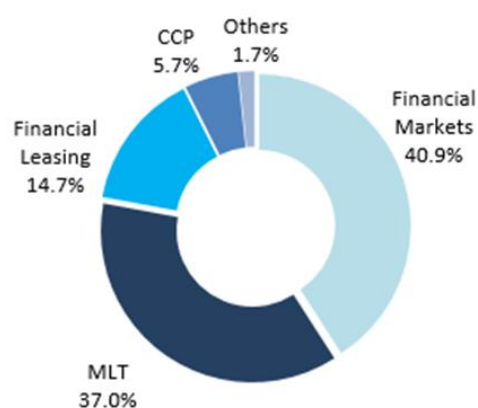
Financial Debt Profile

In May 2019, José de Mello Saúde issued a new 6-year bond of 35 million euros, with a floating interest rate of 3.75%. The transaction was placed across institutional investors and aimed to refinance existing debt, as well as extend its average maturity profile.

As part of its financial sustainability policy and diversification of funding sources, José de Mello Saúde maintained its debt profile during the first half of 2019, as can be seen on the following charts:



June 2019



December 2018

Financial Ratios

Amounts Not Audited	2019 Jun	2018 Dec
Financial Autonomy	13.6%	12.1%
Solvency	15.7%	13.8%
Net Financial Debt (million euros)	406.5	344.4
Net Financial Debt ¹ /EBITDA	4.39	4.84
EBIT/Financial Charges	3.03	2.01

¹ Considers Gross Financial Debt less Cash and Cash Equivalents and Other Financial Instruments

The evolution of the Financial Autonomy and Solvency ratios, when compared to December 2018, is explained by a more than proportional increase in equity vis-a-vis assets and liabilities, respectively.

Emphasis should be placed on a reduction in the Net Financial Debt to EBITDA ratio from 4.84x to 4.39x, explained by the improvement in José de Mello Saúde's operational performance, despite the increase of Consolidated Net Financial Debt of 62.1 million euros to 406.5 million euros during the first half of 2019, in line with the ongoing investment plan.

1.3. RELEVANT FACTS OF THE ACTIVITY AND MAIN CHALLENGES

The first half of 2019 was marked by the opening CUF Sintra Hospital and the development of the expansion project of CUF Torres Vedras Hospital. CUF Sintra Hospital has 38 consultation and examination rooms, 34 inpatient beds, 1 operating theatre and 8 imaging rooms. However, the completion of the works will give an additional capacity of 27 consultation and examination rooms and 2 additional operating theatres.

This project strengthens José de Mello Saúde's position in the Portuguese market and is part of its expansion strategy in Portugal, where the company is concerned with extending its geographical coverage to provide the experience and clinical quality of its units to the community.

During the first semester CUF units renewed their accreditations, thus reinforcing their commitment as healthcare provider of excellence. In parallel, the clinical quality indicators (risk-adjusted mortality, complications and readmission rates) in the JMS units remained at positive performance levels within the expected standard.

In the most recent evaluation by SINAS - National Health Evaluation System, under the responsibility of the Health Regulatory Authority, the José de Mello Saúde units once again stood out by their good results, with the Vila Franca de Xira Hospital standing out, among more than 100 public and private health institutions, as a leader in clinical excellence in Portugal.

The Vila Franca de Xira Hospital was distinguished as top hospitals in the country, with more areas with the highest level of clinical excellence (3+), according to the most recent evaluation by the National Health Evaluation System (SINAS). This unit received the highest clinical excellence rating

in six areas, namely Outpatient Surgery, General Surgery - Colon Surgery, Cross- Care - Acute Pain Assessment, Neurology - Strokes, Obstetrics - Childbirth and Neonatal Care and Pediatrics - Neonatal Care.

The highest distinction in clinical excellence has also been awarded to three areas of Braga Hospital: Cardiology / Myocardial infarction, Outpatient Surgery and Pediatrics/Neonatal Care.

As for CUF, five units were singled out as having the highest level of clinical excellence in different areas. CUF Descobertas Hospital, in Outpatient Surgery, Hysterectomies and Full Hip and Knee Replacements; CUF Cascais Hospital in Outpatient Surgery and Full Hip and Knee Replacements; and CUF Infante Santo Hospital, CUF Porto Hospital and CUF Torres Vedras Hospital in Outpatient Surgery.

In addition, JMS has been strengthening its commitment to Value Based Healthcare, by expanding outcomes mediation and defining new circuits.

It is also noteworthy the continuous investment and the company's focus on training, research and human development. This work was developed by CUF academy, with the following highlights:

- Post-graduate School in Health, together with the Universidade Nova, Santa Casa da Misericórdia, ANF and the Municipality of Cascais.
- Doubling the number of clinical trials.
- 8 training specialities awarded at CUF and 9 undergoing the application process.
- Scientific events, post-graduate courses and health literacy activities - 283 activities were promoted, bringing together approximately 9,800 participants.

In addition to the *Grow* programme - involving all José de Mello group companies with the aim of forging closer connections with the startups ecosystem, supporting and accelerating the development of innovative projects - 91 startups were analysed. In the first six months of the year, contracts were awarded for three solutions (Biosurfit, Clynx and Soft Centrica), with several other pilot projects underway.

Also in the first half of 2019, a partnership was established with the Portuguese Football Federation, positioning CUF as an official Health and Performance partner, and the awards won during 2018 were renewed:

- Five Star Award
- Most Trusted Brand Award
- Consumer Choice Award
- Excellencia Award

Also during the 1st half of the year, new functionalities were implemented in the MyCuf app and the Contact Centre was given a new front end, strengthening CUF's commitment to digital channels.

José de Mello Saúde maintains as future ambitions the strengthening and expanding the CUF network, following a model that allows for differentiation, through major hospitals that include sub-specialisations in reference areas, and convenience, through a network of local clinics and hospitals. In this sense, following the opening of CUF Sintra Hospital, construction work is underway on the future CUF Tejo Hospital and further expansions in several CUF units are being planned.

These expansions are part of the strategy to develop and expand the CUF network, which plans to forge closer links with populations by providing them with access to excellent healthcare with over 70 years of experience.

In parallel with this growth ambition, strategic lines of business remain in place for sustained growth adapted to the main clinical, market, consumer and technological trends:

- Showcase the unique clinical quality by continuing with the accreditation process of several units by the Joint Commission International (JCI), and increasing the number of pathologies with a single protocol and systematic measurement of outcomes;
- Offering a flawless customer experience through the streamlining and digitization of processes and through the reinforcement of humanization in customer interaction.
- To ensure the efficiency of the operation through the optimization, simplification and standardization of systems and processes, capturing the benefits of network operation;
- To value Human Talent as a means to ensure excellence in performance, namely maintaining focus on training materialized at CUF Academy.

The current economic and social environment presents some challenges to the materialization of these objectives, namely:

- Need for price revision with the Responsible Financial Entities, namely with public and private insurers and subsystems, as was done with the price list for individuals.
- Development of new pharmaceutical products, intervention methods and medical treatments resulting from increased therapeutic innovation.
- Dynamism of the labor market and intensification of private competition not only in terms of territorial expansion (and client capture) but also talent recruitment;
- Financial risks such as the reversal of long-term interest rate curves, rising inflation and the rising cost of financing Portuguese debt compared to German debt.

1.4. FINAL NOTE

Pursuant to article 246(1)(c) of the Securities Code and in compliance with legal and statutory provisions, the Board of Directors presents the condensed financial statements and the interim management report for the first half of 2019, in the firm belief that, to the best of its knowledge, the information contained therein was prepared in accordance with the applicable accounting standards, giving a true and appropriate view of the issuer's assets and liabilities, financial position and results, and that the management report accurately presents the required information.

José de Mello Saúde also reports that the consolidated report and accounts for the first half of 2019 were not subject to a review by an external auditor registered with the Portuguese securities and exchange commission (CMVM).

