Luis Simões

Taking tomorrow further

Sustainability Report and Accounts 2024

Luís Simões

A year of transition

Chairman's Message

The year 2024 was rich in challenges, of which I highlight the transition involved in re-assessing the material topics for LS, and the Strategic Vision cycle that has come to an end, giving way to a new cycle beginning in 2025, full of projects and challenges.
One of the challenges was the preparation to respond to CSRD. Our way of serving is to bring value, and we understand that implementation of CSRD at Luís Simões can be no different. We want a true path to building a sustainable future that allows us to bring value to society. We started on this path with the certainty that – step by step – we will make Luís Simões a strong organisation sustained not only by the values and people who build it, but also based on a more equitable and less polluting way of operating.
We remain focused on efficiency, and thus the implementation of Euromodular vehicles, now gradually investing in their transition to HVO (less polluting fuel), taking the necessary steps to build solutions that are more aligned with the necessary decarbonisation of the sector.
The implementation of the themes identified in the analysis of the double materiality is a path that we will be taking in the coming years, thus making Luís Simões even stronger.
However, in 2024, as in all years, the challenges were many and the projects very challenging. We are working on changing our business management software, building a digital culture, so as to prepare the organisation and our people for a reality that has come, and that is transformative.

WE WANT A TRUE PATH TO BUILDING A SUSTAINABLE FUTURE THAT ALLOWS US TO BRING VALUE TO SOCIETY.

It is in the relationship with our clients, in the search for efficiency and value solutions, that the challenges multiply, whether in digitalisation or in the need for less carbon solutions (which we all need, but the cost of continues to be discouraging), that we have to invest more in. We fully understand that the future has to be low-carbon, but we can do this together. It is a dynamic that must be generated in co-operation, and there is still a long way to go...
Knowledge of the warehoused product, along with the requirements that must be guaranteed in terms of safety, health, quality and food safety are increasing and likewise the need to implement Quality, Environment and Food Safety management systems, offering a process basis that allows for more integrated management.
It is in fulfilling the commitments we make that we set ourselves apart, in the transparency of testifying to the path we have to take, from science-based emission reduction targets (SBTi), to engagement with the local and professional community, or transparency in reporting our performance according to increasingly challenging standards. We are sure that the trust of the various stakeholders is and will be the decisive factor for building the future we aspire to.
In 2024, a new work climate assessment was carried out, giving voice to the employees, and helping to identify improvements that need to be implemented in order to create the LS Culture.
To our stakeholders, we would like to thank you for the trust in this 75-year journey that culminated with 3 events where, with great joy, we shared LS Culture, honoured employees for their dedication to the organisation, and we also had the opportunity to deliver the IRU Honour Diploma to 16 drivers who were recognised in 2023 and 2024.
For the road that has brought us here, but especially for all the challenges that we will overcome together, I would like to take this opportunity to thank you. Enjoy our report.
As long as there is a road to travel, there will always be Luis Simões.

José Luís Simões
Chairman of the Board of Directors

Regarding this report

BP-1

Luís Simões, hereinafter referred to as the Group, LS Group or LS, hereby submits its Sustainability Report and Accounts for 2024 (1 January to 31 December), which states sustainability indicators and practices on the Iberian Peninsula for the business areas of transport, logistics, maintenance and the sale of heavy tractor vehicles, semi-trailers, and rent-a-cargo.

The report includes the various companies held by the Group that are part of the financial consolidation perimeter:

- LS - Luís Simões, SGPS, S.A.
- Luís Simões Logística Integrada, S.A. (Portugal) | Logistics and Transport (LSLI PT)
- Luís Simões Logística Integrada, S.A. (Spain) | Logistics and Transport (LSLI SP)
- LS Frota, Lda. | Transport (LS Frota)
- Espaçotrans - Gestão Entrepostos Aduaneiros, Lda. | Management of customs warehouses (Espaçotrans)
- Reta - Serviços Técnicos e Rent-a-Cargo, S.A. | Car rental, sales and maintenance (Reta)
- Diagonal - Corretores de Seguros, S.A. (Diagonal)
- LS - Gestão Empresarial e Imobiliária, S.A. (LSG)
- Patrimundus - Investimentos Imobiliários, S.A. | Real Estate (Patrimundus)
- Solmoninhos - Consultoria, Gestão e Execução Imobiliária, S.A. | Real Estate (Solmoninhos)

About the technical profile

Conscious of the new regulatory requirements with the coming into force in 2024 of the Corporate Sustainability Reporting Directive (CSRD), the Group has begun its preparations for adopting the European Sustainability Reporting Standards (ESRS), replacing the standards of the Global Reporting Initiative (GRI). To this end, it introduces a new reporting structure, which takes into account the guidelines contained in the aforementioned Directive and the associated standards.

The implementation of ESRS within the Group represents a significant milestone for a structured sustainability reporting in accordance with the new CSRD requirements. A project team was created to develop the analysis of the requirements within the context of the Group, and define an action plan for its implementation, with project definition and schedule, taking into account the information known to date. This report corresponds to the first exercise of a transformation process that will take place in the coming years, aligned with the Group's strategic objectives and priorities. The Group will continue to monitor the regulatory context that will be published and approved in this regard.

The Group's materiality analysis and sustainability strategy are focused on the core business 'Transport and Logistics', with the most impactful link in the value chain of both activities being transport sub-contracting. Thus, this report mainly addresses the direct activities of the organisation. The activities related to the value chain are part of a project to be developed by LS in 2025-2026.

All companies, except Patrimundos and Solmoninhos, which do not have any direct employees, were considered for the organisation's profile and the breakdown of its human resources.

In terms of calculating greenhouse gas emissions (GHGs), direct emissions (section 1), energy acquisition emissions (section 2) and emissions associated with the upstream and downstream value chains (section 3) are considered.

Regarding metrics and impacts in the value chain, a more detailed assessment is planned in order to consider the risks and impacts arising from the new materiality.

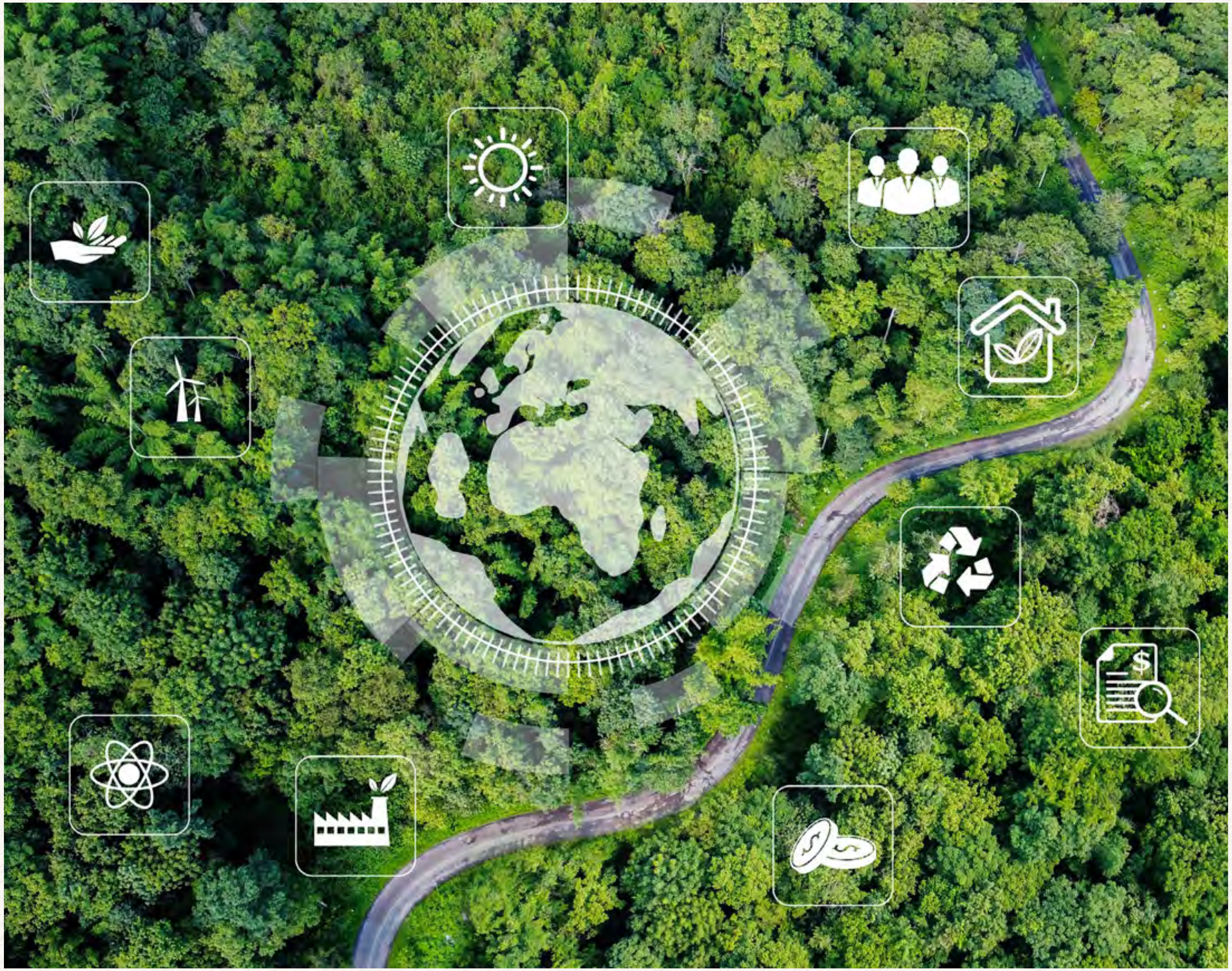
This report includes the contents of the 2024 Consolidated Annual Report and Accounts (Appendix Accounts) of the company Luís Simões SGPS, S.A. This report is issued annually during the month of May through the Group's website, and is verified externally.

Under current legislation in Spain, companies belonging to a Group that consolidates its accounts are exempt from reporting individually under Spanish Law 11/2018 – Statement of Non-Financial Information (EINF). In the case of the company Luís Simões Logística Integrada S.A. (Spain), the required information is included in the Group Sustainability Report and no separate report is required. In Portugal, the public interest requirement does not apply to any of the companies and is exempt from that legal obligation.

This report also meets the requirements of the Sustainable Finance Disclosure Regulation (SFDR).

Regarding the structure of the document

This report is organised according to the following structure:



- **Discover our world**

We hereby present the Group's key indicators and the highlights of 2024.

- **Taking tomorrow further**

Describes the role and presence of Luís Simões in the Iberian Peninsula as a leader in the transport and distribution of goods, and the main challenges of this sector. It explains its offering by type of services and highlights the integration of innovation in the business model as a value-creating factor for clients.

- **We Define Priorities**

Addresses the process of materiality analysis and its respective analysis of impacts, risks and opportunities, as well as the stakeholder engagement. The sustainability strategy and its governance are addressed.

- **We Manage Impacts**

The company's performance at the environmental, social and governance level is analysed.

- **Annexes**

Includes the table of correspondence to the ESRS and the information of Spanish Law 11/2018 – EINF.

Discover our world

Discover our world

Highlights in Numbers

LOGISTICS

25 Logistics Operations Centres (LOC)

403 371 m²

35 CrossDocking Platforms

14 541 shipments/day

6 760 e-commerce guides/day

9 038 771 units picking/month

LUÍS SIMÕES PEOPLE

2 529 employees

32 484 hours of Training

Portugal:
1 482 employees

Spain:
1 047 employees

GREENHOUSE GAS EMISSIONS

26 048 tCO_2e/ano
(Scopes 1 and 2)

TRANSPORT

1148 Type-approved vehicles

87 365 917 km travelled

8 Transport Operations Centres (TOC)

TRANSPORT + LOGISTICS

103 million km travelled/year

7 million tonnes transported/year

Average of **1 791** trips + distribution routes/day

PROMOTIONAL LOGISTICS

13 Copacking Centres

4 799 933 units/month

RETA

2 Technical Assistance Centres (TAC)

2 heavy vehicle washing stations

TURNOVER

298,7 million €
(consolidated LS Group)

Discover our world

Types of service

TRANSPORT

LOGISTICS

PROMOTIONAL LOGISTICS

CUSTOMS LOGISTICS

RETA

DIAGONAL INSURANCE

Principal sectors of activity

- Drinks **28%**
- Paper & Folder and Packaging **13%**
- Retail **8%**
- Electronics consumption **6%**
- Others **4%**
- Food **19%**
- Health & Personal Care **10%**
- Automotive **7%**
- Fashion **5%**

Highlights 2024

Excellence Logistics Personality Award

José Luís Simões, Chairman of the Board of the Group, was distinguished with the Excellence Logistics Personality Award (PEL) **Award 2024**, awarded by APLOG, in recognition of and tribute to his professional journey.

Innovator Status and Evolution Innovator 2024 COTEC

Distinction of **Luís Simões Logística Integrada** and **Reta** with the Innovator Statusand Evolution Innovator 2024 COTEC 2024, attributed for financial solidity, capital initiatives in innovation, compliance with high standards and solid management culture. Luís Simões Logística Integrada received the COTEC Innovator Status for the 3rd time and Reta debuted in this Status.

3rd place in the sectoral ranking in the category of Road Freight Transport and Logistics

In 2024, the Group achieved 3rd place in the sectoral ranking of companies in the category of Road Freight Transport and Logistics, demonstrating its corporate reputation in the 5th edition of MERCO Portugal (Corporate Reputation Monitor).

Taking tomorrow further

Leadership in transport and distribution

Complete logistics solutions

Complex value chain

Taking tomorrow further

Leadership in transport and distribution

SBM-1

With more than 75 years experience leading the transport and distribution of goods market, Luís Simões Group has been a trailblazer in the Iberian logistics sector. Equipped with a management model based on operational efficiency, technological innovation and commitment to sustainability, it positions itself as a strategic partner for its clients, in multiple industrial sectors.

More than 75 years of experience

The history of the Group is the testimony of a journey that is distinguished by the ability to overcome challenges, in decades of profound political, social, economic, technological and environmental changes, and this was only possible with the dedication and knowledge of the team, and with the collaboration of business partners. The context of Sustainability motivates an unending search for innovative solutions, integrated into the company's business model, resulting in new business opportunities, greater operational efficiency, and responsible management of the environmental impact of its activity.

The vision that moves us

To be the Iberian company of reference in terms of quality of service in the transport and logistics sector.

The mission we are committed to

Ensure efficient and competitive solutions for transport, logistics and auxiliary services, promoting customer satisfaction and satisfaction of society in general, from an economic, social and environmental point of view.

The values that inspire us

/ Sustainability

/ Environment

/ Trust

/ Innovation

/ Loyalty

/ Customer oriented

/ Heritage

/ Safety concerns

/ Respect for people

Operating in Portugal and Spain, the Group has been working on sustainability for more than a decade, in a movement of continuous integration into its business model of environmental, social and governance risks and opportunities.