The Board of Directors

Salvador Maria Guimarães José de Mello

Pedro Maria Guimarães José de Mello

Rui Alexandre Pires Diniz

Vasco Luís José de Mello

Inácio António da Ponte Metello de Almeida e Brito

Guilherme Barata Pereira Dias de Magalhães

Catarina Marques da Rocha Gouveia

Luís Eduardo Brito Freixial de Goes

Vera Margarida Alves Pires Coelho

Céline Dora Judith Abecassis-Moedas

Raúl Galamba de Oliveira

Lisbon, 26th July 2019

CONSOLIDATED FINANCIAL INFORMATION

JOSÉ DE MELLO SAÚDE, S.A.

CONSOLIDATED INCOME AND OTHER COMPREHENSIVE INCOME STATEMENT
AS OF 30 JUNE 2019 AND 2018

(Amounts in euros)

	Notes	30-06-2019	30-06-2018
Operating income:			
Sales and services rendered	5, 6	379,440,488	339,446,721
Other operating income	5	3,942,608	4,577,678
Total operating income		383,383,096	344,024,398
Operating costs:			
Cost of sales		(70,548,412)	(65,515,041)
External supplies and services	7	(133,279,731)	(129,325,503)
Personnel expenses	8	(118,770,991)	(109,494,472)
Amortisations and depreciations	5	(19,538,283)	(16,353,252)
Provisions and impairment losses, net	5	(1,203,916)	(913,980)
Other operating costs		(1,186,409)	(1,478,367)
Total operating costs	5	(344,527,742)	(323,080,615)
Operating profit	5	38,855,355	20,943,783
Financial expenses and losses	5, 9	(8,363,043)	(7,645,213)
Financial income and gains	5, 9	671,448	193,359
Profit/loss of associates	5, 9	77,023	37,946
Profit/loss of investment activities	5, 9	-	6,066,595
Financial results	5	(7,614,573)	(1,347,312)
Pre-tax profit	5	31,240,782	19,596,471
Income tax	5	(8,794,079)	(5,666,301)
Consolidated net profit for the year		22,446,703	13,930,170
Net profit for the year attributable to non-controlling interests	5	69,834	211,486
Net profit for the year attributable to equity holders	5	22,376,869	13,718,684
Other items of Comprehensive Income:			
Other income and expenses directly recognised in equity that will not be reclassified to profit:			
Changes in the equity of associates		(3,342)	(303,393)
Other income and expenses directly recognised in equity that might be reclassified to profit:			
Changes in fair value of hedging instruments		127,649	125,342
		124,307	(178,051)
Consolidated comprehensive income		22,571,010	13,752,120
Comprehensive income for the year attributable to non-controlling interests		-	211,486
Comprehensive income for the year attributable to equity holders		22,571,010	13,540,633
Earnings per share:			
Basic	10	2,11	1,29
Diluted	10	2,11	1,29

The accompanying notes form an integral part of the consolidated income and other comprehensive income statement for the semester ended 30 June 2019.

The Chartered Accountant

The Board of Directors

JOSÉ DE MELLO SAÚDE, S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2019 AND 31 DECEMBER 2018

(Amounts in euros)

	Notes	30-06-2019	31-12-2018
Non-current assets:			
Goodwill	5 , 11	45,569,249	45,569,249
Intangible assets		9,669,094	10,282,000
Tangible fixed assets	5 , 12	508,059,622	438,929,426
Investments in associates		248,646	265,123
Other investments		5,443,756	2,140,842
Deferred tax assets		4,574,049	4,611,108
Other non-current debtors		403,720	553,720
Other non-current assets		2,167,744	2,167,744
Total non-current assets		576,135,879	504,519,212
Current assets:			
Inventories		13,935,713	12,720,583
Trade receivables and advances to suppliers	5 , 13	101,988,628	99,517,916
Other current debtors		10,740,867	10,919,726
State and other public entities		16,752,941	4,034,011
Other current assets		87,063,956	82,994,606
Other financial instruments	14	35,150,000	35,150,000
Cash and cash equivalents	15	50,292,363	67,395,706
Total current assets		315,924,468	312,732,549
TOTAL ASSETS	5	892,060,347	817,251,760
Equity:			
Share capital	16	53,000,000	53,000,000
Legal reserve	17	8,443,524	7,289,353
Other reserves and retained earnings		33,428,442	23,064,481
Consolidated net income		22,376,869	15,593,823
Interim dividends		-	(4,200,000)
Equity attributable to shareholders		117,248,835	94,747,657
Non-controlling interests		4,021,740	4,152,041
Total equity		121,270,576	98,899,699
Non-current liabilities:			
Borrowings	5 , 18	333,909,303	284,362,461
Finance lease creditors		77,712,253	55,931,803
Employee benefits		1,282,326	1,282,326
Provisions	19	15,898,021	15,624,091
Other creditors		2,436,531	8,214,560
Deferred tax liabilities		13,345,792	13,345,792
Other non-current liabilities		1,057,696	1,057,696
Non-current liabilities		445,641,920	379,818,728
Current liabilities:			
Borrowings	5 , 18	59,866,596	97,845,229
Finance lease creditors		20,470,975	8,768,776
Trade payables and advances from clients	5 , 20	122,735,919	121,062,391
State and other public entities		37,218,789	10,455,256
Other current creditors		16,912,856	10,778,215
Other current liabilities	21	67,942,715	89,623,466
Total current liabilities		325,147,851	338,533,333
TOTAL LIABILITIES	5	770,789,772	718,352,062
TOTAL EQUITY AND LIABILITIES		892,060,347	817,251,760

The accompanying notes form an integral part of the consolidated statement of financial position for the period ended 30 June 2019.

The Chartered Accountant

The Board of Directors

JOSÉ DE MELLO SAÚDE, S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS OF 30 JUNE 2019 AND 2018

(Amounts in euros)

	Share capital	Legal reserve	Other reserves and Retained earnings	Net profit	Interim dividends	Non-controlling interests	Total
Balance at 1 January 2018	53,000,000	5,811,644	20,658,007	22,820,198	(14,100,000)	4,228,716	92,418,565
Appropriation of consolidated net profit for 2017:							
Transfer to retained earnings	-	-	(6,257,510)	(7,842,490)	14,100,000	-	-
Dividends paid out	-	1,477,709	-	(1,477,709)	-	-	-
Others	-	-	-	(13,500,000)	-	(312,770)	(13,812,770)
Changes in non-controlling interests resulting from changes in consolidation perimeter	-	-	15,252	-	-	4,748	20,000
Others	-	-	(225,625)	-	-	-	(225,625)
Consolidated net income for the semester of 2018	-	-	-	13,718,684	-	211,486	13,930,170
Other items of Comprehensive Income:							
Changes in the equity of associates	-	-	(303,393)	-	-	-	(303,393)
Changes in the fair value of financial instruments	-	-	125,342	-	-	-	125,342
Total comprehensive income for the semester	-	-	(178,051)	13,718,684	-	211,486	13,752,120
Balance at 30 June 2018	53,000,000	7,289,353	14,012,073	13,718,684	-	4,132,180	92,152,290
Balance at 1 January 2019	53,000,000	7,289,353	23,064,481	15,593,823	(4,200,000)	4,152,041	98,899,699
Appropriation of consolidated net profit for 2018:							
Transfer to retained earnings	-	-	10,239,652	(14,439,652)	4,200,000	-	-
Dividends paid out	-	1,154,172	-	(1,154,172)	-	-	-
Others	-	-	-	-	-	(200,134)	(200,134)
Consolidated net income for the semester of 2019	-	-	-	22,376,869	-	69,834	22,446,703
Other items of Comprehensive Income:							
Changes in the equity of associates	-	-	(3,340)	-	-	-	(3,340)
Changes in the fair value of financial instruments	-	-	127,649	-	-	-	127,649
Total comprehensive income for the semester	-	-	124,309	22,376,869	-	69,834	22,571,012
Balance at 30 June 2019	53,000,000	8,443,524	33,428,442	22,376,869	-	4,021,740	121,270,576

The accompanying notes form an integral part of the consolidated statement of financial position for the period ended 30 June 2019.

The Chartered Accountant

The Board of Directors

JOSÉ DE MELLO SAÚDE, S.A.

CONSOLIDATED CASH FLOW STATEMENTS
AS OF 30 JUNE 2019 AND 2018

(Amounts in euros)

	Notes	30-06-2019	30-06-2018
OPERATING PROFIT			
Cash receipts from clients		359,904,393	337,537,605
Cash paid to suppliers		(225,980,705)	(192,047,325)
Cash paid to employees		(110,568,928)	(100,011,815)
Income tax received/paid		270,129	(1,046,388)
Other cash receipts/payments relating to operating activities		13,197,484	(1,168,451)
Net cash from operating activities (1)		36,822,372	43,263,627
INVESTING ACTIVITIES:			
<i>Cash receipts relating to:</i>			
Financial assets and other investments		120,000	9,294,693
Tangible fixed assets		-	5,468,596
Interest and similar income		106,707	315,513
		226,707	15,078,803
<i>Payments regarding:</i>			
Financial assets and other investments		(2,564,430)	(317,733)
Tangible fixed assets		(47,697,759)	(23,902,774)
Intangible assets		(447,055)	(242,053)
		(50,709,244)	(24,462,561)
Net cash from investment activities (2)		(50,482,537)	(9,383,758)
FINANCING ACTIVITIES:			
<i>Cash receipts relating to:</i>			
Borrowings		407,040,000	204,745,003
Borrowings to group companies		-	2,319,426
Financial derivative instruments		-	145,342
		407,040,000	207,209,771
<i>Payments regarding:</i>			
Borrowings		(395,395,051)	(209,229,738)
Payment of finance lease liabilities		(6,618,876)	(10,832,593)
Interest and similar expenses		(8,487,558)	(8,062,194)
Dividends paid and profit distributed		(37,768)	(13,851,865)
		(410,539,253)	(241,976,389)
Net cash from financial activities (3)		(3,499,253)	(34,766,619)
Changes in cash and equivalents (4)=(1)+(2)+(3)		(17,159,418)	(886,750)
Cash and cash equivalents at the start of the period	15	67,340,459	47,884,243
Cash and cash equivalents at the end of the period	15	50,181,041	46,997,493

The accompanying notes form an integral part of the consolidated cash flow statement for the period ended 30 June 2019.

The Chartered Accountant

The Board of Directors

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ON JUNE 30TH, 2019

1. INTRODUCTION

José de Mello Saúde, S.A. (the "Company" or "JMS") is a public limited company, with head offices in Lisbon, at Av. do Forte, no. 3, Edifício Suécia III, Piso 2, 2790-073 Carnaxide, and was incorporated in December 1992. The corporate universe of JMS (the "Group" or "JMS Group") is formed by the subsidiaries, associates and jointly controlled entities described in Note 3 and its main activity is the provision of health care, specifically in the area of the provision of private health care, public-private partnerships and the provision of occupational medicine, health and safety services, as well as the provision of home health care. The Group also carries out other secondary activities in the real estate and infrastructure sectors.

As mentioned in Note 16, a majority of the company's capital is held by José de Mello Capital, S.A., its parent company that prepares consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") and, consequently, the operations and transactions of the JMS Group (Note 22) are influenced by the decisions of the José de Mello Group.

2. ACCOUNTING POLICIES

2.1. Preparation bases

The consolidated financial statements were prepared in accordance with the provisions of IAS 34 - Interim Financial Reporting, and should therefore be read combined with the financial statements for the financial year ending 31 December 2018.

The financial statements are expressed in euros.

2.1.1. New standards, amendments or interpretations applicable to the 2018 financial year

As a result of the endorsement by the European Union, the following issues, revisions, amendments and improvements to the Standards and Interpretations occurred with effect from 1 January 2019, and were adopted by the Group where applicable:

Standard	Effective Date
IFRS 16 - Leases	1 January 2019
IFRS 9 - Anticipated payments with negative compensations (Amendments)	1 January 2019
IFRIC 23 – Uncertainty over different income Tax treatments	1 January 2019
IAS 28 - Long-term interests in Associates or Joint Ventures (Amendments)	1 January 2019
IAS 19 - Changes, reductions and settlement of plans	1 January 2019
Improvements relating to the 2015-2017 cycle (IFRS 3; IFRS 11; IAS 22 and IAS 23)	1 January 2019

IFRS 16 - Leases

The Group adopted the new standard on the date on which the requirement came into effect, using the *Modified Retrospective* approach, in accordance with the provisions of paragraph C5(b) of IFRS 16, and without the obligation to restate comparative information. On the transition date, it recognised an asset subject to usage rights on the initial application date, opting to measure assets under usage rights by the “amount equal to the lease liability, adjusted by the amount of any prior or accrued lease payments related to that lease”, recognised on the consolidated financial position statement immediately prior to the initial application date” (paragraph C8(iii)b). There were therefore no changes in terms of equity.

The Group applied the standard to all contracts that were previously identified as leases under IAS 17 and IFRIC 4. Consequently, the Group did not apply the standard to contracts that had not previously been identified as containing a lease. The Group decided to apply the two exceptions provided for in the standard (paragraphs 5 and 6): (1) Contracts with a duration of less than 12 months; and (2) Contracts whose underlying assets are considered to be of low value. For this purpose, the Group defined low value as being the amount of 5 thousand euros.

In low value leases, the Group does not recognise usage rights of assets or lease liabilities, and recognises expenditure associated with these leases as expenses for the financial year for the life of the contracts.

Taking into account the fact that the lease contracts do not have an implicit rate, an incremental interest rate that varies according to the maturity of the lease contract of the following categories identified by the Group was considered for the discount of income: real estate, medical equipment and vehicles.

The summary of the impacts of the adoption of IFRS 16 on the consolidated financial position statement as of 1 January 2019 is as shown below:

	1-01-2019	Impact of adoption IFRS 16	31-12-2018
Tangible fixed assets	470,104,196	31,174,769	438,929,426
Investments in associates	378,322,334	-	378,322,334
TOTAL ASSETS	848,426,530	31,174,769	817,251,760
Equity:			
Equity attributable to shareholders	94,747,657	-	94,747,657
Non-controlling interests	4,152,041	-	4,152,041
Total equity	98,899,699	-	98,899,699
Finance lease creditors non current	81,572,085	25,640,282	55,931,803
Finance lease creditors current	14,303,263	5,534,487	8,768,776
Other current liabilities	653,651,483	-	653,651,483
Total current liabilities	749,526,831	31,174,769	718,352,062
TOTAL EQUITY AND LIABILITIES	848,426,530	31,174,769	817,251,760

The remaining standards, interpretations, amendments and revisions shown on the above table had no effect on the Group's consolidated financial statements for the period ending 30 June 2019, as a result of their adoption.

2.2. Changes in accounting policies and errors

The adopted accounting policies are consistent with those followed for the preparation of the consolidated financial statements for the financial year ending 31 December 2018, referred to in the respective annex.

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

2.3. Main management estimates and judgements

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

These estimates are based on the best knowledge existing at any given time, and on the planned actions. They are reviewed on an ongoing basis based on available information. Changes in facts and circumstances may lead to the need to review the estimates, hence the actual future results may differ from these estimates.

2.4. Consolidation bases

The adopted consolidation bases are consistent with those followed for the preparation of the consolidated financial statements for the financial year ending 31 December 2018, referred to in the respective annex.