The company, which continuously invests in the modernisation of its infrastructure, has warehouses equipped with automated *stock* management systems, enabling complete product traceability and a highly efficient supply chain.

Over 70% of transport and logistics services performed are associated with food products or personal hygiene and health care products. In these operations there are controls inherent to specific legal requirements and a risk analysis to detect and manage critical points and thus avoid a potential risk of impact on consumer health.

Our certifications

In this context, the Group has certifications that are internationally recognised, including ISO 9001 (Quality), ISO 14001 (Environmental), in the main operating centres. The certifications of IFS Logistics (Logistics) and BRC (Food Safety) at the centres of Carregado, Azambuja, Castanheira, Guadalajara and Leixões, GDP (Pharma) in Cabanillas and ISO 27001 for the LS group (Information Security – still ongoing), geared toward sustainable and secure operation. In addition, in 2024 the Group received the **Ecovadis Bronze Medal** with a score of 60, a platform dedicated to the implementation of sustainability practices in organisations.

In addition, in order to ensure compliance with the specific requirements of food products transport and logistics services and health care, some of the LS centres have specific certifications.

Health care:

- The Cabanillas del Campo Logistics Operations Centre has been certified in terms of Good Distribution Practice (GDP) in the Distribution of Medicines since 2020.

Food products:

- The Cabanillas del Campo Logistics Operations Centre has been certified in terms of Good Distribution Practice (GDP) in the Distribution of Medicines since 2020.
- The Guadalajara Logistics Operations Centre has been certified as an Ecological Products Warehouse since 2021, and receives all imports of ecological products from outside the European Union.

For clients that have products with biological certification, Luís Simões also obtained the attestation of transport and warehousing of raw materials and pre-packaged food products in accordance with the biological certification at the Logistics Operations Centres: Azambuja, Gaia 1, Carried and Castanheira.

In a highly competitive and dynamic sector such as transport and logistics, quality of service and customer satisfaction are crucial for the business. It therefore stands to reason that the Customer Satisfaction Index (CSI) is an important tool for evaluating the service provided. Conducted twice a year, it consists of a survey taken of the TOP 100 customers of each business (Logistics and Transport), in order to evaluate their level of satisfaction. The selection of customers to consult is based on the cumulative sales of the three months prior to the launch of the survey.

In 2024, the CSI of the **Transport business recorded** an average participation rate of 90% with a **satisfaction rate of 4.3** out of 5, and of the 157 replies obtained, only one case of satisfaction of less than 3 was recorded. Similarly, the **Logistics business** had an average participation rate of 89% with a **satisfaction of 4.1** out of 5, and of the 171 replies obtained, only two cases were recorded with a satisfaction of less than 3.

In addition to the results, customer feedback incorporates great value and provides a clear view of the strengths and a valuable guide to opportunities for improvement.

The results of the CSI not only reflect Luis Simões' commitment to quality and excellence, but also highlight the importance of hearing and valuing customer feedback.

Challenges faced by the transport and logistics sector

This sector plays a central role in the global economy, ensuring connectivity between markets and driving efficient supply chains.

However, it faces significant challenges related to decarbonisation, digitalisation, operational efficiency and the integration of ESG (Environmental, Social and Governance) criteria into its value chain. Growing European regulation, with measures such as the Fit for 55 legislative package, the European Taxonomy Regulation and the CSRD (*Corporate Sustainability Reporting Directive*), requires companies in the sector to adopt more transparent and sustainable practices, accelerating the transition to business models with a lower ecological footprint.

Sector Trends

According to the AICEP – Portuguese Trade and Investment Agency – *'Despite some tendency for relocation, it is expected that world trade will continue to grow, supporting demand for freight transport both in the medium and long term. In particular, Europe's economic recovery should support greater demand in the short term. Thus, the transport and logistics sector is expected to benefit from the increase in global industrial output and consumer demand, with a 4% growth forecast for 2025.'*

1. Logistics Units: Different infrastructures and strategic points that ensure efficient movement of goods throughout the supply chain. These units play an essential role in the reception, warehousing, consolidation, distribution and shipment of goods, enabling the optimisation of logistics flows and reducing operational costs.
2. Multimodal logistics centres: specialised logistics infrastructures that integrate different modes of transport to optimise the flow of goods throughout the supply chain.

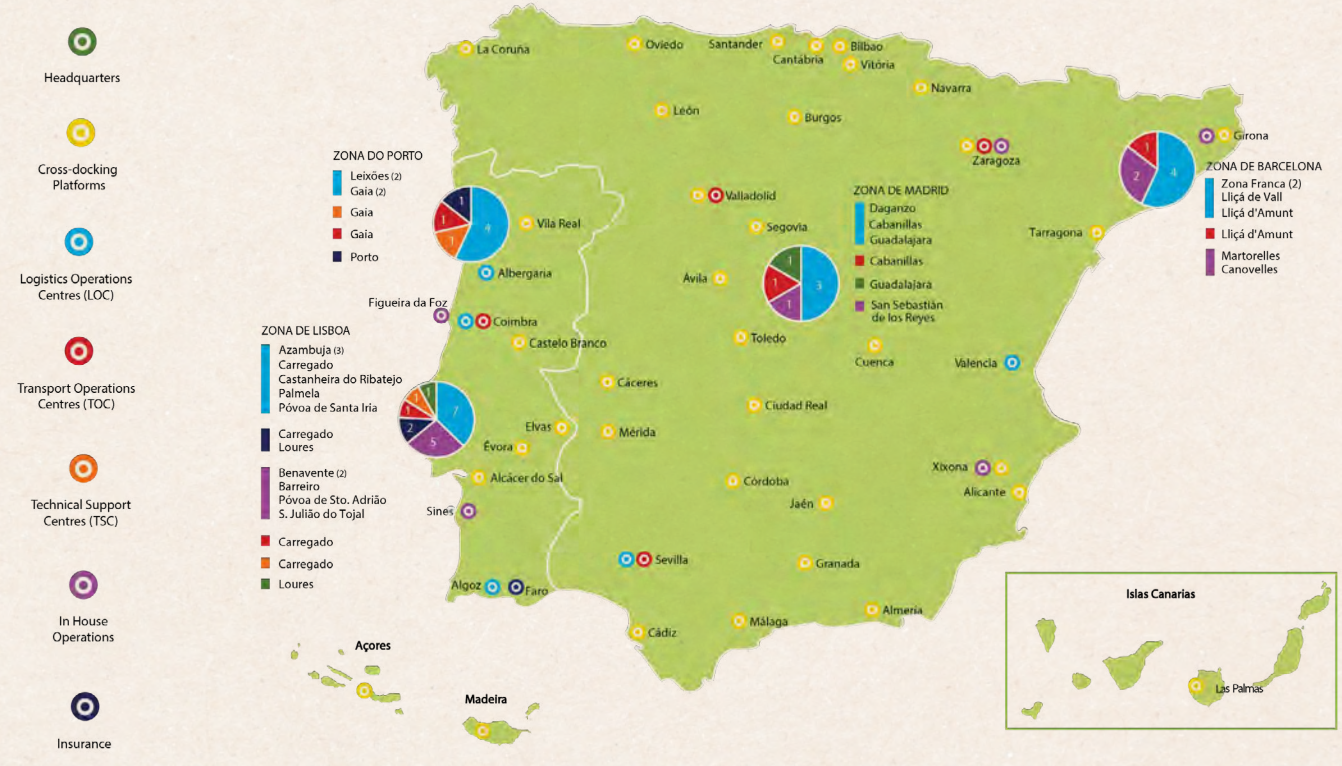
Presence in the iberian peninsula

the Group is strategically positioned to ensure an efficient and agile response to the logistical needs of its customers in the Iberian Peninsula. With more than 2,500 employees and a consolidated presence in **Portugal and Spain**, the company operates **25 Logistics Operations Centres logistics units**[1], covering the main commercial and industrial routes of the region. Their network also includes **35 logistics platforms**[2], which are distributed to maximise transport efficiency and minimise transit times.

Currently, the company manages a storage area of more than **403 000 m^2**, allowing the annual movement of more than **7.98 million tonnes of goods**. The fleet managed by LS contains **1 148** type-approved vehicles, own and subcontracted. LS's own fleet has an average age of 4.7 years, of which a significant part corresponds to Euro VI vehicles[3] and Euro Modular vehicles[4], which demonstrates its commitment to transport efficiency.

/ Portugal: Lisbon Area (Carregado, Loures), Porto, Coimbra and Algarve.

/ Spain: Madrid, Barcelona, Valencia and Seville, ensuring efficient connections to the rest of Europe.



	GROUP (Consolidated)	SPAIN (Non-consolidated)	PORTUGAL (Non-consolidated)
Logistics	170 321 287 €	95 998 728 €	77 035 865 €
Transport	109 800 763 €	51 889 154 €	83 431 065 €
Fuel	1 188 100 €	-	1 813 054 €
Others	17 432 062 €	-	28 829 981 €
Total	**298 742 212 €**	**147 887 882 €**	**191 109 965 €**
		338 997 847 €	

Fleet Characteristics

In 2024, **97.6%** of the fleet consists of Euro VI vehicles and it also has **18** Euro Modular vehicles.

The vehicles assigned to employees are **28%** electric and **11%** hybrid vehicles.

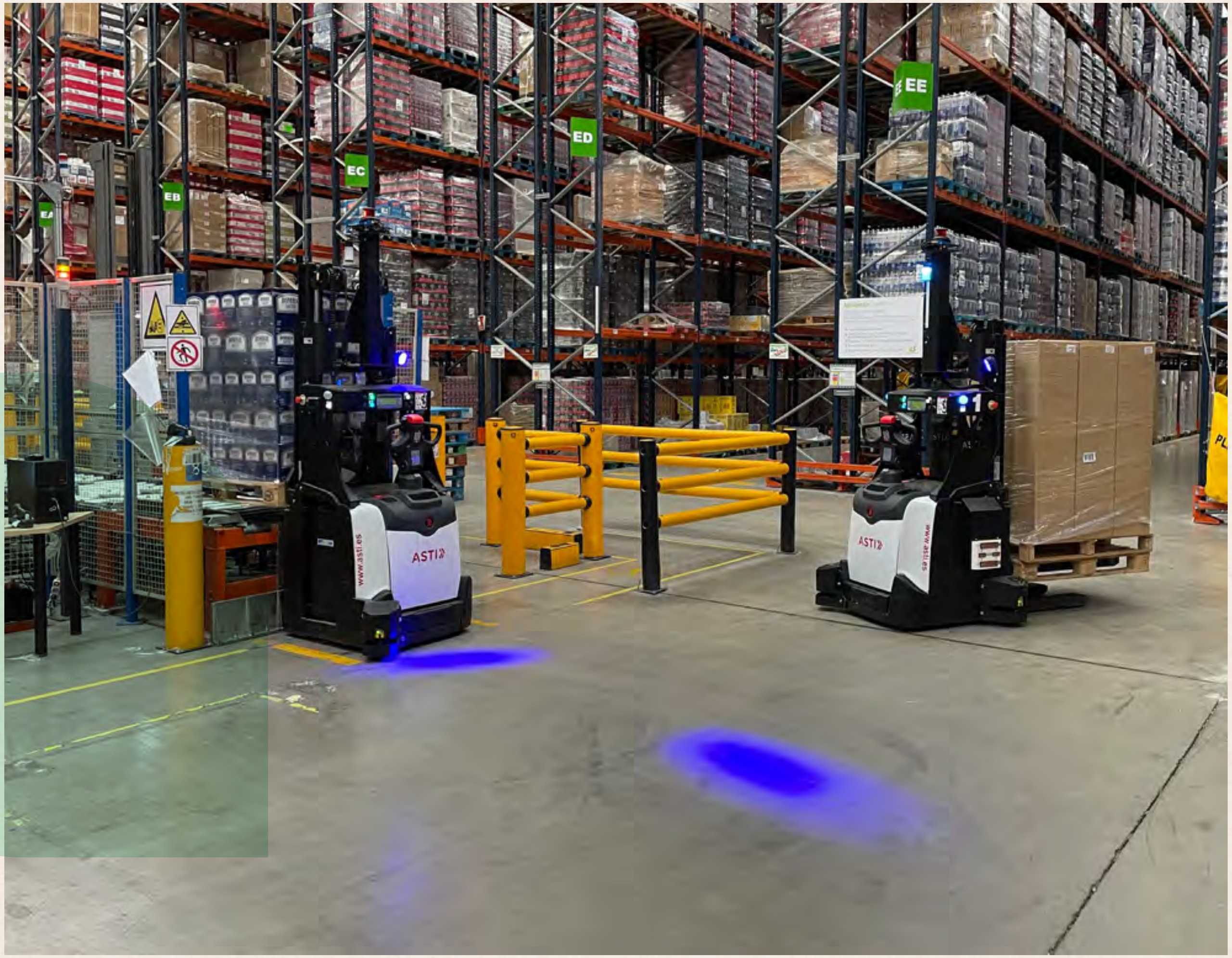
3. Euro VI vehicles: Euro VI vehicles comply with the Euro VI European emission standard, a set of environmental regulations introduced by the European Union to limit pollutant emissions from internal combustion engines.

4. Euro-Modular Vehicles: are combinations of freight transport vehicles designed to increase load capacity and improve logistics efficiency, reducing travel and environmental impact.

Outlook for the future

To ensure a high-performance service, the Group strongly invests in digitalisation and monitoring of its operations. Through the implementation of technologies such as **IoT** (Internet of Things), **big data** and **artificial intelligence**, the company is able to optimise routes in real time, thus reducing waiting times and increasing efficiency in transport. However, their warehouses are equipped with **automated stock management systems**, ensuring complete product traceability and efficient supply chain management.

Despite the sustainable growth of its business, Luís Simões faces a diverse set of challenges, namely: the need for continuous fleet modernisation, the investment in digital infrastructure, and the reduction of waiting times in urban transport. To overcome these difficulties, the company plans to explore the use of alternatives to road transport and fuel from fossil sources, as well as increase the use of artificial intelligence in logistics optimisation.



Complete logistics solutions

SBM-1

Over the years, Luís Simões has worked to expand its offer of logistics solutions to integrate transport, warehousing and distribution.

The integration of solutions enables cost reduction and process optimisation, notably with the latest adoption of advanced technologies to track the service and give greater visibility to the client in relation to it. All optimisation work has consequences in terms of reducing the environmental impact, which will be noted in this document.

Currently, the Group offers complete logistics solutions that accompany the entire supply chain. The main services include:

- **National and International Road Transport**
  More than **1,700 active routes** connecting production centres to destination markets.
- **Storage and Logistics Management**
  Logistics centres equipped with **advanced stock management technology**.
- **Added Value Services**
  Solutions such as **custom packaging, labelling and cross-docking**[5], improving the efficiency of the logistics process.
- **Urban Distribution and Last Mile**[6]
  Distribution solutions in large urban centres, contributing to the reduction of the carbon footprint.
- **Rental and Sale Services**
  Of new and used heavy vehicles, multi-service workshops and parts store.
- **Insurance Solutions**
  For individuals and companies.