3. COMPANIES INCLUDED IN THE CONSOLIDATION

3.1. Companies consolidated by the comprehensive method

On 30 June 2019, the parent company and the following subsidiaries over which the Group has control were included in the consolidation by the comprehensive method:

Company	Head Office	Effective Percentage	Activity
Private healthcare services:			
Hospital CUF Descobertas, S.A.	Carnaxide	100%	Management and operation of a hospital
Hospital CUF Infante Santo, S.A.	Carnaxide	100%	Management and operation of a hospital and nursing units
Hospital CUF Porto, S.A.	Carnaxide	100%	Management and operation of a hospital and nursing units
Hospital CUF Torres Vedras, S.A.	Carnaxide	100%	Management and operation of a hospital and nursing units
Hospital CUF Cascais, S.A.	Carnaxide	100%	Management and operation of a hospital and nursing units
Hospital CUF Viseu, S.A.	Viseu	100%	Management and operation of a hospital
Hospital CUF Santarém, S.A.	Carnaxide	100%	Management and operation of a hospital
Hospital CUF Coimbra, S.A.	Coimbra	100%	Management and operation of a hospital
Clinica CUF Alvalade, S.A.	Carnaxide	100%	Provision of medical and nursing services
Clinica CUF Belém, S.A.	Lisboa	62.807%	Provision of medical and nursing services
Clinica de Serviços Médicos Computorizados de Belém, S.A.	Lisboa	33.6490%	Provision of medical and nursing services
Instituto CUF - Diagnóstico e Tratamento, S.A.	Matosinhos	95.9955%	Operation of health unit
HD Medicina Nuclear, S.A.	Lisboa	69.996%	Provision of diagnosis services and therapy in the nuclear medicine field
Ecografia de Cascais, Lda.	Cascais	100%	Operation of a diagnosis and radiology medical centre
Nova Imagem - Centro Radiodiagnóstico, S.A.	Carnaxide	100%	Operation of a diagnosis and radiology medical centre
SIM-X - Serviço de Imagem Médica, Lda.	Viseu	100%	Operation of a diagnosis and radiology medical centre
Clinica Dr. Luís Álvares, S.A.	Lisboa	100%	Operation of a diagnosis and radiology medical centre
JMS - Prestação de Serviços de Saúde, ACE	Carnaxide	99.169%	Provision of operational, administrative and health services
JMS - Serviços de Logística, ACE	Carnaxide	99.0735%	Provision of operating services (catering, cleaning and maintenance)
Ecoclínica - Diagnóstico por Imagem, Lda.	Algés	100%	Operation of a diagnosis and radiology medical centre
CENES - Centro de Reprocessamento de Dispositivos Médicos, Lda.	Lisboa	100%	Provision of logistics services and medical devices reprocessing
Public healthcare services:			
Escala Braga - Sociedade Gestora do Estabelecimento, S.A.	Braga	99.9999%	Management and operation of a public hospital
Escala Vila Franca - Sociedade Gestora do Estabelecimento, S.A.	V.F. de Xira	99.9950%	Management and operation of a public hospital
Infrastructures:			
Infrahealth - Gestão de Infraestruturas, Lda.	Carnaxide	100%	Operation, management and marketing of healthcare infrastructure, commercial areas and car parks
Imo health - Investimentos Imobiliários, S.A.	Carnaxide	100%	Buying and selling real estate, exchange and renting property
Imo health Belém - Investimentos Imobiliários, S.A.	Carnaxide	100%	Buying and selling real estate, exchange and renting property
Imo health Cascais - Investimentos Imobiliários, S.A.	Carnaxide	100%	Buying and selling real estate, exchange and renting property
Imo health Matosinhos - Investimentos Imobiliários, S.A.	Carnaxide	100%	Buying and selling real estate, exchange and renting property
Imo health Santarém - Investimentos Imobiliários, S.A.	Carnaxide	100%	Buying and selling real estate, exchange and renting property
Imo health Torres Vedras - Investimentos Imobiliários, S.A.	Carnaxide	100%	Buying and selling real estate, exchange and renting property
Simplygreen - Investimentos Imobiliários, S.A.	Carnaxide	100%	Buying and selling real estate, exchange and renting property
Greenimolis - Investimentos, S.A.	Carnaxide	60%	Buying and selling real estate, exchange and renting property
Hospimob - Imobiliária, S.A.	Carnaxide	100%	Execution of real estate projects, namely the purchase and sale of properties, swap and rental of owned properties and of properties belonging to third parties
Others:			
José de Mello Saúde, S.A.	Carnaxide	Empresa-mãe	Purchase and sale of equipment and provision of management and consultancy services
VALIR - Sociedade Gestora de Participações Sociais, S.A.	Matosinhos	95.9955%	Management of shareholdings
Vramondi International BV	Roterdão	100%	Management of shareholdings
Academia CUF, Sociedade Unipessoal, Lda.	Carnaxide	100%	Provision of training services in the nursing and clinical services field
Sagies - Segurança, Higiene e Saúde no Trabalho, S.A.	Carnaxide	70.5%	Provision of external services of occupational safety, hygiene and health
Loja Saúdecuf - Produtos e Serviços de Saúde e Bem Estar, S.A.	Carnaxide	100%	Sale of parapharmaceutical products
PPPS - Gestão e Consultoria, S.A.	Carnaxide	100%	Provision of management, consultancy, operating and administrative services in the healthcare sector
PPPS II - Gestão e Consultoria, S.A.	Carnaxide	100%	Provision of management, consultancy, operating and administrative services in the healthcare sector
PPPS III - Gestão e Consultoria, S.A.	Carnaxide	100%	Provision of management, consultancy, operating and administrative services in the healthcare sector
Centro Logístico CUF Unipessoal, Lda.	Carnaxide	100%	Distribution and commercialization of medication and medical devices
Digihealth, S.A.	Carnaxide	88%	IT and Management Consulting and Advisory Services for Healthcare Providers

3.2. Associated companies

The following associated companies were recorded by the equity method on 30 June 2019:

Company	Head Office	Effective Percentage	Activity
Centro Gamma Knife-Radiocirurgia, S.A.	Lisboa	34%	Operation of radiosurgery treatment units

4. CHANGES IN THE CONSOLIDATION SCOPE

There were no changes to the consolidation perimeter during the half year period ending 30 June 2019. It should be noted, however, that on 30 May 2019 the Group acquired the entire share capital of Sonomedicus - Centro de Diagnóstico Médico, Lda. and Pandiag - Centro de Diagnóstico, Lda., with headquarters in the district of Coimbra. The share transfer contract comprises a price review period, so as of 30 June 2019 it was not possible to reliably ascertain the acquisition cost, or the cost of the acquired assets and liabilities. For this reason, the Group opted not to include the entities in the consolidation perimeter at the end of the half year period.

5. BUSINESS SEGMENTS

As established in IFRS 8, the Group presents the operating segments based on the internal management reporting model provided to the body with ultimate responsibility for making the Group's operating decisions, who is responsible for assigning resources to the sector, assessing its performance and for making strategic decisions. The main activities carried out by the Group are grouped into the following business sectors:

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

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

- nine hospitals, which together offer 594 inpatient beds, 471 consultation rooms, operating blocks with 45 theatres and delivery blocks with 6 rooms, along with a wide range of speciality consultations, examinations, dentistry, *check-ups* and physical and rehabilitation medicine;
- eight outpatient clinics, with 189 rooms, offering speciality consultations, examinations, dentistry, *check-ups*, physical and rehabilitation medicine, and even the possibility of minor surgery;
- a diagnosis and treatment unit with 56 specialist consultation rooms and a high technological profile;
- seven clinical imaging units, with a wide range of examinations (bone densitometry, ultrasound, mammography, radiology, magnetic resonance imaging and computed tomography);
- a unit providing reprocessing services for medical devices to enhance their operational performance; and
- two supplementary business groups that provide IT, operational, administrative and logistics services to Group companies.