The Group remains strongly committed to digitalisation and innovation, investing in technologies such as IoT, big data and artificial intelligence for operations monitoring and optimisation. One of the most recent initiatives was the implementation of smart warehouses with digital stock management, allowing a reduction in occupied space and the optimisation of operational efficiency. In addition, through a digital fleet tracking system, Luís Simões optimises its routes.

5. Distribution strategy, in which the products received in the logistics operations centre are unloaded from an inbound transport vehicle and transferred to another outbound vehicle.
6. Refers to the final phase of the logistics chain, i.e. the delivery of the product to the logistics operations centre and then on to the final destination, which can be the consumer, a company or a pick-up point.

Moved by innovation

Innovative solutions

Innovation is a central pillar in the strategy of Luís Simões, indispensable for the adaptation to market requirements and to continuously ensure an efficient and value-creating business model for clients. The search for innovative solutions, the establishment of partnerships and the promotion of knowledge are examples of how the Group integrates Innovation into its business model.

Participation in consortium

Luís Simões participates in the Project Produtech R3 consortium, which consists of partners from various areas and sectors of the national industry. It was created with the aim of developing intelligent and resilient solutions for logistics that enable, in a holistic way, to track all phases of the product. The Group participates in three demonstration projects: permanent inventory in picking, which aims to gain between 8 and 12 seconds in the operation of preparing a line of orders in picking, through vision technology, avoiding the physical counting of stock; optimised algorithm for the construction of heterogeneous pallets, to find the solution that proposes to picking operators the best preparation circuit and the best placement of the product in the support palette for preparation; and the use of AMR (autonomous mobile robots) for transport in operations, so as to free useful time in the preparation of orders, by about 60 minutes per operator.

Efficiency and Efficiency as a Competitive Advantage

The Gold Project is ongoing and aims to improve the efficiency and effectiveness of processes as a competitive advantage to offer the best level of service to clients. It envisages the replacement of the WMS (Warehouse Management System) and TMS (Transport Management System) of the Integrated Logistics business. The Reflex system shall be adopted for the WMS, and in 2024 it was already implemented at the first Logistics Centre (CDR). There are also plans to instal three more Centres in 2025. TMS is in the implementation phase at the first centre in Carregado. Actual implementation of the Mobility module has been planned, resulting in a reduction in manual work for the distribution support team to track routes and deliveries.

Concentration on value-added activities

The Group has invested in differentiating activities for its clients, expanding the fleet of Gigaliners[7] and Duotrailers[8], which will allow logistics flows to be optimised, thus increasing their efficiency.

Gigaliners Fleet in Portugal in 2024

- 5 units for transport between warehouses (logistics)
- 9 units for transport between the factory and the seaport

Implementing innovative digital solutions

A process of control and management of energy consumption was implemented in Cabanillas (EFICIA). In Cabanillas we achieved results of 11% to 14% reduction in KW consumption.

Gigaliners and Duotrailers Fleet in Spain in 2024

- 4 Duotrailers operating in national flow
- In 2025, the plan is to expand the fleet with 6 additional Gigaliners in Portugal and 11 additional Duotrailers in Spain.

7. **GigalinerVehicles** – Euro-Modular vehicles, two vehicles have a load capacity equivalent to three conventional trucks, which helps reduce fuel consumption and GHG emissions.
8. **Duotrailer Vehicles** - Combined vehicles that allow the simultaneous transport of two trailers, significantly reducing the travel required for the transport of an equivalent volume.

Strategic Partnerships

Partnerships for new products

Diagonal, in partnership with Europ Assistance, launched in early 2024 a Travel Assistance product for heavy freight vehicles, with more comprehensive coverage for Travel Assistance Capital and Vehicle Repatriation compared to conventional market solutions. The partnership creates new business opportunities in different industries, such as Automobile-Fleet, work-related Accidents and Goods. This solution strengthens the Group's commitment to quality, safety and competitiveness in the transport sector.

Partnerships for more solutions

In order to obtain more support for the Group in the management of insurance in Spain, and to be able to expand the Iberian presence and offer customers more solutions and better quality of service, a partnership was established in 2024 between Diagonal and the spanish broker Peris. This partnership aims to support the Group in Spain, guaranteeing a more efficient management of insurance and a higher quality of service, as well as a cross-expansion of the customer base, in which Diagonal now provides insurance to Peris customers in Portugal, while Peris supports Diagonal customers in the Spanish market.
This collaboration strengthens the Group's position as a strategic reference partner in the transport and logistics insurance sector, with a more comprehensive service that is tailored to the needs of customers in different geographies.

Presence and participation through knowledge

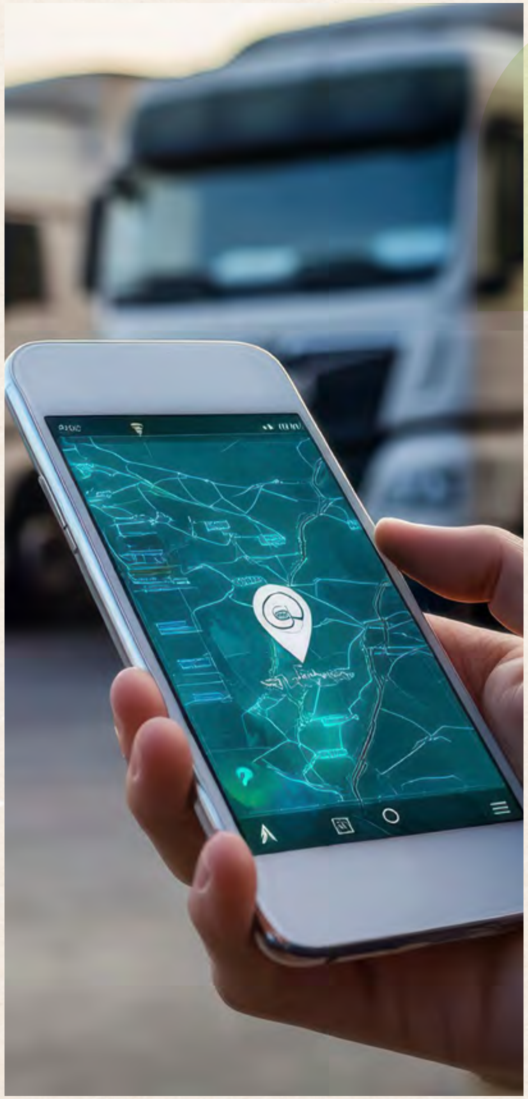
Excellence Logistics Award

The Group sponsored **APLOG's Excellence Logistics Award - Academy 2024 (PEL)**, which it has been supporting since 2022. This award aims to highlight projects in the field of logistics that, by their importance and excellence, have contributed to promoting the knowledge and efficiency of companies. In 2024 this award was handed out to the Master's in Engineering and Supply Chain Management (MEGCA) programme of Instituto Superior de Engenharia do Porto (ISEP). MEGCA is a pioneer in Portugal and is in line with the leading international engineering schools. The course is based on the Engineer's profile in the 4th Industrial Revolution (Industry 4.0) and the student-centred learning paradigms (CDIO).

PEL Academy Award 2024

PEL Academy Honour

Complex value chain



SBM-1, G1-2

The company works closely with clients, suppliers and partners at all stages of its logistics chain.

Transport eco-system

In addition to the importance of human resources, the Transport service also includes heavy goods vehicles, fuel and technological resources, which are increasingly essential to this activity. The portfolio of services covered by this activity mainly integrates full cargo transport, grouping, and flow management for large distribution customers. Own resources are used, but services from other carriers are also sub-contracted.

The ecosystem of logistics

In Logistics we also highlight human resources, logistics facilities and corresponding shelves, warehouse automations, consumables essential to logistics operation, such as pallets and packaging films, lighting, stackers, and technological resources essential for this activity. Within the scope of this activity, the service portfolio includes storage services, order preparation, promotional logistics, and distribution to point of sale. In this activity, the Group provides its services at its own facilities, as well as rented and customer facilities.

The circuit

The Group operates as a logistics operator, providing road freight transport and logistics services that allow producer companies to get their products to the various points of sale, according to the sales pace of these same products.

1

Transport of products from client factories (producers) to warehouses/logistics centres (which may or may not belong to the Group)

2

In the logistics centres of the Group, warehousing of products.

3

Preparation of orders for delivery at points of sale, mainly consumer locations such as hypermarkets, supermarkets and other sales channels.

Clients

As an integrated logistics operator, with services of road freight transport and logistics services, and other supplementary services, the LS Group operates mainly in the consumer and industrial product segments. Among its main customer groups are some of the most important companies in the food, beverage, personal hygiene and other consumer goods sector, as well as industrial companies operating in the cardboard, glass and other industrial products packaging sector. The market is fragmented, with a significantly high number of competing companies.

Suppliers

Responsible supply chain management involves ensuring that supplier relationships are guided by transparency, ethics and commitment to environmental, social and governance (ESG) criteria, seeking to establish long-term partnerships based on mutual trust and shared values. As such, the selection and monitoring of suppliers plays a strategic role in mitigating operational and reputational risks. A journey started, with still so much to go.

The selection of suppliers for the most impactful purchase categories is supported by an assessment that includes ESG criteria. The rough drafts of the Group's contracts, which are preferential in formalising business relationships, also establish the obligations of suppliers in terms of sustainability. In addition, all contracts worth more than 100,000 euros are preceded by a formal market consultation process, in which sustainability requirements are specified, and in which a decision template with ESG valuation criteria is also included.

Procurement Policy and ESG Criteria

The Group's Purchasing Policy created in 2023 stipulates that the purchase process must begin with a Quotation Request or Specifications Document, to which suppliers are bound by a set of mandatory requirements, including:

- Group Code of Ethics and Conduct
- Data Protection
- Social and Environmental Responsibility
- Human Rights
- Occupational Hygiene and Safety
- Food Safety

Supplier Monitoring and Approval

The Group performs a continuous monitoring of the level of service provided by suppliers that have a 'high impact on business', a categorisation that results from a risk template defined by the type of service provided or well provided and its impact on business.

All suppliers go through an approval process that guarantees compliance with legal and social aspects, namely no amounts owed to the Tax Authority or Social Security.

The compliance of suppliers is monitored through a document management platform (WiDoit) for general suppliers in Spain and Iberian Transport suppliers.

Within the scope of transport and distribution sub-contracts, the Group provides for the disclosure of the 'Sub-contracted Carrier Manual', which includes the Letter of Commitment where the ethical principles and standards of the various subject matters are detailed.

82 meetings with suppliers to analyse their performance and the ESG actions implemented.

126 follow-up meetings held to identify opportunities for improvement.

Follow-up and ongoing assessment

The Group implements a monitoring process to ensure that the commitments made by the suppliers with the greatest impact on the business are fulfilled. Follow-up with suppliers is carried out through meetings where the contractually defined Key Performance Indicators are presented and opportunities are identified. Meetings involve operational management, the procurement department and the supplier.

We define priorities

Mindful of impact

Committed to the future

We define priorities

Mindful of impact

SBM-1, SBM-2, SBM-3, IRO-1

In 2024, a reflection on the strategic priorities in environmental, social and governance was carried out in accordance with a four-stage process, as presented below.

Diagnosis

The Diagnostic phase consisted of the analysis of trends and a benchmark to understand industry practices and the consultation of internal and external stakeholders.

Stakeholder Engagement

Six internal stakeholders (top management and key areas) and nine external stakeholders (four clients, four suppliers/partners and an industry association) were involved, whose contributions on key sustainability issues are presented below:

- GHG emissions and road safety as the main environmental and social impact, respectively.
- Energy transition, sub-contracting and labour shortages are the three main risks for the company.
- Digitalisation and cybersecurity are two of the main challenges.
- Decarbonisation as a priority, depending on the availability of technology and/or fuels.
- Consequences of the high amount of sub-contracting in transport, which reduces the ability to influence good practices and makes it difficult for the Group to access information.

Once the consultation with the stakeholders was completed, this phase was concluded with the identification of sustainability issues, which are mentioned below.

DEPARTMENT

- **Operational efficiency**
- **Road Safety**
- **Innovation and technology**

BUSINESS CONDUCT

- **Ethics, transparency and anti-corruption**
- **Cybersecurity**

ENVIRONMENT

- **Climate change**
- **Transition of road transport**
- **Energy consumption**
- **Circular economy of materials and reduction of waste production**
- **Pollution of air (other than GHG), water and soil**

SUPPLY CHAIN

- **Responsible Purchasing**
- **Management and traceability in fleet sub-contracting**

EMPLOYEES

- **Health and safety**
- **Training and development**
- **Welfare and working conditions**
- **Diversity, equity and inclusion**
- **Labour shortage**
- **Attractiveness of the company**

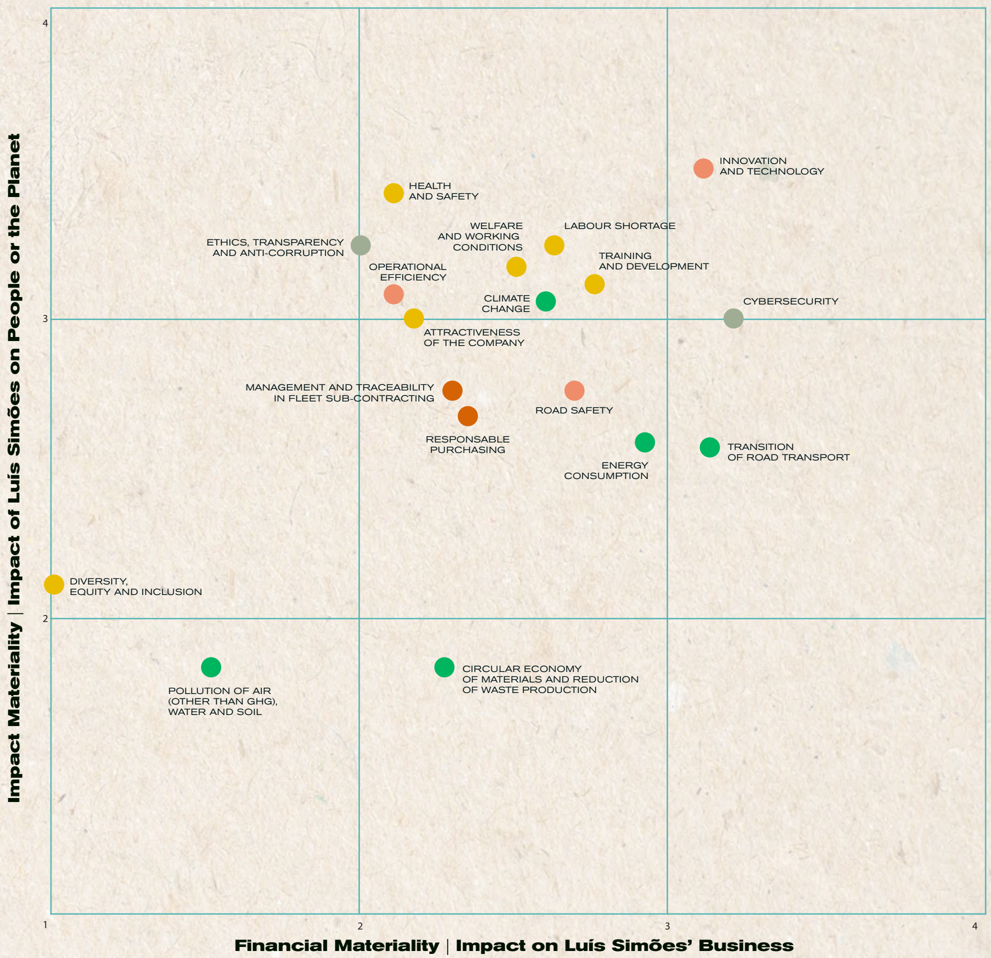
Materiality analysis

Once the sustainability issues were identified, the impacts on people and/or the environment – Impact Materiality – and the risks and opportunities involving the sustainability of the company – Financial Materiality – were identified. Each Impact, Risk and Opportunity was assessed according to the criteria of the Corporate Sustainability Reporting Directive (CSRD)[9]. This assessment allowed us to position the issues and reflect on their impact in relation to the company's reporting and its sustainability strategy.