The "Public service" sector is the result of two partnership contracts with the Portuguese state, under which the Group manages two hospitals:

- The Braga Hospital Establishment - as a result of a public-private partnership (established in December 2008) the Management Contract with ARS Norte IP began on 1 September, 2009 and will remain in force for a period of 10 years, or until 31 August 2019. The new Braga Hospital, which is part of the National Health System, entered into operation on 9 May 2011 and has a constructed hospital area of 102 thousand square meters, 705 beds, 128 consultation rooms, a central operating block with 13 theatres and a delivery block with 8 rooms, serving a population of 1.2 million inhabitants in the districts of Braga and Viana do Castelo; and,
- The Vila Franca Hospital Establishment - the Escala Vila Franca de Xira consortium took over the management of the Reynaldo dos Santos Hospital on 1 June 2011 with responsibility for all of the activity of this National Health Service hospital. It has secured the management of the aforementioned hospital infrastructure for a 2 years period. The new Vila Franca de Xira Hospital began operating in April 2013. This hospital has a gross constructed area of 49 thousand square meters, 313 inpatient beds, 33 consultation rooms, an operating block with 9 theatres and a delivery block with 6 rooms, serving around 235 thousand inhabitants of the districts of Alenquer, Arruda dos Vinhos, Azambuja, Benavente and Vila Franca de Xira. This management contract will remain in force until 31 May 2021.

The "Infrastructure" segment includes ten entities with the corporate purpose of purchasing, selling, managing and leasing health infrastructure, commercial spaces and car parks. Overall, this sector essentially encompasses the construction, management and operation of twelve properties and nine car parks (with a total of 1,755 parking spaces).

The Group analyses this sector separately for decision making and performance assessment purposes. This sector is essentially represented by the company Imo health - Investimentos Imobiliários, S.A., which has separate financial information due to this fact.

In addition to the management of shareholdings, the "Others" sector includes six entities that provide management, training, accounting, consultancy, cleaning and maintenance, medical equipment rental, negotiation and supply services. The Group also has units which (i) provide occupational health and safety services that are essential for the monitoring of employee health and working environment conditions, and (ii) provide personalised home health care, specifically in the areas of gerontology, mother and child care, monitoring recovery and palliative care and, (iii) engage in the trade of healthcare products, including dermo-cosmetic, personal hygiene, child rearing and orthopaedic products, food products and supplements, dietary foods, natural products and non-prescription pharmaceutical products.

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

2019

	Private healthcare services	Public healthcare services	Infra-structures	Others	Eliminations	Consolidated
Services rendered						
External clients	241,951,288	136,002,231	57,016	1,429,953	-	379,440,488
Intersegment	597,804	-	8,766,060	1,768,163	(11,132,027)	-
Total sales and services rendered	242,549,092	136,002,231	8,823,076	3,198,116	(11,132,027)	379,440,488
Other operating income	1,057,724	1,340,389	1,874,035	344,955	(674,494)	3,942,608
Operating costs	(214,896,002)	(130,282,580)	(4,930,742)	(6,217,169)	11,798,750	(344,527,742)
Segment operating profit	28,710,815	7,060,041	5,766,369	(2,674,098)	(7,771)	38,855,355
Financial expenses and losses	(3,327,904)	(94,998)	(4,583,289)	(3,971,914)	3,615,062	(8,363,043)
Financial income and gains	161,269	469,605	(47,598)	3,695,463	(3,607,291)	671,448
Profit/loss of associates	77,023	-	-	-	-	77,023
Profit/loss of investment activities	-	-	-	-	-	-
Financial results	(3,089,613)	374,606	(4,630,886)	(276,451)	7,771	(7,614,573)
Pre-tax profit	25,621,202	7,434,647	1,135,483	(2,950,550)	-	31,240,782
Income tax	(6,833,193)	(1,918,649)	(688,497)	646,260	-	(8,794,079)
Profit attributable to non-controlling interests	79,561	37	(49,447)	39,683	-	69,834
Net profit for the year attributable to shareholders	18,708,448	5,515,961	496,433	(2,343,973)	-	22,376,870

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

At the end of 2018, there was a criteria change where Supplementary Business Groups are now considered under “Private healthcare Services” sector. On the first half of 2018, these units were included in “Others” sector. Thus, information reported regarding each segment on June 2019 and June 2018 is not comparable.

Other information:

	Private healthcare services	Public healthcare services	Infra-structures	Others	Eliminations	Consolidated
Fixed capital expenses (Note 12)	13,065,988	1,426,263	36,855,223	4,736,871	-	56,084,346
Depreciation and amortisation in profit/loss	(18,334,454)	(5,686,677)	4,496,483	1,365	(15,000)	(19,538,283)
Provisions and impairment losses, net	(598,595)	(605,321)	-	-	-	(1,203,916)

2018

	Private healthcare services	Public healthcare services	Infra-structures	Others	Eliminations	Consolidated
Services rendered						
External clients	219,648,714	118,195,559	56,101	1,546,347	-	339,446,721
Intersegment	4,748,814	-	7,440,591	26,178,980	(38,368,385)	-
Total sales and services rendered	224,397,528	118,195,559	7,496,692	27,725,327	(38,368,385)	339,446,721
Other operating income	2,894,450	1,331,352	1,590,639	23,943,799	(25,182,562)	4,577,678
Operating costs	(201,791,409)	(123,540,949)	(5,623,899)	(55,674,613)	63,550,255	(323,080,615)
Segment operating profit	25,500,568	(4,014,038)	3,463,433	(4,005,488)	(692)	20,943,783
Financial expenses and losses	(2,401,742)	(284,294)	(4,440,380)	(4,561,135)	4,042,339	(7,645,213)
Financial income and gains	110,824	-	21,641	4,102,541	(4,041,647)	193,359
Profit/loss of associates	37,946	-	-	-	-	37,946
Profit/loss of investment activities	2,498,010	-	-	3,568,585	-	6,066,595
Financial results	245,038	(284,294)	(4,418,739)	3,109,991	692	(1,347,312)
Pre-tax profit	25,745,606	(4,298,332)	(955,306)	(895,496)	-	19,596,471
Income tax	(7,467,987)	(622,106)	(325,736)	2,749,528	-	(5,666,301)
Profit attributable to non-controlling interests	190,172	41	(9,386)	30,659	-	211,486
Net profit for the year attributable to shareholders	18,087,447	(4,920,480)	(1,271,656)	1,823,373	-	13,718,684

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

Other information:

	Private healthcare services	Public healthcare services	Infra-structures	Others	Eliminations	Consolidated
Fixed capital expenses (Note 12)	4,974,413	1,518,585	22,661,769	966,702	-	30,121,469
Depreciation and amortisation in profit/loss	(6,568,695)	(5,497,001)	(3,124,218)	(1,163,338)	-	(16,353,252)
Provisions and impairment losses, net	(377,060)	(521,468)	-	(15,452)	-	(913,980)

Assets and liabilities by business segment and the respective reconciliation with the consolidated total as at 30 June 2019 and 31 December 2018 are as follows:

2019

	Private healthcare services	Public healthcare services	Infra-structures	Others	Eliminations	Consolidated
Assets by segments						
Goodwill	2,770,704	-	42,798,545	-	-	45,569,249
Tangible fixed assets	256,013,332	4,413,670	383,500,925	10,912,725	(146,781,030)	508,059,622
Trade receivables and advances to suppliers	95,940,317	14,246,503	1,262,006	7,574,339	(17,034,537)	101,988,628
Other assets by segments	127,172,862	87,203,345	52,287,308	427,226,463	(457,447,130)	236,442,848
Total consolidated assets	481,897,215	105,863,518	479,848,784	445,713,527	(621,262,697)	892,060,347
Liabilities						
Borrowings	17,450,923	-	173,319,044	203,005,932	-	393,775,899
Trade payables and advances from clients	54,633,028	73,265,908	11,250,858	532,476	(16,946,351)	122,735,919
Other liabilities by segments	224,212,150	51,659,985	195,276,542	15,955,807	(232,826,531)	254,277,953
Total consolidated liabilities	296,296,102	124,925,894	379,846,444	219,494,215	(249,772,883)	770,789,772