All sustainability issues assessed above 2 (moderate) are considered material for reporting purposes. At least 3 are considered for the development of the strategy (significant). As we can see, only the issue of 'air pollution (other than GHG), water and soil' is not considered material for reporting.

Of the 17 sustainability issues considered material, 52 impacts, 47 risks and 21 opportunities were identified.

Materiality matrix Luís Simões



9. The impacts, risks and opportunities were assessed according to the scale: 1–Negligible; 2-Moderate; 3-Significant; 4-Critical, and with the following criteria. The assessment of the impacts considered: scale (intensity/gravity of impact); scope (scope/reach throughout the value chain); irreparable character; and probability (in the case of potential, positive and negative impacts). The assessment of the risk and opportunity (financial effects) considered: magnitude (criticality of risk or opportunity for the company, influence on cash flows, access to financing or capital cost, quality, prices and commercial relations); and probability (frequency or probability of occurrence).

Impacts, risks and opportunities

Sustainability issue: Climate Change		
Impacts	**Risks**	**Opportunities**
• Direct GHG emissions • Non-renewable energy consumption • Energy consumption from renewable sources	• Investment in climate change adaptation to maintain operation and differentiate competition (e.g., infrastructure, routes...) • Regulatory changes with impact on investment needs	• Access to capital and investment
Sustainability issue: Transition of Road Transport		
Impacts	**Risks**	**Opportunities**
• Fleet electrification with impact on emissions reduction	• Investment in research and implementation • The lack of a reference price for HVO[10] by DGEG makes it difficult for customers to accept the fuel price difference compared to diesel.	• Competitive advantage in the market (differentiation from the competition), by client valuation of alternatives for the transition
Sustainability issue: Energy Consumption		
Impacts	**Risks**	**Opportunities**
• Reduced energy and GHG consumption through vehicles with Euro V and VI engines (90%) and Euro-Modular (Gigaliners) and Duotrailers • Reduced energy consumption by installing photovoltaic panels for self-consumption • Energy efficiency of warehouses (LEED, BREAM certifications, energy rating B – ADENE – Portugal's Energy agency) resulting in lower energy consumption • Non-renewable energy consumption	• Costs associated with modernisation of the sub-contracted fleet • Increased energy costs due to volatility in energy market prices • Influence of EU ETS on fuel price	• Investment in renewable energy
Sustainability issue: Circular economy of materials and reduction of waste production		
Impacts	**Risks**	**Opportunities**
	• Investment in recovery technologies or waste management systems	

10. Hydrotreated Vegetable Oil — renewable fuel solution based on sustainable raw materials.

Impacts, risks and opportunities

Sustainability issue: Health and Safety		
Impacts	**Risks**	**Opportunities**
• Preventing injuries and increasing employee comfort in the workplace. In Spain it is offered through occupational medicine and the Prevention Service, with internalisation of safety, ergonomics and psychosociology, and in Portugal through the External Prevention Service. • Accidents and work-related diseases	• Investment in vehicle maintenance, ergonomic conditions and occupational well-being • Investment in maintenance of facility security infrastructure	• Reducing accidents and associated costs by training and monitoring driver performance
Sustainability issue: Training and development		
Impacts	**Risks**	**Opportunities**
• Competence development, career progression and performance recognition		• Maximise organisational performance by aligning employees' competences with strategic goals
Sustainability issue: Welfare and working conditions		
Impacts	**Risks**	**Opportunities**
• Improving the quality of life of employees (medical benefits, balance between personal and professional life, e.g., through the hybrid model involving remote working) Satisfaction of employees	• Interruptions in operations, due to absenteeism, lack of productivity or response capacity • Impact on client trust and consequent loss of business	
Sustainability issue: Diversity, Equity and Inclusion		
Impacts	**Risks**	**Opportunities**
• Social cohesion and equal opportunity • Work opportunities for vulnerable groups (e.g., ethnic minorities, people with incapacities/disabilities, women drivers)		
Sustainability issue: Labour shortage		
Impacts	**Risks**	**Opportunities**
• Work safety and employee satisfaction • Promotion of employability	• Difficulty managing the operation and responding to customer needs due to shortage of workforce • Wage conditions and associated benefits to position itself as a competitive company in the labour market • Increased remuneration of heavy-vehicle drivers due to shortage of drivers • Decreased average employee performance as a result of less qualified hiring	

Impacts, risks and opportunities

Sustainability issue: Attractiveness of the company

Impacts	Risks	Opportunities
• Sector training and knowledge (e.g., partnership with APLOG, visits to LS centres), contributing to knowledge about the sector in society • Donations and actions (e.g., blood donation campaigns, collaboration with the Food Bank, collaboration with Fundación Madrina) impacting society	• Difficulty hiring for LS (various types of positions)	

Sustainability issue: Operational Efficiency

Impacts	Risks	Opportunities
• Delivery of service/product efficiently and without supply chain breakdown • Optimisation of routes with reduced environmental impact • Public health impact in the event of quality and food safety failures		• Investing in infrastructure, processes and technology to improve efficiency • Margin gains from operational efficiency (e.g., route optimisation, delivery reliability) • Increased efficiency through availability of periodic and reliable data

Sustainability issue: Road Safety

Impacts	Risks	Opportunities
• Reduction of work-related accidents (drivers) and safety of passengers (road users or pedestrians) and other drivers • Reducing occupational accidents and safety of road passengers and other drivers	• Sub-contracting in transport makes control over the vehicle more difficult • Compliance with regulatory requirements	• Maintaining a reduced rate of work-related accidents (road) and consequent reduction of disruptions in the value chain, such as opportunities to attract and retain drivers and reduce costs

Sustainability issue: Innovation and Technology

Impacts	Risks	Opportunities
• Reduced consumption (fuels, energy, paper, packaging, etc.) Integration of new technological solutions into the market with impact on customer satisfaction (e.g., SOL Mobility Partnership) • Integration of technological solutions to reduce employee effort or improve productivity • Integration of technological solutions to increase the safety of employees or improve their productivity (example of active safety measures in vehicles - trucks)	• Decreased investment cycles generate greater financing needs	• Increase competitiveness and profitability through new products or processes • Access to subsidies and funding for innovation projects • Innovation partnerships with academia, research centres and clients, as revenue generators and innovation facilitators • Increased operational efficiency and profitability of products and services through technological adaptation

Impacts, risks and opportunities

Sustainability issue: Ethics, transparency and anti-corruption

Impacts	Risks	Opportunities
• Fostering good governance practices in the business environment, strengthening confidence in stakeholders of the Luís Simões eco-system • Increased confidence in how the company acts in the face of potential fraud, discrimination or harassment situations	• Reputational risks and potential loss of clients due to ethical issues	• Facilitating access to capital and investment through ESG profile optimisation

Sustainability issue: Cybersecurity

Impacts	Risks	Opportunities
• Protection of data privacy of clients, employees and suppliers	• Cyberattacks, data loss and consequential financial losses and damage to trust and reputation • Legal consequences and fines/sanctions resulting from data loss • Operational interruptions • Increased operating costs due to the need to implement larger protection structures	• Productivity of company employees by reducing the likelihood of theft or other damage to information

Sustainability issue: Responsible purchasing

Impacts	Risks	Opportunities
• Development of the economy with preference for local suppliers • Contribution to the environment and society through social and environmental criteria in the hiring of suppliers	• Increased hiring costs due to the integration of ESG criteria • Costs associated with supplier risk assessment (implementation and management)	

Sustainability issue: Management and traceability in fleet subcontracting

Impacts	Risks	Opportunities
• Integration of social and environmental contractual requirements in transport service providers • Criteria for selecting carriers with less polluting vehicles (Euro V or VI) Inability of carriers to invest in energy transition	• Difficulty in traceability of the supply chain, impacting the influence and control of the operation • Non-compliance with safety regulations and equipment • Difficulty caused by sub-contractors not following the transition • Carrier's incapacity to invest in energy transition, thus limiting LS's energy transition	• Reduced costs (more customer confidence, fewer non-compliance costs, fewer accidents) with investment in traceability and an impact on operational control

Stakeholder Engagement

The engagement of internal and external stakeholders is critical to ensuring the quality and relevance of the services provided and to strengthen the integration and alignment of the value chain. Involvement with the internal and external community, allows for adjustment regarding positioning on the way to serve stakeholders and the communities.

Conscious of this importance, Luís Simões carried out the mapping of stakeholders identifying its form of relationship with them. Particular importance is given to communication and transparency as a form of engagement, contributing to strengthening relationships and the LS brand.

In addition to regularly listening to customers (through the Customer Satisfaction Survey) and employees, it is of particular importance to listen to the *stakeholders* in the re-assessment of the materiality, where the influence of the stakeholders and their contribution can be especially relevant, namely for the identification of sustainability issues. In addition to these consultation mechanisms, the assessment that may occur, through audits, meetings or platforms, is also considered as the basis of information to be considered for future sustainability reporting.

The organisation's main stakeholders are categorised as follows:

- **Clients**
- **Employees**
- **Suppliers**
    - Permanent Transport Partner
    - Eventual Transport Partner
    - Other suppliers
- **Banks**
- **Trade unions**
- **Professional associations**
- **Academia (universities, vocational and secondary schools)**

In general, the form of stakeholder engagement occurs in various ways and is suited to their specific characteristics. In the case of customers, a customer satisfaction assessment is carried out every three years to identify and implement improvements.

The following table maps the main means of Stakeholder engagement:

Employees

The engagement of employees is driven by the Communication Office, in relation to citizenship initiatives, and by the areas of Human Resources and Occupational Health and Safety, which deal with the topics of working conditions, training and well-being.

- *Somos LS* (We Are LS) Magazine
- Consultation with the employees regarding OHS and climate
- Intranet
- LS Express Newsletter
- Training activities
- Posters
- Events
- LSTools Portal
- LS People portal
- LS website
- Sustainability Report and Accounts
- Social Media
- APP *SOMOS LS*
- LS Ethics Line
- Submission of applications for the IRU Diploma of Honour
- Tributes due to seniority
- *Somos LS magazine* Anniversary
- LS football team
- LS Digital Newsletter

Local Community/National/Regional and Local Authorities

- Standard communication
- LS website
- Sustainability Report and Accounts
- Social Media
- LS Ethics Line
- Authorities' platforms
- LS Newsletter

Academia (universities, vocational and secondary schools)

The relationship with academia, secondary and vocational schools, or higher education institutions, is carried out by the various areas of the organisation, depending on the type of interaction, including visits, internships, projects or participation of employees in classes.

- Visits to Operations Centres
- Partnerships
- Standard communication
- LS website
- Sustainability Report and Accounts
- Social Media
- Sponsorship of Excelence Logistics Award for Academy (APLOG – Portugal)
- LS Newsletter
- LS Ethics Line

Trade unions

The relationship with trade unions is managed by the areas of Human Resources and Occupational Health and Safety.

- Negotiation of bargaining agreements
- Meetings
- LS website
- Sustainability Report and Accounts
- Social Media
- LS Newsletter
- LS Ethics Line

Investors/Banking

The relationship with Investors/Banks is developed by the Financial area.

- Periodic meetings
- Visits to the main Centres
- Sustainability Report and Accounts
- LS website
- LS Ethics Line

Clients

The engagement with customers is operational in the day-to-day area of Customer Care Service (CCS), and the directive team for current customers, and with a focus on the areas of Business Development for new customers.

- Customer Satisfaction Survey
- LSTools Portal
- LS Newsletter Presentations
- Meetings
- LS website
- Sustainability Report and Accounts
- Social Media
- Sustainability Platforms: Ecovadis; Sedex; CDP
- Audits
- LS Ethics Line

Professional/Business Associations

The Group also participates in various business or professional associations, focused on the sector in which it operates, or the region where it is inserted, through participation in working groups.

- Development of protocols
- Participation in associations
- Events
- LS website
- Sustainability Report and Accounts
- Social Media
- Participation in working groups
- Sponsorship of PEL Academy (APLOG)
- LS Newsletter
- LS Ethics Line

Permanent and eventual transport partner and other suppliers

For suppliers, the involvement varies according to the type of service provided.

- LS website
- Sustainability Report and Accounts
- Social Media
- Widoit Platform
- TMS Portal
- LS Ethics Line
- Training actions
(specific for permanent Transport Partner)
- TMS cargo exchange
(specific for eventual Transport Partner)
- LS Posters and Newsletter
(specific for other suppliers)

Social Media

- Standard communication
- Commercial and institutional presence
- LS website
- LS Newsletter
- Sustainability Report and Accounts
- Social Media
- LS Ethics Line

NGO

- Development of protocols
- Events
- LS website
- Sustainability Report and Accounts
- Social Media
- LS Ethics Line
- LS Newsletter
- Sponsorship of FESCIGU Festival (Asociación Cultural Cinefilia)

As part of the review of the sustainability strategy integrated into the Group's new strategic cycle, it is understood that there is a need to review the means used for dialogue with stakeholders in order to meet the organisation's five-year goals.

Communication Channels

All Stakeholders

- Newsletter Luis Simões
(Twice a week)
- Social Media
(Daily)
- Ethics Line LS
(Always on)
- Sustainability Report and Accounts
(Annual)
- Website LS
(Always on)

Clients

- Presentations
(Occasional)
- Audits
(Occasional)
- Meetings
(Occasional)
- Customer satisfaction survey
(Biannual)
- Luis Simões Newsletter
(Twice a week)
- Sustainability platforms: Ecovadis; Sedex; CDP
(Annual)
- LSTools Portal
(Always on)

Employees

- APP SOMOS LS
(Daily)
- Employee survey on OSH and Work Climate
(Annual - OSH)
- Posters
(Undefined)
- Intranet
(Daily communication)
- LS Digital Newsletter
(Bi-monthly)
- LS Express Newsletter
(Twice a week)
- LSTools Portal
(Always on)
- LS People Portal
(Always on)
- Somos LS magazine
(Quarterly)

Suppliers

- TMS freight exchange
(Undefined)
- Posters
(Undefined)
- Widoit Platform
(Always on)
- TMS Portal
(Always on)

Committed to the future

SBM-1

Based on the materiality analysis, reflection work was conducted to define the priorities and commitments of sustainability.

It is also worth emphasising the context of the set of SDG (Sustainable Development Goals) that the company aims at achieving, namely: sustainable economic growth and employment, combating climate change, sustainable production and consumption patterns and promoting health and well-being for all generations.

Decarbonised and efficient transport and logistics services

Providing efficient transport and logistics services, integrating technologies targeted at the energy transition and decarbonisation

Team of excellence

Ensuring that employees thrive in their work, with safe conditions that promote well-being and motivation

Foundations of responsible business conduct

- Ethics, transparency and anti-corruption
- Road safety
- Innovation and technology
- Cybersecurity

Responsible value chain

Ensuring a socially and environmentally responsible supply chain

TAKING TOMORROW FURTHER

The sustainability strategy of Luís Simões is framed by the principles that guide its business conduct, from which stand out: business ethics, innovation, road safety and cybersecurity.

As such, the sustainability strategy aims to fulfil, in the medium and long term, the mission of providing efficient and competitive solutions in transport and logistics, in a responsible manner, and is based on three major pillars:

- **Ensure that employees thrive in their work, through training and development and promoting well-being and preparing the team for the future.**
- **Building a social, environmentally and financially sustainable supply chain.**
- **Consolidation of a star team, able to ensure ethical and high-performance practices.**

We manage impacts

Environmental Performance

Social Performance

Governance Performance

Environmental Performance

Highlights 2024

Targets aligned with science

The Science Based Targets (SBTi) initiative validated the greenhouse gas emission reduction targets of Luis Simões.

SCIENCE BASED TARGETS

Digital transformation

The e-CMR (or digital shipping guide) was implemented in collaboration with some clients, eliminating the use of paper and increasing the traceability and control of goods.

LEAN & GREEN EUROPE

Joined the Lean & Green Initiative

The Luís Simões Group has joined the Lean & Green[11] initiative in Portugal and Spain and thus is committed to reduce its CO_2 emissions by more than 20% before 2030.

HVO vehicles partnership

As part of the partnership with Lactogal, a gigaliner vehicle powered by HVO fuel was employed in 2024, which will reduce by 35% the number of vehicles in circulation and 25% of CO2 emissions per tonne transported.

Decarbonisation

Beginning of the development of the Decarbonisation Plan and the creation of the Decarbonisation Committee.

Consumption and efficiency

In terms of consumption and energy efficiency, the Energy Use Policy is under development.

11. Lean & Green is a European collaboration platform created to reduce emissions associated with the supply chain and reach carbon neutrality by 2050, in line with the goals set at the Paris Climate Summit (COP 21).

Climate Change

E1-1, E1.SBM-3, E1.IRO-1, E1.MDR-P, E1.MDR-A, E1-3, E1.MDR-T, E1-4, E1-5, E1-6

Climate change is a central theme for the LS Group, which has been committed to reducing GHG emissions, aligned with the Sustainable Development Goal (SDG) 13, which aims at adopting measures to combat climate change and its impacts.

Carbon footprint

iIn 2021, the Group carried out its first inventory of emissions of Scopes 1, 2 and 3 covering all companies and activities. This exercise has been updated annually, considering the same analysis criteria and without including potential or actual future emissions, since there is currently no visibility of new technologies with significant impacts on the company's emission profile.

In 2024, the Group's Scope 1 emissions, related to direct emissions, represented a total of non-biogenic emissions of **23 596 tCO_2e, and** biogenic emissions of 1 642 tCO_2e. The Group's Scope 2 emissions, which represent energy acquisition emissions, had a total of **2 452 tCO_2e,** according to the market approach, and 1 967 tCO_2e according to the location approach. The emissions considered for Scope 2 calculation are non-biogenic. Scope 1 and 2 emissions were calculated for each Group company[12].

Emissions for 2024 are comparable to previous years.

Scope 1

		Non-biogenic emissions (tCO_2e)		Biogenic emissions (tCO_2e)	
Country	**Companies**	**2021** (base year)	**2024**	**2021** (base year)	**2024**
Spain (SP)	LSLI SP	4 431	5 089	232	516
	Total SP	**4 431**	**5 089**	**232**	**516**
Portugal (PT)	LSLI PT	16 131	15 090	827	935
	Espaçotrans	2	1	0	-
	RETA	178	268	5	1
	Diagonal	0	0		-
	LS Frota	2 753	3 142	144	191
	LSG	4	5	0	0
	Total PT	**19 068**	**18 506**	**975**	**1 127**
Total Group		**23 498**	**23 596**	**1 207**	**1 643**

For Scopes 1, 2 and 3, a summary of non-biogenic emissions (the most representative ones) is presented. For more details, see the 'Climate Change Report 2024' document available on the LS website.

12. For the calculation of Scope 1 GHG emissions The GHG Protocol: Corporate Accounting and Reporting Standard was used with the methodologies Fuel-based methodand the Hybrid method,with IPCC emission factors. For Scope 2 calculation the Greenhouse Gas Protocol: Scope 2 Guidance was used with the Asset-Specific Methodologyand with direct emission factors from suppliers and public data from each country.

Scope 2 (non-biogenic)

Country	Companies	Market Methodology (tCO_2e) 2021 (base year)	Market Methodology (tCO_2e) 2024	Location methodology (tCO_2e) 2021 (base year)	Location methodology (tCO_2e) 2024
Spain (SP)	LSLI SP	1 563	1 059	977	875
	Total SP	**1 563**	**1 059**	**977**	**875**
Portugal (PT)	LSLI PT	1 432	1 259	1 358	987
	Espaçotrans	66	70	62	55
	RETA	99	47	121	36
	Diagonal	3	4	4	3
	LSG	18	12	17	9
	Solmoninhos	-	1	-	1
	Total PT	**1 619**	**1 393**	**1 564**	**1 091**
Total Group		**3 182**	**2 452**	**2 541**	**1 967**

Scope 3

Category[13]	Non-biogenic emissions (tCO_2e) 2021 (base year)	Non-biogenic emissions (tCO_2e) 2023	Biogenic emissions (tCO_2e) 2021 (base year)	Biogenic emissions (tCO_2e) 2023
Category 1: Acquired goods	13 124	9 101	-	-
Category 2: Capital goods	25 881	4 697	-	-
Category 3: Activities related to fuel and energy	7 950	5 853	186	184
Category 4: Transport and upstream distribution	144 822	141 267	5 502	5 390
Category 5: Waste	778	1 158	5	7
Category 6: Business travel	3 830	613	30	49
Category 7: Employee travel	3 849	3 266	203	194
Category 8: Properties rented upstream	26	164	-	-
Category 11: Use of products	5 015	7 271	-	-
Category 12: End of life and sold products	5	7	-	-
Category 13: Properties rented downstream	3	1	-	-
Total[14]	**205 283**	**173 392**	**5 926**	**5 824**

At the time of preparation of this report, Scope 3 emissions calculations for 2024 have not yet been completed.

13. For the calculation of Scope 3 GHG emissions we used the GHG Protocol: Corporate Value Chain (Scope 3) Standardwith the spend-based methodologies, average-data method , distance-based method , hybrid method , waste-type specific method , fuel-based method , supplier-specific method , asset-specific and products that directly consume energy (fuels or electricity) during use and with EPA (NAICS) emission factors, DEFRA, Bilans-ges, ICCT, IPCC, IEA, EcoTransIT, IDAE, Ecoinvent and public data for each country and supplier.
14. Scope emissions include all companies in the Luís Simões Group.

For the year 2024, the same categories will be considered for the calculation of Scope 3 since the rest are not applicable to the Group's activity [category 9 (Transport and distribution downstream), category 10 (Use of sold products), category 14 (Franchises) and 15 (Investments)].

For the calculation of GHG emissions the inventory shall be revised, working on its improvement, both upstream and downstream on the value chain. You can find more information in the Climate Change Report by clicking the *link*.

The net revenue emission intensity (tCO_2e/M€), both for the location approach and for the market approach, has not yet been calculated for 2024, as at the date of this report the calculation of Scope 3 emissions has not been completed. You can find more information in the Climate Change Report by clicking the *link*.

Location approach	**2021** (base year)	**2024**
S1 Emissions (tCO_2e)	23 498	23 956
S2 Emissions (tCO_2e)	2 541	1 967
S3 Emissions (tCO_2e)	205 283	NA
Total Emissions S1+S2+S3 Location approach (tCO_2e)	231 322	NA
Total Net Sales in € (Luís Simões Group)	241 826 146	298 742 212
Intensity S1+S2+S3 (tCO2e /M €)	**957**	**NA**

Market approach	**2021** (base year)	**2024**
S1 Emissions (tCO_2e)	23 498	23 596
S2 Emissions (tCO_2e)	3 182	2 452
S3 Emissions (tCO_2e)	205 283	ND
Total Emissions S1+S2+S3 Market approach (tCO_2e)	231 963	ND
Total Net Sales in € (Luís Simões Group)	241 826 146	298 742 212
Intensity S1+S2+S3 (tCO_2e /M €)	**959**	**NA**

In 2023, the Group committed to reducing its absolute GHG emissions by 2032:

/ Scope 1 and 2 by **50,4 %** by 2032, starting from the reference year 2021;

/ Scope 3, Category 4 by **9%**, starting from the reference year 2021, which corresponds to reducing emissions from fuel and energy-related activities and from transport and distribution upstream by **35.6%** per tonne-kilometre.

Targets and emission reduction

These short-term targets ensure alignment with the Paris Agreement, through emission reduction targets aligned with the 1.5°C scenario for Scopes 1 and 2 emissions and with the less than 2°C scenario for Scope 3 emissions, and were approved by the *Science Based Targets initiative* (SBTi) in 2024.

SBTi Target	Base Year	Objective Year	Absolute objective reduction	Intensity objective reduction	Target ambition	Target coverage	Method used
Scopes 1+2	2021	2032	50,40%	NA	Aligned with 1,5°C	100%	Absolute contraction (Scope 2 considered with the market-based method)
Scope 3 (Categoria 4)	2021	2032	9%	35,60%	Aligned with less than 2°C	70,55% (Scope 3), 100% (Scope 3 Category 4)	SDA transport (freight - total heavy freight road (MFT & HFT))

	2021 Base Year (tCO_2e)	2032 Objective Year (tCO_2e)	Reduction (tCO_2e)
Scope 1	23 498	11 655	11 843
Scope 2 (Market approach)	3182	1578	1 604
Scope 1+2[15]	26 680	12 233	14 447
Scope 3	114 822	131 781	13 041
Total	**171 502**	**144 014**	**11 843**

According to the targets approved by SBTi, for Scope 3 emission reduction purposes, only category 4 is considered, which covers the activities related to fuel and energy, and transport, and upstream distribution. Transport of goods is the main activity of LS and the one that generates the greatest environmental impact. You can find more information in the Climate Change Report by clicking the *link*.

Follow-up of emission reduction targets (SBTi):

Emissions from Scopes 1 and 2 are considered as a single aggregate value for reduction purposes. Thus, the base value for the reduction of 1+2 GHG emissions is 26 680 tCO_2e, for the year 2021, and according to the established targets, in 2032 the value of Scopes 1+2 GHG emissions will likely be 13,233 tCO_2e. It should be noted that for the purposes of the targets approved by SBTi, the Scope 2 calculation is considered by the market approach.

	2021	2022	2023	2024
Real S1+S2 (tCO_2e)	26 680	27 079	25 355	**26 048**
SBTi Target S1+S2 (tCO_2e)	NA	25 458	24 235	**23 013**
Real S3 (tCO_2e)	144 822	135 230	141 267	-
SBTi Target S3 (tCO_2e)	NA	143 636	142 450	-
Real S3 Intensity ($gCO_2e/t.km$)	102 66	102 16	99,48	-
SBTi Target S3 Intensity (**$gCO_2e/t.km$**)	NA	99,34	96,02	-

15. A distinction was made for emissions of Scope 1+2 in emissions of Scope 1 and emissions of Scope 2 only for visual purposes regarding reductions per scope.

Scope 3 Category 4 GHG emissions are based on the value of 144 822 tCO_2e for the year 2021. The SBTi target for Scope 3 Category 4 is to reach a reduction of 35.6% per tonne-kilometre (t.km), which is equivalent to 9% in absolute terms. Thus, the emission value to be achieved with this target in 2032 is 131,781 tCO_2e. This reduction corresponds to an intensity value of 102.66 gCO_2e/t.km (in 2021) to a value of 66.12 gCO_2e/t.km (in 2032).

As part of the submission and approval of the SBTi targets, LS developed a plan with the aim of reducing emissions focused on accounting for the Group's overall emissions and the emissions associated with customer activity, and also on structuring a set of indicators to support these emission reduction initiatives.

The plan for achieving the goal is divided into initiatives in three scopes:

- **Scope 1**

Introduction of biofuels (HVO), with lower associated emissions, and the replacement of the current fleet with Gigaliners and Duotrailers;

- **Scope 2**

Investing in renewable energy production and purchasing green energy certificates through energy suppliers;

- **Scope 3** (category 4)

Development of a responsible purchasing policy with selection of suppliers, use of biofuels (HVO) in sub-contracted transport services, improvement in route planning, selection of sub-contracted transport services that have the latest EURO emission class standards (Euro class V or higher), and improvement in transport efficiency, replacing sub-contracted transport services with Euro-Modular, through increase of the cargo capacity of the own fleet.

Scope 3 initiatives are focused on category 4 because they represent the largest volume of emissions, being part of the core business of the Group.

Descarbonisation plan

The Luís Simões Group started its decarbonisation process in 2024, in line with global climate change mitigation commitments. LS has defined a set of strategic initiatives, monitored and closely followed up on by the business areas. These initiatives aim to reduce GHG emissions and are aligned with the Group's commitments and specificity. To ensure effective monitoring, a Decarbonisation Committee was established, led by the Sustainability area of the Process and Compliance Directorate. The task of this committee is to monitor the progress of the initiatives and the various areas of the group that have a direct impact on the process, in order to take firm steps on the path to decarbonisation.