2018

	Private healthcare services	Public healthcare services	Infra-structures	Others	Eliminations	Consolidated
Assets by segments						
Goodwill	2,770,704	-	42,798,545	-	-	45,569,249
Tangible fixed assets	83,541,751	7,523,619	341,926,430	5,937,626	-	438,929,426
Trade receivables and advances to suppliers	91,977,776	14,822,540	1,313,479	10,710,748	(19,306,627)	99,517,916
Other assets by segments	98,468,106	84,149,212	30,726,610	162,031,196	(142,139,955)	233,235,169
Total consolidated assets	276,758,337	106,495,371	416,765,064	178,679,570	(161,446,582)	817,251,760
Liabilities						
Borrowings	39,911,883	-	152,433,117	189,862,689	-	382,207,690
Trade payables and advances from clients	67,198,155	77,785,486	10,237,803	1,525,386	(35,684,439)	121,062,391
Other liabilities by segments	168,218,357	62,647,213	190,059,412	22,760,611	(228,603,611)	215,081,981
Total consolidated liabilities	275,328,395	140,432,699	352,730,332	214,148,686	(264,288,051)	718,352,062

6. SALES AND SERVICES PROVIDED

In the six-month periods ending 30 June 2019 and 2018, sales and services have the following breakdowns:

	30-06-2019	30-06-2018
Sales	83,198	193,158
Services rendered:		
Hospital and clinical activity	257,786,456	223,084,292
Public health service	119,460,246	114,158,840
Occupational Hygiene, Safety and Medicine	1,230,491	1,205,617
Home Services	680,636	594,512
Others	199,461	210,301
	379,440,488	339,446,721

7. EXTERNAL SUPPLIES AND SERVICES

In the six-month periods ending 30 June 2019 and 2018, external supplies and services have the following breakdowns:

	30-06-2019	30-06-2018
Fees	82,488,973	77,866,119
Subcontracts	16,159,791	15,473,528
Specialised work	13,584,932	16,677,152
Maintenance and repair	7,842,803	5,119,772
Electricity	3,321,937	3,049,364
Communications	1,673,064	1,045,530
Rents and leases	1,671,525	4,152,259
Fuel	1,040,226	1,091,920
Advertising	1,020,599	1,124,562
Insurance	959,379	736,049
Water	765,046	637,158
Collection of waste	661,762	628,778
Tools and utensils	477,980	548,079
Travel and accommodation	391,050	312,614
Air conditioning	296,422	199,927
Road tolls	196,979	138,448
Litigation and notary public fees	135,694	183,518
Cleaning, hygiene and comfort	71,038	83,000
Office material	41,266	51,527
Books and technical documentation	24,274	22,439
Articles for free distribution	12,506	5,822
Transport of goods	6,060	3,999
Other supplies and services	436,427	173,943
	133,279,731	129,325,503

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

8. PERSONNEL EXPENSES

In the six-month periods ending 30 June 2019 and 2018, were as follows:

	30-06-2019	30-06-2018
Wages	85,694,200	78,282,083
Wage-related expenses	20,152,984	18,383,103
Social security contributions	4,782,715	4,158,351
Insurance	2,529,828	2,253,239
Indemnities	135,411	180,129
	2,325,253	1,663,491
Other employee benefits	127,652	69,168
Other personnel costs	3,022,949	4,504,909
	118,770,991	109,494,472

Other staff costs essentially relate to performance bonuses and medical assistance.

9. FINANCIAL RESULTS

The financial results of the six-month periods ending 30 June 2019 and 2018 have the following breakdowns:

	30-06-2019	30-06-2018
Financial expenses and losses:		
Interest expenses	(6,474,426)	(5,961,645)
Bank fees and services	(1,458,320)	(1,262,759)
Derivative financial instruments - Interest rate	(387,200)	(420,741)
Foreign exchange losses	(41,694)	-
Other financial losses and expenses	(1,402)	(67)
	<u>(8,363,043)</u>	<u>(7,645,213)</u>
Financial income and gains:		
Interest earned	631,355	189,359
Returns on properties	-	4,000
Foreign exchange gains	40,093	-
Other financial income and gains	-	-
	<u>671,448</u>	<u>193,359</u>
Profit/loss of associates:		
Losses in associates and other investments	-	-
Gains on associates and other investments	77,023	37,946
	<u>77,023</u>	<u>37,946</u>
Gains /(Losses) relating to investment activities:		
Dividends	-	-
	-	6,066,595
Gains/losses in financial instruments at fair value (a)	-	-
	<u>-</u>	<u>6,066,595</u>

(a) The amount of six million euros posted under Gains on non-current assets held for sale corresponds to the gain obtained from the sale of the equity stakes in Escala Braga - Sociedade Gestora do Edifício, S.A. and Escala Parque - Gestão de Estacionamento, S.A., which took place in April 2018.

10. EARNINGS PER SHARE

Basic and diluted earnings per share for the six-month periods ending 30 June 2019 and 2018 were calculated by taking the following amounts into consideration:

	30-06-2019	30-06-2018
Basic earnings per share		
Profit for the purpose of calculating basic earnings per share (profit for the semester)	22,376,869	13,718,684
Weighted average number of shares for calculation of basic earnings per share	10,600,000	10,600,000
Net basic earnings per share (Euro)	<u>2,11</u>	<u>1,29</u>

As of June 30, 2019 and 2018 there were no diluting effects of earnings per share, so the basic and diluted earnings per share are identical.

11. GOODWILL

As of 30 June 2019 and 31 December 2018, *goodwill* values relate to the following entities:

Company	30-06-2019	31-12-2018
Hospital CUF Infante Santo, S.A.	12,432,819	12,432,819
Hospital CUF Coimbra, S.A.	9,326,330	9,326,330
Nova Imagem - Centro Radiodiagnóstico, S.A.	7,269,220	7,269,220
Hospital CUF Santarém, S.A.	7,035,102	7,035,102
VALIR - Sociedade Gestora de Participações Sociais, S.A.	5,220,465	5,220,465
Clínica Dr. Luís Álvares, S.A.	2,145,867	2,145,867
SIM-X - Serviço de Imagem Médica, Lda.	624,000	624,000
CENES - Centro de Reprocessamento de Dispositivos Médicos, Lda.	616,412	616,412
Hospital CUF Cascais, S.A.	482,166	482,166
Hospital CUF Porto, S.A.	160,279	274,490
Hospital CUF Descobertas, S.A.	97,265	97,265
Gabinete de Diagnóstico de Imagem de São João da Madeira, Lda.	94,883	-
Celso & Santos, S.A.	19,328	-
Escala Vila Franca – Sociedade Gestora do Estabelecimento, S.A.	15,896	15,896
Imo health - Investimentos Imobiliários, S.A.	13,261	13,261
Ecografia de Cascais, Lda.	9,119	9,119
Vramondi International BV	6,000	6,000
Clínica de Serviços Médicos e Computorizados de Belém, S.A.	837	837
	<u>45,569,249</u>	<u>45,569,249</u>

Impairment tests were performed using the following methods:

- The recoverable amounts of cash generation units were determined based on the “value in use” methodology. The use of this method requires the estimation of future cash flows from the operations of each cash generation unit and the selection of an appropriate discount rate;
- The values of the assessments are supported by past results and by the future development prospects of the markets in which the Group operates. Five year cash flow forecasts have been drawn up for each of the businesses, according to the plans defined by the Board of Directors. The only exception was Hospital CUF Coimbra, S.A., for which a period of nine years was analysed, since

at the end of the fifth year the unit is expected to still be in a phase in which it would be premature to calculate perpetuity;

- Each unit that provides medical care is a cash-generating unit. Valir - Sociedade Gestora de Participações Sociais, SGPS, S.A. includes the Instituto CUF - Diagnóstico e Tratamento, S.A. unit, which is analysed together with the Hospital CUF Porto, S.A., Nova Imagem - Centro Radiodiagnóstico, S.A. and S.P.S.D. units (the home healthcare provision area), due to the complementary nature of the services provided and geographical proximity.