The supervision of the implementation of this Decarbonisation Plan takes place through the conduct of three annual meetings involving the various areas of the company with responsibilities in this matter, reporting every six months to the Board of Directors information on the effectiveness of the initiatives and the annual achievement of the targets accepted in relation to SBTi. In addition, the Group included decarbonisation as a strategic target in the Strategic Vision 2025/29, approved in 2024.

In 2024, a quarterly monitoring process for decarbonisation indicators was implemented with the aim of identifying and monitoring initiatives that contribute to emission reduction. This process allows internal and external targets (SBTi) to be met and monitored. During the year, the following initiatives were followed up on:

- **Fleet Modernisation Effect**
- **Inclusion of Euro-Modular**
- **Inclusion of electric vehicles**
- **Reduction of fleet consumption**
- **Reduction of non-revenue kilometres**
- **Inclusion of electrified vehicles in the allocation to employees**
- **Installation of photovoltaic solar panels in the LOCs.**
- **Use of HVO biofuel**

In 2025, in addition to the ongoing initiatives, the following additional actions are planned:

- **Installation of photovoltaic panels in the centres located in Spain**
- **Promotion of Collaborative Logistics with Clients**
- **Introduction of electric vehicles for the transport of freight**
- **Renovation of own fleet to one that is more efficient**
- **Reduction of existing own fleet consumption by implementing efficiency measures**

Given that in 2024, the initiatives indicated were structured from a qualitative perspective and with indirect accounting of impact on decarbonisation, it is not possible to indicate clearly and directly their impact on the Group's emissions. However, it is important to highlight the positive evolution throughout 2024, reflecting the efforts of the various areas in the theme of decarbonisation. In 2024, there were no specific financial resources allocated to these initiatives. All investments are analysed on a case-by-case basis, through direct investment from LS or through collaboration with clients and partners. In the future, LS intends to deepen the analysis of the allocation of specific financial resources to this matter.

In 2025 we plan to quantify the impact of the decarbonisation measures, in order to analyse whether the planned actions will be sufficient or if additional measures will be necessary to reach the defined targets. The process will include a detailed assessment of the costs associated with the measures and the investments necessary for their implementation. In addition, by 2025, LS will automate the GHG emission calculation process, which will allow a faster response to implemented actions.

LS acknowledges the need to engage suppliers and, in particular, sub-contracted transport suppliers to reduce Scope 3 emissions. Therefore, a close collaboration with suppliers is planned to align practices and processes that contribute to the reduction of emissions in the sector.

The Group understands that decarbonisation requires a strong commitment from all levels of the Company, especially from the Board of Directors and the business areas with greater responsibility in implementing the actions. As such, starting in 2025, the performance premium system shall be revised to integrate some variables that measure the dynamism of the planned initiatives.

Climate risks

The Group has not yet started assessing risk scenarios arising from climate change and its potential impact on its warehouses, facilities or commercial activities. Nevertheless, the main risks associated with climate change can now be classified according to physical and transitional risks. You can find more information in the Climate Change Report by clicking the *link*.

Acute Physical Risk

Extreme Weather Events

Chronic Physical Risk

Temperature Changes

Transition Risk

Current Regulation
Carbon Rate Increase

Current or Emerging Regulations
Legal Compliance

Emerging Regulation
Rise in fuel prices

Market
Client Requirements

Technological
High cost of low-emission solutions

Reputational
Change in client preferences

Operational and Energy Efficiency

E1.IRO-1

The transition of the transport and logistics sector to a more efficient and sustainable model not only meets regulatory requirements and consumer expectations, but can also generate economic, operational and environmental benefits. As such, we highlight the modernisation of our own fleet and sub-contracted fleet, the implementation of Euro-Modular (Gigaliners and Duotrailers), training in ecodriving, the implementation of LED lighting and photovoltaic solar panels for self-consumption.

Operational efficiency

By 2024, the LS Group had 18 Euro-Modular (Gigaliners) vehicles in circulation in Portugal and Spain, and two Duotrailers in Spain. The Group also owned, in collaboration with a client, two HVO fuel vehicles. In a sub-contracting model, the Group employed seven 40-ton Gigaliners and one Duotrailer with HVO. Thus, by increasing the load capacity and using alternative fuels, the Group increases its operational efficiency and reduces its emissions.

As part of the endless pursuit of process efficiency, since 2023, a project has been in place with Daimler (Mercedes) to monitor drivers so as to help exploit the vehicles' performance, improve driving efficiency and, ultimately, reduce fuel consumption.

Ecodriving

In 2024, 7 training sessions were organised, which involved **121 drivers.**

Energy consumption and energy efficiency

Energy efficiency is part of the company's environmental strategy, and the applicable environmental impacts are measured within the Environmental Management System, the most significant being fuel and electricity consumption, for which operational controls and monitoring actions are established at the Centres.

The monitoring of energy consumption and the identification of sources is essential to enhancing the energy performance of the Group. In 2024, the Luís Simões Group consumed 109,773 MWh of renewable and non-renewable energy:

Energy Consumption (MWh)

Type of energy	Country	Companies	2021	2024
Renewable	Spain (SP)	LSLI SP	928	1 370
	Portugal (PT)	LSLI PT	5	782
		RETA	3	259
		LSG	-	34
		Solmoninhos	-	2
	LS Group	**Total**	**936**	**2 446**
Non-renewable	Spain (SP)	LSLI SP	25 097	27 643
	Portugal (PT)	LSLI PT	71 330	66 602
		Espaçotrans	340	326
		RETA	883	296
		Diagonal	18	18
		LS Frota	11 051	12 363
		LSG	108	75
		Solmoninhos	-	4
	LS Group	**Total**	**108 826**	**107 327**
Energy consumption		**Total**	**109 763**	**109 773**

The LS Group is covered in Portugal by energy consumption legislation in the transport sector and as an energy-intensive consumer in the Carregado LOC. In Spain the Group is covered by its energy consumption, which encompasses all activities developed. In accordance with the aforementioned legislation, there are two Energy Efficiency Plans for the fleet in Portugal, and an Energy Consumption Rationalisation Agreement for the Carregado LOC. In Spain, there is an Energy Consumption Rationalisation Plan that encompasses the fleet and the larger Logistics Centres.

The importance of certifying buildings and operations is directly linked to their efficiency and reduction in resource consumption. The Group holds LEED (Leadership in Energy and Environmental Design) certification at Cabanillas and Guadalajara, BREAM (Building Research Establishment Environmental Assessment Method) at Liça d'Amunt and Energy B certification awarded by ADENE (Agency for the Energy) at Gaia 1. The Logistics Operations Centre of Carregado 1 and 2 are covered by an 8-year Rationalisation Plan with a follow-up every 2 years, for the implementation of energy consumption reduction measures and their follow-up.

Space optimisation is one of the factors that contribute to energy efficiency. In Guadalajara LS has implemented an automated warehouse with more than 86,000 pallets, in Carregado 2 the automated warehouse has a capacity for more than 50,000 pallets, the Leixões LOC has 2 Drive-ins for pallet storage compaction, allowing for an increase in the warehousing capacity of the product with greater efficiency.

The energy efficiency of the facilities is managed by the maintenance area and evidenced through audits and monitoring of appropriate indicators. In logistics and transport operations, the energy efficiency of the service is managed and ensured by the business areas (transport and logistics).

Regarding the use of refrigerant gases, in particular in controlled temperature chambers, the concern about reducing their global warming potential exists and has been addressed through use of gases with less global warming potential.

It is worth noting the approval of the Energy Usage Policy in 2024, focusing on conscious use of energy, efficiency of operations and equipment, and energy transition.

Renewable energy

In 2024, renewable energy consumption includes self-generating electricity, self-generating thermal (solar) energy and using HVO in the fleet. Renewable energy consumption doubled compared to 2023, currently representing more than 2% of total energy consumption. Self-generating energy represents only energy consumption, excluding surpluses. Since 2023, Luís Simões has been investing in the use of HVO in its fleet, aligned with the commitment to adopt alternative fuels with less environmental impact. More information about the % of renewable energy consumption in the Climate Change Report is available at [link.](link)

Some LS facilities in Portugal and Spain, such as the Carregado LOC, the head office building in Moninhos, the RETA Technical Assistance Centres in Carregado and Gaia, the centres in Centralidad, Guadalajara and Lliçá d'Amunt, have photovoltaic solar panels for self-consumption, enabling the reduction of emissions resulting from electricity consumption. In 2023 photovoltaic production accounted for 7% of total electricity consumption, and in 2024 this figure increased to 12%.

In 2024, the Luís Simões Group recorded no consumption of electricity, heat, steam or cooling purchased or acquired from renewable sources, nor any certified green energy with guarantees of origin or certificates of renewable energy.

Self-generated energy, in MWh

Country	Companies	2021	2022	2023	2024
Spain (SP)	LSLI SP	219	809	780	837
Portugal (PT)	LSLI PT	5	5	72	782
	RETA	3	3	104	259
	LSG	0	0	33	34
	Solmoninhos	0	0	3	2
LS Group		**227**	**817**	**992**	**1 914**

The companies EspaçoTrans, Diagonal and LSFrota did not produce any energy. The companies LSLI ES, Espaçotrans, Diagonal, LSFrota and LSG did not record thermal energy production.

Certified green energy purchase, in MWh

Country	Company	2021	2022	2023	2024
Spain (SP)	LSLI SP	709	686	0	0

Use of HVO in the fleet, in MWh

Country	Company	2021	2022	2023	2024
Spain (SP)	LSLI SP	-	-	237	533

The companies LSLI PT, Espaçotrans, Reta, Diagonal, LSFrota and LSG have not recorded any use of HVO in the fleet.

Non-renewable energy

Within the context of non-renewable energy consumption, the use of fuel in the fleet and facilities represents the most relevant share of this indicator. For the purposes of a conservative approach and due to the structured absence of an energy mix by the electricity supplier (with breakdown of consumptions), the LS Group considers all purchased electricity as being from fossil sources. Below, a list of electricity consumption from the grid, which has been less relevant over the years, reflecting the increased use of energy sources. Natural gas consumption is still part of the Group's energy plan; however, since 2021, there has been no use of butane gas at the facilities. In addition, there is no consumption of coal-derived fuels or coal products or consumption of nuclear energy. More information about the % of renewable energy consumption is available in the Climate Change Report at *link*.

Usage of electricity from the grid, in MWh

Country	Companies	2021 (base year)	2024
Spain (SP)	LSLI SP	7 319	7 234
Portugal (PT)	LSLI PT	7 383	5 839
	Espaçotrans	339	326
	RETA	509	216
	Diagonal	18	18
	LSG	94	55
	Solmoninhos	-	4
LS Group		**15 662**	**13 691**

Diesel usage on fleet and facilities in MWh

Country	Companies	2021 (base year)	2024
Spain (SP)	LSLI SP	17 778	20 409
Portugal (PT)	LSLI PT	63 479	60 603
	Espaçotrans	1	-
	RETA	346	46
	LS Frota	11 051	12 363
	LSG	14	21
LS Group		**92 667**	**93 442**

Use of natural gas and butane at the facilities in MWh

Country	Companies	2021 (base year)	2024
Portugal (PT)	LSLI PT	469	160
	RETA	28	35
LS Group		**497**	**195**

In 2021, only with respect to the company LSLI PT, 1% (4.95 MWh) of energy consumption came from butane gas, which ceased to be used from that year onward.

Circular economy and waste reduction

E5.MDR-A, E5-4, E5-5

The adoption of a production and consumption model based on the circular economy is an essential factor in reducing waste and using resources efficiently. Currently, the Group is committed to developing a resource use management plan, whose goal is to reduce non-renewable resources, increase recycling and implement circular economy practices. Thus, during 2025, the use of resources and existing circular economy practices and their opportunities for improvement will be evaluated and policies and procedures for their implementation will be developed. Identified actions shall be monitored with KPI.

Waste

Luís Simões sends all its waste for treatment and recovery through authorised operators. Waste management is designed to maximise recycling. The waste management process, automated since 2018, is supported by an analysis of the main waste produced by each facility and the ways of collecting/packing it. Working with a properly licensed waste operator, the operator used by each LS centre makes the collection request which is then sent directly to the supplier. The supplier records the type and weight of the waste and all applicable documentation. Digitising this process avoids unnecessary waiting times and emails.

The waste generated by the Group is strongly related to the characteristics of its clients (product type, rules of warehousing or preparation, etc.), mostly consisting of cardboard and plastic resulting from the process of preparation and packaging. Less common is waste resulting from damage to the goods caused during the different logistics processes (e.g., food waste) The remaining waste (metals, wood, workplace waste, electronic equipment, among others) represent a very small amount in the total quantity produced.

In 2024, the Group produced 2,538 tonnes of waste in Portugal and Spain.

The following table classifies the types of waste by company and by geography.

	Spain	Portugal		
	LSLI SP	**LSLI PT**	**Espaçotrans**	**RETA**
Total weight of waste produced (t)	1168,68	1154,33	73,46	141,69
Hazardous waste (t)	0,06	19,39	0	43,59
Radioactive waste (t)	0	0	0	0
Non-hazardous waste (t)	1168,62	1134,94	73,46	98,1
Recovered hazardous waste (t)	-	6,79	-	10,99
Preparation for reusage(t)	-	-	-	-
Recycling (t)	-	6,79	-	10,99
Other recovery operations* (t)	-	-	-	-
Recovered non-hazardous waste (t)	771,96	1109,77	73,46	80,69
Preparation for reusage(t)	-	-	-	-
Recycling (t)	771,96	1108,75	73,46	80,69
Other recovery operations* (t)	-	1,02	-	-
Unrecovered hazardous waste (t)	0,06	12,6	-	32,6
Incineration (t)	-	-	-	-
Landfill (t)	0,06	0,86	-	2,54
Other elimination operations** (t)	-	11,74	-	30,06
Non-hazardous waste not recovered (t)	396,66	25,17	-	17,41
Incineration (t)	-	-	-	-
Landfill (t)	396,66	25,17	-	17,41
Other elimination operations** (t)	-	-	-	-
Total weight of non-recycled waste (t)	396,72	37,77	0	50,01
Percentage of non-recycled waste (%)	33,95%	**3,27%**	0,00%	35,30%

The companies LS Frota; LSG; Diagonal; Patrimundus; Solmoninhos did not generate waste in 2024. At LSLI PT, municipal waste collection (e.g., organic waste from the Carregado mess hall) is not taken into account.
* FDW (Fuel Derived from Waste)
** Physico-chemical treatment

Social Performance

Highlights 2024

Managers of the Year

The Managers of the Year for 2023 were elected in the following areas:

/ **Legal & Compliance**
/ **Transport Spain**
/ **Transport Portugal**

Gaia Open Day

The 3rd annual Open Day event gathered Reta's employees and clients to celebrate another year of partnership. The event had **46 clients** and partners from **25 companies**.

1st Edition of the Diagonal eXperience event

An event was held between employees and agents of Diagonal, with the aim of bringing together the teams: management, operational and agents.