12. FIXED TANGIBLE ASSETS

During the six-month periods ending 30 June 2019 and 2018, the following movements occurred in the value of tangible fixed assets, as well as the respective accumulated impairment depreciations and losses:

	30-06-2019						
	Land and natural resources	Buildings and other constructions	Basic equipment	Office equipment	Other tangible assets	Tangible assets in progress	Total
Gross assets:							
Balance at 1 January 2019	76,731,634	295,494,817	195,114,971	25,031,350	221,447	78,744,280	671,338,499
Impact of adoption IFRS 16	-	28,770,549	465,206	-	1,939,015	-	31,174,770
Additions	-	3,669,214	8,661,807	3,710,106	575,698	39,467,522	56,084,346
Disposals and write-offs	-	-	(150,778)	(20,385)	-	-	(171,163)
Transfers	-	199,983	-	-	-	(199,983)	-
Balance at 30 June 2019	<u>76,731,634</u>	<u>328,134,563</u>	<u>204,091,206</u>	<u>28,721,070</u>	<u>2,736,160</u>	<u>118,011,818</u>	<u>758,426,452</u>
Depreciation and accumulated impairment losses:							
Balance at 1 January 2019	-	(55,203,015)	(155,748,810)	(21,228,642)	(228,605)	-	(232,409,073)
Impact of adoption IFRS 16	-	(1,540,784)	(188,173)	-	(404,094)	-	(2,133,051)
Settlements	-	-	1,832	-	-	-	1,832
Depreciation	-	(5,895,696)	(8,834,888)	(1,246,173)	(20,373)	-	(15,997,130)
Disposals and write-offs	-	-	150,255	20,338	-	-	170,593
Transfers	-	-	-	-	-	-	-
Balance at 30 June 2019	<u>-</u>	<u>(62,639,495)</u>	<u>(164,619,785)</u>	<u>(22,454,478)</u>	<u>(653,072)</u>	<u>-</u>	<u>(250,366,829)</u>
Net value	<u>76,731,634</u>	<u>265,495,068</u>	<u>39,471,421</u>	<u>6,266,592</u>	<u>2,083,088</u>	<u>118,011,818</u>	<u>508,059,622</u>

	30-06-2018						
	Land and natural resources	Buildings and other constructions	Basic equipment	Office equipment	Other tangible assets	Tangible assets in progress	Total
Gross assets:							
Balance at 1 January 2018	46,333,640	272,291,973	179,121,330	22,427,062	214,312	61,074,886	581,463,202
Changes in perimeter	-	-	-	-	-	-	-
Additions	-	2,001,482	3,941,511	889,465	-	23,289,012	30,121,469
Disposals and write-offs	(34,916)	-	(131,772)	(18,656)	(74,405)	(23,656)	(283,404)
Transfers	-	1,065,788	(282,504)	-	-	(783,284)	-
Balance at 30 June 2018	<u>46,298,724</u>	<u>275,359,242</u>	<u>182,648,564</u>	<u>23,297,872</u>	<u>139,907</u>	<u>83,556,958</u>	<u>611,301,267</u>
Depreciation and accumulated impairment losses:							
Balance at 1 January 2018	-	(44,431,346)	(138,791,254)	(19,684,591)	(147,219)	-	(203,054,410)
Changes in perimeter	-	-	-	-	-	-	-
Settlements	-	-	-	-	-	-	-
Depreciation	-	(5,854,976)	(8,388,506)	(727,604)	(19,982)	-	(14,991,068)
Disposals and write-offs	-	-	228,910	50,188	23,756	-	302,854
Transfers	-	289,866	(282,504)	7,240	(14,601)	-	-
Balance at 30 June 2018	<u>-</u>	<u>(49,996,456)</u>	<u>(147,233,355)</u>	<u>(20,354,767)</u>	<u>(158,046)</u>	<u>-</u>	<u>(217,742,624)</u>
Net value	<u>46,298,724</u>	<u>225,362,787</u>	<u>35,415,209</u>	<u>2,943,105</u>	<u>(18,140)</u>	<u>83,556,958</u>	<u>393,558,643</u>

13. CUSTOMERS AND ADVANCES TO SUPPLIERS

On 30 June 2019 and 31 December 2018, the “Customers and advances to suppliers” item had the following composition:

	30-06-2019			31-12-2018		
	Gross value	Impairment losses (Note 19)	Net value	Gross value	Impairment losses (Note 19)	Net value
Trade receivables, current account	101,421,737	(1,661,847)	99,759,889	98,366,184	(1,773,213)	96,592,971
Doubtful receivables	12,500,039	(10,294,155)	2,205,884	12,212,818	(9,310,729)	2,902,090
Advances to suppliers	22,855	-	22,855	22,855	-	22,855
	<u>113,944,631</u>	<u>(11,956,003)</u>	<u>101,988,628</u>	<u>110,601,857</u>	<u>(11,083,941)</u>	<u>99,517,916</u>

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

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

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

14. OTHER FINANCIAL INSTRUMENTS

On 30 June 2019 and 31 December 2018, this item, consisting of debenture loans, has the following composition:

Issuer	Year of issue	Maturity	30-06-2019	31-12-2018
Farminveste - Investimentos, Participações e Gestão, S.A.	2014	jun/20	10,000,000	10,000,000
José de Mello Capital, S.A.	2007	dez/22	10,000,000	10,000,000
José de Mello Capital, S.A.	2008	dez/22	6,500,000	6,500,000
Farminveste - Investimentos, Participações e Gestão, S.A.	2010	dez/20	4,350,000	4,350,000
Farminveste - Investimentos, Participações e Gestão, S.A.	2014	jun/20	4,300,000	4,300,000
			35,150,000	35,150,000

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

15. CASH AND CASH EQUIVALENTS

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

This item had the following composition at 30 June 2019 and 31 December 2018:

	30-06-2019	31-12-2018
Cash	2,023,413	1,371,938
Current accounts	48,263,053	66,014,870
Term deposits	3,307	6,307
Other cash investments	2,590	2,590
	50,292,363	67,395,706
Bank overdrafts (Note 18)	(111,322)	(55,247)
	50,181,041	67,340,459

16. CAPITAL

On 30 June 2019, the fully subscribed and paid-in capital amounting to 53,000,000 euros was represented by 10,600,000 shares each with a par value of five euros.

The capital was held by the following entities on 30 June 2019 and 31 December 2018:

Entity	Shares	Percentage
José de Mello Capital, S.A.	6,980,100	65,85%
Fundação Amélia da Silva de Mello	439,900	4,15%
Farminveste - Investimentos, Participações e Gestão, S.A.	3,180,000	30,00%
	10,600,000	100,00%

17. LEGAL RESERVE

Pursuant to current legislation, the Company must annually increase the legal reserve with a minimum percentage of 5% of the annual net profit, until it reaches at least 20% of the capital. The legal reserve has not yet been fully constituted, so the minimum stipulated amount was allocated in 2019. This reserve is not distributable to shareholders, but may be used to absorb losses, after all other reserves have been depleted, or incorporated in the share capital.