Training

More than **32,000 hours of training** were conducted, covering various topics, from defensive driving to digital supply chain management.

Road Safety

The driver training plan has been implemented, resulting in an **18% reduction** in the number of road accidents in the last three years.

Work Climate Survey

In 2024 a work environment survey was conducted in Spain and Portugal, whose results are discussed, but the Improvement Plan is still under development.

Description of the workforce

SBM-1

In 2024, the LS Group had 2,529 employees at the end of the reporting period, distributed between operations in Portugal and Spain. In Portugal, it had 1,482 employees, representing 58% of the Group's total employees, and in Spain 1,047 employees corresponding to 42%. Over the entire year of 2024, the average number of employees was 2,486 (with 1,458 employees in Portugal and 1,028 employees in Spain). In 2024, the Group saw the departure of 639 employees[16] (20% were resignations).

In 2024, the LS Group counted 63 people with reduced hours active on 31/12/2024 at LSLI Spain (29 women and 34 men). In Portugal, 1 woman on a part-time basis.

29,9% woman **70,2%** men

16. The data presented are consolidated through the IT system of Human Resources and Reporting and reflect the overall number of direct employees and temporary employees under contract with the companies of the LS Group. Unless otherwise noted, the data presented throughout the document concerning employees correspond to the monthly average during the reporting period. The numbers presented as aheadcount refer to the direct accounting at the end of the reporting period (31/12/2024). The changes in the number of employees over 2024 reflect the operational and strategic needs of the various business segments of the Group. Determining factors include: variations in client production, client entry and exit and market dynamics. The companies Patrimundos and Solmoninhos do not have direct employees.

Companies		Number of employees – Women	Number of employees – Men	Number of employees – Total	Number of departures
LSLI PT	Headcount	358	789	1 147	226
	Average	354	779	1 134	
LSLI SP	Headcount	318	729	1 047	354
	Average	311	717	1 028	
Espaçotrans	Headcount	11	36	47	3
	Average	10	34	44	
RETA	Headcount	9	81	90	30
	Average	9	78	87	
Diagonal	Headcount	12	10	22	3
	Average	12	11	23	
LS Frota	Headcount	-	89	89	19
	Average	-	85	85	
LSG	Headcount	47	40	87	4
	Average	45	40	85	
LSG SGPS	Average	-	1	1	
Total	Headcount	**755**	**1 774**	**2 529**	**639**
	Average	**741**	**1 774**	**2 486**	
Total Portugal	Headcount	**437**	**1 045**	**1 482**	
	Average	**431**	**1 027**	**1 458**	
Total Spain	Headcount	**318**	**729**	**1 047**	
	Average	**311**	**717**	**1 028**	

Headcount at 31/12/2024

Management of the workforce

S1.SBM-3, S1.MDR-A, S1. MDR-P, S1-1, S1-2, S1-3

Workforce-related impacts, risks and opportunities are related to workforce management, in particular, with constant adaptation to seasonal and operational variations.

Most of the Group's employees, both in Portugal and Spain, have direct contracts with the Group's companies, mostly open-ended contracts. However, due to the characteristics and seasonality of client activity, temporary contracts are also made, in accordance with the legally permitted reasons in both countries. These contracts are used to manage unexpected work-load fluctuations, making operations more flexible. The Group also recruits employees through temporary work agencies, especially in sudden peak times of activity, unexpected recruitment needs or for specific and limited profiles in the market.

In order to offset the shortage of workers in the sector and promote the attraction of talent, the Luís Simões Group has a long tradition of supporting the training of young students, counting on the valuable contribution of trainees from universities, schools and institutes for the development of new talents for the sector. In Portugal and Spain, we maintain agreements with various educational institutions to allow new graduates to have their first experience in the job market.

In total, in the Group, 84% of employees have an open-ended contract and the remaining 16% present a fixed-term contract.

Companies		Fixed-term contract		Open-ended contract	
LSLI PT	Headcount	80	162	278	627
	Average	78	157	277	622
LSLI SP	Headcount	25	72	293	657
	Average	24	61	287	656
Espaçotrans	Headcount	2	9	9	27
	Average	2	7	8	27
RETA	Headcount	1	29	8	52
	Average	2	27	8	8
Diagonal	Headcount	4	2	8	8
	Average	4	3	8	8
LS Frota	Headcount	0	28	0	61
	Average	-	25	-	59
LSG	Headcount	1	1	46	39
	Average	2	2	43	38
LSG SGPS	Average	-	-	-	1
Total	Headcount	113	303	642	1 471
	Average	112	282	631	1 462

Headcount at 31/12/2024

To manage impacts, risks and opportunities related to employees, the Group uses the Code of Ethics and Conduct as a guiding document for work and interpersonal relations within the Company. This Code establishes clear principles of respect for human rights and international workers' rights, ensuring compliance with the different laws in Portugal and Spain.

Situations that violate the provisions of the Code or any applicable standard or law with particular emphasis on situations of fraud, corruption, money laundering, bribery, non-respect for human or labour rights, environmental damage, or other illicit/illegal or unethical practices, should be reported through the channel specifically created and made available for this purpose, namely the 'Ethics Line', without prejudice to the use of other communication channels[17].

The Group has established a specific procedure for the management of the Ethics Line, which has been communicated and is accessible to all employees. This procedure stipulates that no retaliation will be exercised, nor permitted, against anyone who has in good faith reported an act or fact that violates, or may violate, the provisions of the Code, or any applicable standard or law.

Additionally, any employee can express his/her concerns or needs directly to his/her hierarchical superiors, or through workers' committees and/or workers' representatives.

For more information, see the 'Governance Performance > Ethics, Transparency and Anti-Corruption' section.

Dialogue and employee engagement

The continuous dialogue and employee engagement are fundamental to strengthening relations within the Group and to promoting a collaborative work environment.

As such, all company rules, measures or initiatives that may affect employees are discussed, prior to their implementation, with their representatives, depending on the workplaces in question. Questions relating to situations affecting a specific employee are handled personally with him/her who, in turn, may request the presence or advice of one of the representatives of the employees of their centre (if applicable).

17. • Ethics Line email: etica@luis-simoes.com
• Telephone: (00351) 263858700, the shall be forwarded to the Department of Compliance and Risk Management (DCGR)
• Postal address: DCGR, Moninhos, Apartado 41, 2671-951 Loures, Portugal
• Website *link*

Welfare of employees

S1.MDR-A, S1-2, S1-4, S1-8, S1-11, S1-15

The well-being of employees is essential to building a healthy and productive environment. Thus the Group intends to implement actions and offer benefits that promote the quality of life and the personal and professional development of its employees.

All employees of the Group are covered by public social protection schemes that guarantee coverage against loss of income in specific situations of professional and personal life, in accordance with the legislation in force in Portugal and Spain. This protection covers situations such as sickness, unemployment, work-related accidents, pension and parental leave. In addition, in some cases there may be additional benefits provided for in collective agreements or internal policies of the company, enhancing the support provided to workers in times of need.

In addition, all workers have the right to benefit from family care leave. In 2024, 21% of workers (517 workers) took advantage of leave for family care, 29% of women took advantage of this leave, whereas 17% of men did so. The leave includes maternity and paternity leave, family accompaniment, family assistance and education.

	Total no. employees who used parental leave		Total no. employees		Percentage of employees who used parental leave	
Companies						
LSLI PT	108	58	354	779	31%	7%
LSLI SP	89	231	311	717	29%	32%
Espaçotrans	2	2	10	34	20%	6%
RETA	4	8	9	78	44%	10%
Diagonal	2	-	12	11	17%	0%
LS Frota	-	2	-	85	-	2%
LSG	9	2	45	40	20%	5%
Total	**214**	**303**	**741**	**1 774**	**29%**	**17%**

No parental leave were used at the company LS SGPS.

LS provides permanent employees (in Portugal and Spain) with discounted access protocols in the areas of health and wellness, leisure, education, health insurance and life insurance. In Spain, access to health insurance is granted to permanent workers. In addition, the company offers Health Insurance for the positions of Coordinator, Manager and Director.

Since 2023, employees can benefit from the Remote Work Policy using a hybrid model, with jobs that allow for this, and without prejudice to in-person workdays. This model aims to contribute to the balance between the personal and professional lives of employees.

In 2024, a flexible remuneration system was developed for LS employees in Portugal, allowing them to voluntarily allocate the salary increase of 2025 to benefits tailored to their personal needs. Initially, employees will be able to allocate their benefits to health insurance and school vouchers for the family. The plan will be implemented in 2025 in Portugal, and implementation in Spain for the same year is being studied.

In order to evaluate employee satisfaction and identify opportunities for improvement, a Work Climate Survey was conducted in 2024, covering Portugal and Spain. After analysis of the results, working groups were created with employees, department heads and directors, with the aim of identifying and implementing cross-sectional actions across the Company. Concurrently, each region or central area of LS, with the participation of employees, shall propose specific actions adapted to their needs and context.

In addition, in Spain, a Psycho-social Survey was conducted with the participation of trade union representatives of workers. The analysis of the results will allow for the identification of new actions that will be negotiated with the legal representation of the workers of each centre. In 2025, the data will be analysed, and measures and actions shall be created.

Working conditions

Working conditions are an essential factor in ensuring the well-being and productivity of employees. As such, the following practices were implemented in 2024:

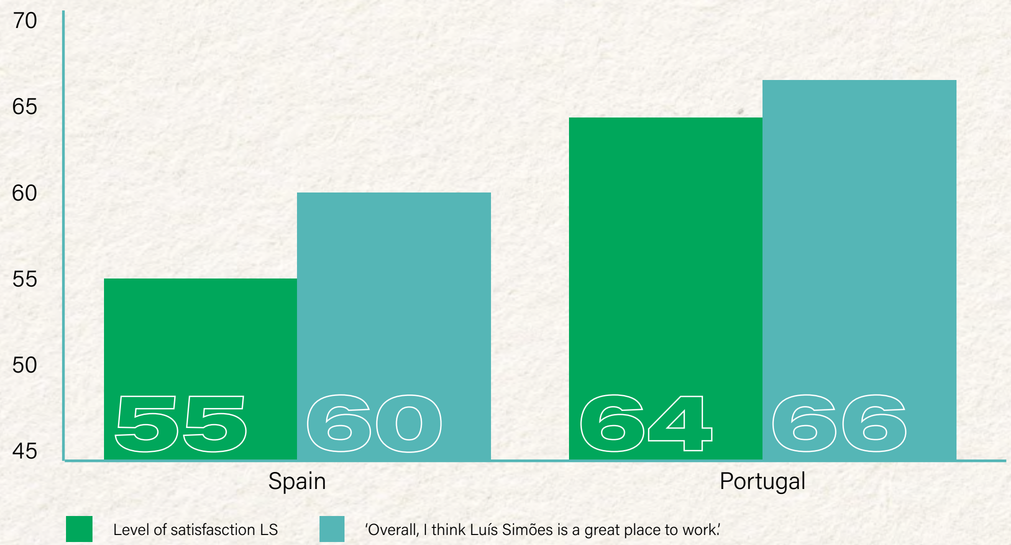
- **In the centres with Company Committees**, such as Cabanillas and Guadalajara, agreements were established to ensure implementation of holidays and flexible schedules.
- **In Spain and Portugal**, training plans were presented with the trade union delegates of drivers and the Company Committees of Cabanillas and Guadalajara.
- **In the Barcelona centres**, an agreement was reached to apply the convention on how to compensate temporary incapacity.
- **In Portugal**, agreements were concluded with the workers of the logistics area of the centres of Gaia I, Gaia II, Leixões and Albergaria. Agreements were also signed concerning economic compensation or rest compensation for overtime work performed.
- In Spain, **in the centres of Cabanillas and Guadalajara**, agreements have also been concluded concerning financial compensation or rest compensation for overtime hours worked (flexible schedule agreement), which specifies that these hours are always worked voluntarily, and the method of compensation is agreed between the worker and his/her hierarchical superior.
- **In Spain**, since 2023, there is a negotiation process for the Equality Plan for the company LSLI ES, within the scope of the Negotiating Committee for the Equality Plan, created specifically for this purpose. During the course of this negotiation, the 'Protocol of Intervention against Sexual and/or Gender-based Harassment and Other Conduct against Sexual Freedom' was approved. Currently, the process is in the final negotiation phase regarding the actions that will make up the plan.

In addition, in the Group, 95% of workers (2,356 workers) are covered by collective labour agreements. In Portugal, 91% of Portuguese workers are covered by agreements. In the companies Espaçotrans, LS SGPS and LSG, which do not have collective labour agreements, the rules of the Labour Code, as well as any non-negotiation IRCT (Instruments for Collective Labour Regulation) that regulate professions or professional categories of workers at the service of these companies shall apply. In the other companies operating in Portugal (Diagonal, LS Frota, LSLI PT and Reta) and Spain (LSLI SP), all employees are covered by collective labour agreements. The Group has no legal representation of workers at a European level.

Work environment survey

In 2024, the labour climate assessment was carried out at all companies in the LS Group and the overall level of satisfaction was 60%. The questionnaire had 78 statements or questions, with 5 answer options, with only the best 2 being scored.
Five aspects were evaluated: Pride, Credibility, Camaraderie, Impartiality and Respect.
The overall participation rate was 64%, breaking down into 57% in Portugal and 70% in Spain. Of the 2,278 employees who had the opportunity to respond, only 1,452 participated.

Level of satisfaction by country



Satisfaction was higher in Portugal than in Spain.

Rating of 64%

"Overall, I think Luís Simões is a great place to work."

In 2025 the improvement plan shall be developed as a result of the various improvement plans proposed by the various companies.