18. LOANS

On 30 June 2019 and 31 December 2018, the following loans were obtained:

	30-06-2019	31-12-2018
Non-current liabilities:		
Bond loans	135,121,597	99,491,824
Other bank loans	154,787,706	160,199,772
Commercial paper	44,000,000	24,670,864
	333,909,303	284,362,461
Current liabilities		
Bond loans	-	50,689,372
Commercial paper	34,000,000	25,000,000
Other bank loans	24,755,274	21,011,557
Secured accounts	1,000,000	1,002,581
Bank overdrafts (Note 15)	-	86,472
Funding by means of factoring with recourse	111,322	55,247
	59,866,596	97,845,229
	393,775,899	382,207,690

Debenture loans relate to the following issues:

Issue	Interest Rate	Maturity	Nominal Value	30-06-2019		31-12-2018	
				Current	Non-current	Current	Non-current
JOSÉ DE MELLO SAÚDE 2014/2019	Euribor a 6 meses + 3,875%	jun/19	50,000,000	-	-	50,689,372	-
JOSÉ DE MELLO SAÚDE 2015/2021	Euribor a 6 meses + 2,955%	mai/21	50,000,000	-	50,032,894	-	49,827,114
JOSÉ DE MELLO SAÚDE 2017/2023	Taxa fixa (4%)	set/23	50,000,000	-	50,230,801	-	49,664,711
JOSÉ DE MELLO SAÚDE 2019/2025	Euribor a 6 meses + 3,75%	mai/25	35,000,000	-	34,857,902	-	-
				-	135,121,597	50,689,372	99,491,825

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

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

Provisions

The following movement took place in provisions during the six-month periods ending 30 June 2019 and 2018:

	Taxes	Future investments liability	Contractual risks	Lawsuits court	Other provisions	Total
Balance at 1 January 2018	390,811	3,341,319	6,615,581	1,388,953	522,810	12,259,474
Increase	-	-	447,773	-	-	447,773
Reversal	-	-	-	-	(34,350)	(34,350)
Balance at 30 June 2018	390,811	3,341,319	7,063,354	1,388,953	488,460	12,672,897
Balance at 1 January 2019	390,811	1,645,313	10,810,006	1,388,953	1,389,007	15,624,091
Increase	-	-	471,880	-	-	471,880
Use	(14,063)	-	-	-	-	(14,063)
Reversal	(155,937)	-	-	-	(27,950)	(183,887)
Balance at 30 June 2019	220,811	1,645,313	11,281,887	1,388,953	1,361,057	15,898,021

Impairment losses

The following movement occurred in accumulated impairment losses of assets during the six-month periods ending 30 June 2019 and 2018:

	Other investments	Inventories	Clients	Total
Balance at 1 January 2018	1,315,853	13,130	10,152,901	11,481,884
Increase	-	-	1,576,948	1,576,948
Use	-	-	(43,802)	(43,802)
Reversal	-	-	(1,076,391)	(1,076,391)
Balance at 30 June 2018	1,315,853	13,130	10,609,656	11,938,639
Balance at 1 January 2019	-	13,130	11,083,941	11,097,071
Increase	-	-	1,094,180	1,094,180
Use	-	-	(43,862)	(43,862)
Reversal	-	-	(178,257)	(178,257)
Balance at 30 June 2019	-	13,130	11,956,003	11,969,132

Contingent assets

2018 was the third consecutive year in which Braga Hospital presented a negative result. This situation stems from the state's failure to reassess vertical funding programs for HIV and Multiple Sclerosis. This behaviour of the public partner inexorably contributed to the current financial situation and constitutes a very serious

breach of contract situation. Therefore, at the end of 2016 a financial re-balancing request was filed as an injunction, for the effect of clause 127(9)(b) of the Management Contract.

As at 31 December 2018, the Management that this dispute was very likely to have a successful outcome. This expectation was confirmed by the favourable decision of the Arbitration Tribunal on 29 January 2019, on the HIV/AIDS programme, which occurred after the annual accounts closure date.

The Arbitration Court upheld the claim that was made, by Escala Braga, in relation to HIV/AIDS, deeming the facts claimed by this party to have been proven in terms of the change in the public health policy and modification of the treatment profile of people with HIV/AIDS, ordering the Portuguese State to reinstate the financial management balance under the following terms:

- i) For the year 2016, the Portuguese State must pay the amount of 4,557,338 euros to Escala Braga;
- ii) For the years 2017 and 2018, the Portuguese State must pay the amount defined by the parties to Escala Braga, using the same criteria and assumptions as used for 2017, leading to the final amounts of 4,843,506 euros and 3,579,885 euros, respectively.
- iii) The Portuguese State must also interest on arrears to Escala Braga on these amounts, at a rate of 4% per year, as from the date of summons of the arbitration proceedings.

It should be noted that the amounts relating to 2016, 2017 and 2018 were paid by the Portuguese State in March 2019, amounting to a total of 13.45 million euros.

The Court rejected Escala Braga's claim regarding the loss of funding for the treatment of people with multiple sclerosis.

Considering the amounts received and those estimated for 2019 (2.6 million euros) in the forecast for the activity allowed the hypothesis of the contract being onerous to be ruled out.

20. SUPPLIERS AND CUSTOMER ADVANCES

These items had the following composition on 30 June 2019 and 31 December 2018:

	30-06-2019	31-12-2018
Trade payables, current account	82,712,899	91,765,225
Trade payables, invoices pending	35,109,675	24,664,601
Advances from clients	4,913,346	4,632,564
	<u>122,735,919</u>	<u>121,062,391</u>

21. OTHER CURRENT LIABILITIES

This item had the following composition on 30 June 2019 and 31 December 2018:

	30-06-2019	31-12-2018
Accrued costs:		
Wages payable	32,925,657	40,878,790
Medical fees	15,432,241	27,929,279
Operating costs (a)	12,151,879	13,243,412
Escala Braga increase costs	5,813,781	5,813,781
Rappel	508,293	507,292
Municipal Property Transfer Tax	541,101	477,892
Financial expenses	30,671	123,777
Derivative financial instruments	69,374	176,137
	<u>67,472,996</u>	<u>89,150,359</u>
Deferred income:		
Financial income	449,900	453,289
Rents and leases	14,141	13,979
Other deferred income	5,678	5,840
	<u>469,719</u>	<u>473,108</u>
	<u>67,942,715</u>	<u>89,623,466</u>

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

22. RELATED PARTIES

Transactions and balances between José de Mello Saúde, S.A. (the "*parent company*") and Group companies were eliminated in the consolidation process and are not subject to disclosure in this note. On 30 June 2019, balances and transactions between the Group and associated companies and other related parties are detailed below:

Related party	Debit balances			Credit balances	
	Clients	Shareholders and	Other assets	Suppliers	Other creditors
Shareholders:					
José de Mello Capital, S.A.	20,900	-	16,500,000	3,630	-
Farminveste - Investimentos, Participações e Gestão, S.A.	422,749	-	18,650,000	-	-
Other related parties:					
Grupo MGI Capital	192,069	-	-	1,013,616	-
Grupo Brisa - Auto-estradas de Portugal	46,880	-	-	132	-
Grupo José de Mello Residências e Serviços	74,255	7,260,000	-	4,473	-
Grupo Bondalti	1,391	-	-	6,237	-
Grupo José de Mello Imobiliária	567	-	-	-	-
L.A.R.F. - Imobiliária, S.A.	-	-	-	-	2,379,573
M Dados – Sistemas de Informação, S.A.	-	-	-	97	-
Grupo Farminveste	806	-	-	-	-
	759,618	7,260,000	35,150,000	1,028,185	2,379,573

Related party	Transactions			
	Sales and services rendered	Financial income	External supplies and services	Financial costs
Shareholders:				
José de Mello Capital, S.A.	5,556	42,549	8,352	-
Farminveste - Investimentos, Participações e Gestão, S.A.	1,516	68,743	-	-
Fundação Amélia de Mello	-	-	50,000	-
Other related parties:				
Grupo MGI Capital	149,447	-	1,472,899	-
Grupo Brisa - Auto-estradas de Portugal	84,362	-	267,058	-
MGICAPITAL- Sistemas de Gestão, S.A.	-	-	-	-
Grupo José de Mello Residências e Serviços	55,515	-	24,656	-
Grupo Bondalti	14,632	-	-	-
Grupo José de Mello Imobiliária	284	-	-	-
M Dados – Sistemas de Informação, S.A.	-	-	260,141	-
Grupo Farminveste	995	-	-	-
Selecta - Soc. Gestora de Fundos de Invest. Imobiliário, S.A.	608	-	-	-
Sociedade Agrícola D. Diniz, S.A.	-	-	9,751	-
Casa dos Ribafria - Promoção e Relações Públicas, Lda.	-	-	11,554	-
Guimarães de Mello, Lda.	-	-	11,933	-
L.A.R.F. - Imobiliária, S.A.	-	-	-	39,940
	312,915	111,292	2,116,345	39,940

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

23. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the six month period ending 30 June 2019 were approved by the Board of Directors on 26 July 2019.

The Certified Accountant

The Board of Directors