Occupational Health and Safety

S1.MDR-A, S1-1, S1-11

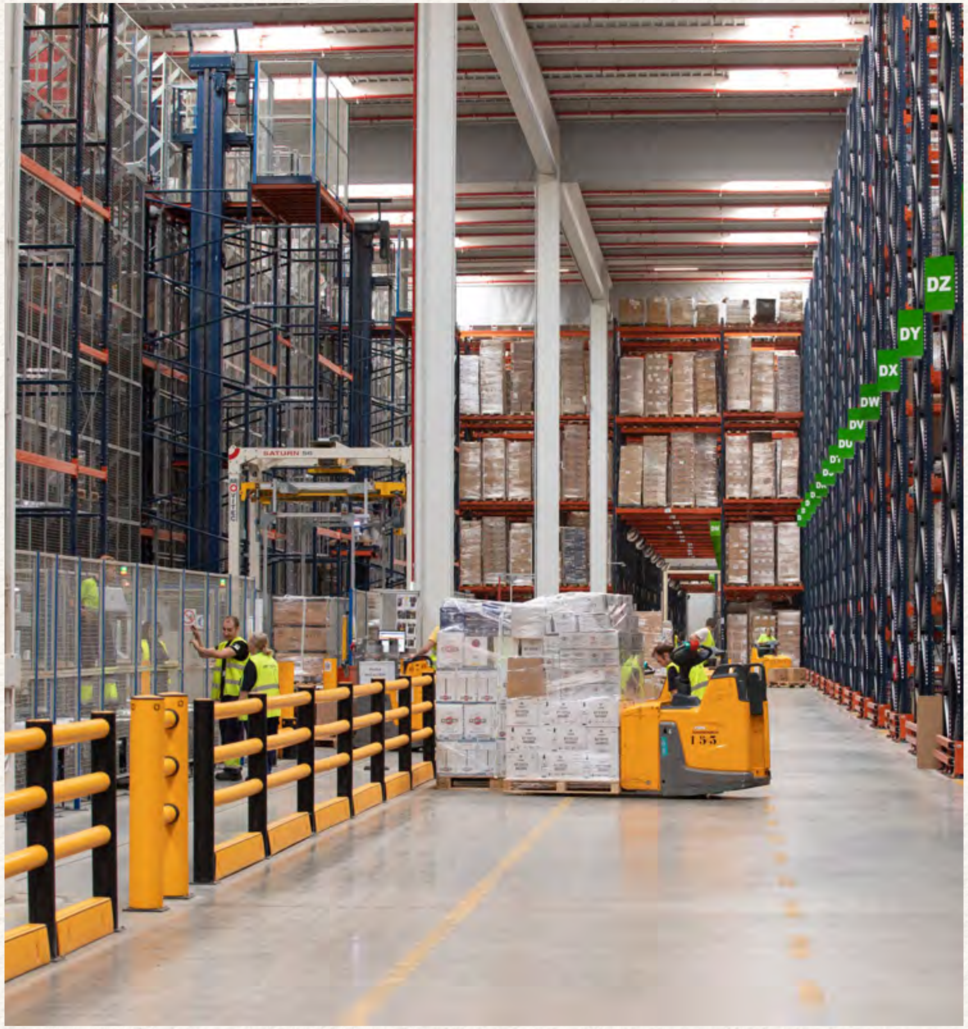
Ensuring a safe and healthy work environment is fundamental and a right that should be guaranteed in the workplace. As such, Occupational Health and Safety is a central concern for the Group, with the aim of preventing occupational risks and promoting the health of workers.

All employees are covered by the Health and Safety Management System of the company, in accordance with the applicable legal requirements. The Group rigorously follows the metrics associated with occupational safety, with total transparency and commitment to continuous improvement of working conditions.

In addition, health and safety management is carried out through a prevention management system in both countries where it operates. The system is organised with a mixed prevention service with four specialties: Hygiene, Safety, Ergonomics and Psycho-sociology, and Occupational Medicine. In Spain, the areas of Hygiene and Safety are the responsibility of an external service, while Ergonomics and Psycho-sociology are managed by an external service. In Portugal, the management of risk prevention is carried out by a department using external consultancy for specialised services where necessary.

Road Safety

The fleet is equipped with advanced driving assistance systems, reducing the risk of accidents and improving driver comfort. In addition, the ongoing driver training plan was implemented in 2024, resulting in an **18% reduction** in the number of road accidents in the past three years.



In 2024, 157 work-related accidents were recorded, a 12% decrease from 2023 (179 accidents). The lost time injury frequency rate for the Group stands at 33. The number of working days lost due to work-related accidents was 1,609. The lost time injury severity rate in 2024 was 335. In 2024 there were no fatal accidents within the Group.

The tables below present the data in more detail, by company and by gender.

Companies	Total no. of accidents (with and without sick leave)			No. accidents with sick leave			No. workdays lost due to work-related accidents		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
LSLI PT	23	8	31	16	6	22	303	194	497
LSLI SP	70	20	90	36	9	45	306	124	430
Espaçotrans	1	-	1	1	-	1	7	-	7
RETA	10	1	11	8	1	9	252	7	259
LS Frota	24	-	24	20	-	20	423	-	423
Total	**128**	**29**	**157**	**81**	**16**	**97**	**1291**	**325**	**1616**

The companies LSG, Diagonal and LS SGPS did not register any work-related accidents in 2024.

Companies	No. working hours (HH)			Injury Frequency Rate (IF)*			Injury Severity Rate (SI)**		
	Men	Women	Total	Men	Women	IF	Men	Women	IG
LSLI PT	1 091 008	452 124	1 543 132	21	18	20	278	429	322
LSLI SP	1 286 714	451 205	1 737 919	54	44	52	238	275	247
Espaçotrans	56 160	16 640	72,800	18	-	14	125	-	96
RETA	118 452	16 153	134 605	84	62	82	2 127	433	1924
LS Frota	952 507	180 705	1 133 212	25	-	21	444	-	373
Total	**3 583 282**	**1 224 210**	**4 807 492**	**36**	**24**	**33**	**360**	**265**	**336**

The companies LSG, Diagonal and LS SGPS did not register any work-related accidents in 2024.
* (no. accidents with leave + no. accidents without leave)/total hours worked) * 1,000,000
**(no. working days lost due to work-related accidents/total hours worked) * 1,000,000

Training and development

S1.MDR-A, S1-13

The training of employees is a fundamental aspect of the sustainable growth of a company, for the retention of talent, and for the creation of an environment favourable to innovation. Thus, the Group strives for the continuous development of its employees through regular training actions for all professional categories.

In particular, all employees when incorporated into the company receive training in occupational risk prevention according to their position. Employees that need special qualification in order to perform their activities also receive this labour risk prevention training, for instance, work at height or material handling equipment licenses for handlers.

In 2024, 32,484 hours of training were completed, an increase of 78% compared with 2023 (18,276 hours). Each employee received an average of 13 hours of training.[18]

We highlight training in cybersecurity for employees with a computer (5,000 h), training involving handling machinery in warehouses in Portugal, training in the new absenteeism management software in Portugal, training of drivers in Portugal and Spain.

Average training hours per employee[19]

Companies	Female	Male
LSLI PT	10.7	10.3
LSLI SP	21.0	14.1
Espaçotrans	4.7	3.9
RETA	11.1	3.1
Diagonal	7.4	10.1
LS Frota	-	12.6
LSG	16.6	23.3
LS Group	**15.3**	**11.8**

There were no training hours given at the company LS SGPS.

18. The average number of training hours per employee was calculated based on the total number of employees at 31/12/2024 (2,529 employees) and their distribution by gender at the end of the period.
19. The average training hours per employee of each gender is given (total no. training hours by gender) / (total no. employees by gender).

The main objective of the performance assessment at LS is to identify areas of improvement and development of employees, ensuring professional growth of our employees. Performance assessment is structured into different areas, adapted to the specificities of the job functions performed:

- **Management Team Performance Assessment:** Conducted every two to three years, this assessment involves all employees and includes a qualitative questionnaire completed by the employee and his/her supervisor, also including the degree of achievement of the annual goals and the definition of improvement plans. The quantitative assessment of the management team is carried out annually by assessing variable premiums.

- **Administrative and Operational Staff Performance Assessment:** Conducted annually, it evaluates the performance of the employee in terms meeting his/her goals for the month, quarter or four-month period.

- **Drivers Assessment:** Permanently employed drivers are assessed annually based on objective KPIs, directly related to performance on the job, and behavioural assessments conducted by supervisors.

Diversity, Equity and Inclusion

S1.MDR-A, S1-6, S1-8, S1-9, S1-12, S1-16, S1-17

Diversity, equity and inclusion are fundamental principles for creating fair and comprehensive work environments. For this reason, it is essential that the Group continue its commitment to promoting inclusion, fostering opportunities for growth and development for all its employees. In job offers, the commitment to inclusion and diversity is reflected, promoting the hiring of professionals from different cultures, origins, gender, sexual orientations and any other conditions.

The senior management of the Luís Simões Group consists of directors, general directors, and board members. Of this universe, 87% are male and the remaining 13% are female.

Companies	Top management			Total
LSLI PT	Director	2 (22%)	7 (78%)	9
	General Director	-	2 (100%)	2
LSLI SP	Director	-	11 (100%)	11
Espaçotrans	Director	-	1 (100%)	1
	General Director	-	1 (100%)	1
Reta	Director	-	3 (100%)	3
Diagonal	Director	-	2 (100%)	2
	General Director	-	1 (100%)	1
LSG	Board Member	2 (33%)	4 (67%)	6
	Director	2 (21%)	8 (79%)	10
	General Director	-	1 (100%)	1
LS SGPS	Board Member	-	1 (100%)	1
Total		**6 (13%)**	**41 (87%)**	**47**

The company LS Frota does not have any top level managers among its employees.

Regarding age, the majority of employees (1,501, which is equivalent to 60%) in the Group are within the range of 30 to 50 years of age.

Companies	Under 30 years	Between 30 and 50 years	Over 50 years	Total
LSLI PT	182 (16%)	621 (55%)	331 (29%)	1134
LSLI SP	125 (12%)	707 (69%)	195 (19%)	1028
Espaçotrans	2 (4%)	31 (72%)	11 (24%)	44
Reta	17 (19%)	41 (47%)	30 (34%)	87
Diagonal	3 (13%)	11 (48%)	9 (40%)	23
LS Frota	9 (11%)	40 (48%)	35 (42%)	85
LSG	4 (5%)	48 (56%)	33 (39%)	85
LS SGPS	0 (0%)	1 (100%)	0 (0%)	1
Total	**341 (14%)**	**1501 (60%)**	**644 (26%)**	**2486**

The inclusion and integration of people with disabilities is valued by the Group. In 2024, the team included 30 employees with disabilities, corresponding to 1.21% of the Group's human resources.

Companies	No. of employees with disabilities	No. of employees	Percentage of employees with disabilities
LSLI PT	11	1134	0,97%
LSLI SP	16	1028	1,56%
Reta	1	86	1,16%
Diagonal	2	23	9,70%

The companies LS Frota, LSG, Espaçotrans and LS SGPS do not have any employees with disabilities among their staff.

Information about employees with disabilities is collected systematically, and employees who have some type of disability or deficiencies are responsible for submitting their multi-use certificate.

Gender pay gap

In 2024, the ratio between the total annual remuneration of the best paid individual in the company and the median remuneration of all employees is 7.94. The Group monitors the differences in remuneration between female and male employees. Remuneration includes all fixed salary items throughout the year and all employees with 100% of the day, reflecting the average characterisation of employees. In 2024, women received 1% less than men in Spain, and 9% less in Portugal, taking into account all professional categories of LS.

LS Group operates in the logistics sector, traditionally characterised by a greater male presence, a trend that has been gradually decreasing over the years. This reality is reflected in the average age of employees, with the majority of workers with greater seniority being men, which influences wage differences due to components such as age. In addition, specific roles, such as that of driver, have different remuneration structures and few of them are women, a factor that also impacts the pay gap. In the Group there is only one female driver.

Seniority (years)	**Portugal** (men)	**Portugal** (women)	**Spain** (men)	**Spain** (women)
5 - 10 years	66%	34%	65%	35%
11 - 15 years	71%	29%	65%	35%
Over 15 years	73%	27%	60%	40%

Discrimination Incidents

In 2024, in the LS Group, four complaints of harassment were received: sexual (one incident) at LSLI PT and labour harassment (three incidents) at LSLI SP. No fines, monetary sanctions or damage compensation were recorded as a result of the reported incidents.

Companies	**Number of incidents of discrimination**
LSLI PT	1 (Sexual harassement)
LSLI SP	3 (Workplace harassment)
Total	**4**

The other companies in the Group (Diagonal, Espaçotrans, LS Frota, LSG, Reta and LS SGPS) had no discrimination incidents.

Citizenship

Promotion of citizenship actions by the Group represents a commitment to social responsibility. As such, the following initiatives should be highlighted:

Partnership with the Food Bank

The Group has been a partner of the Food Bank (Portugal) since 2005, providing transport and logistics services to support food collection campaigns. During the two annual campaigns, the Group provides two trucks to carry out transport between the Colombo Shopping Centre and the Food Bank warehouse in Lisbon, and between NorteShopping shopping centre and Auchan Matosinhos to the warehouse in Porto. Over the course of the year, the support is realised through cross-docking operations, in order to facilitate the continuous movement of products necessary for the various activities of the Food Bank.

Madrina Foundation

The Group has been collaborating with the Madrina Foundation in the Guadalajara Logistics Operations Centre since 2021, providing the infrastructure for the warehousing and management of food and non-food products. Logistical support includes the management of product reception, warehousing and order preparation. In addition, solidarity actions are organised together with employees. On 24 December 2024 there was a solidarity breakfast for all the employees of the Guadalajara and Cabanillas centres.

Visits to the premises

There were 24 visits to the Luis Simões Centres, which totalled 588 visitors: 461 in Portugal and 127 in Spain.

Blood Drives

At the Carregado LOC (Portugal), three blood donation campaigns were conducted throughout 2024, directed at employees and also open to the local community. There were 72 blood donations, of which 14 were made by first-time blood donors.

Governance Performance

Highlights 2024

All executive members of the Board of Directors had a **part of** their **management premium linked to legal compliance criteria.**

Plan for the Prevention of Corruption Risks and Related Infractions

The **Plan for the Prevention of Corruption Risks and Related Infractions** (PPRC) was prepared, which provides for the implementation of 12 preventive and corrective measures over a three-year period (2025-2027).

Code of Good Conduct to Prevent and Combat Harassment

The **Code of Good Conduct Prevent and Combating Harassment** was published, which defines the processes of detection, prevention and action in the face of situations of harassment, regardless of the professional category or contractual bond.

Group Risk Management Methodology

The **application of the Group's Risk Management Methodology was strengthened** through specialised training for the Board of Directors and General Directors. Implementation of the Control Programme, which is intended to test the effectiveness of the measures adopted to mitigate the risks, has also begun.

Governance Structure

GOV-1, G1.GOV-1

The Board of Directors consists of seven members[20], six of whom are executive, and one is non-executive. Its members are 29% women and all are Portuguese nationals. As regards management bodies, In addition to the Board of Directors there are five Executive Committees in the *core* businesses (Logistics, Transport, Real Estate, Reta and Diagonal) and a Management Meeting in the business of Espaçotrans (Customs Warehouse Management company that is 70% owned by the Group). Employees are not formally represented in the management bodies.

The Board of Directors of the Group assumes responsibility for compliance with the principles set out in the Code of Ethics and Conduct, and it is its responsibility to ensure the necessary conditions so that all employees, directly or indirectly, can incorporate these principles in the exercise of their duties, and in all their activities.

The supervisory bodies are the responsibility of external companies, with varying composition.

The entities are the following: Audit Committee for the company LSLI-PT, Statutory Auditor for the companies LS Frota and Espaçotrans, and for all the other seven companies there is a Single Auditor. All these responsibilities are borne by external contractors.

Board of Directors

José Luís Simões
Board member
Chairman of the Board of Directors

Leonel Simões
Board member
Non-executive director

Jorge Simões
Board member

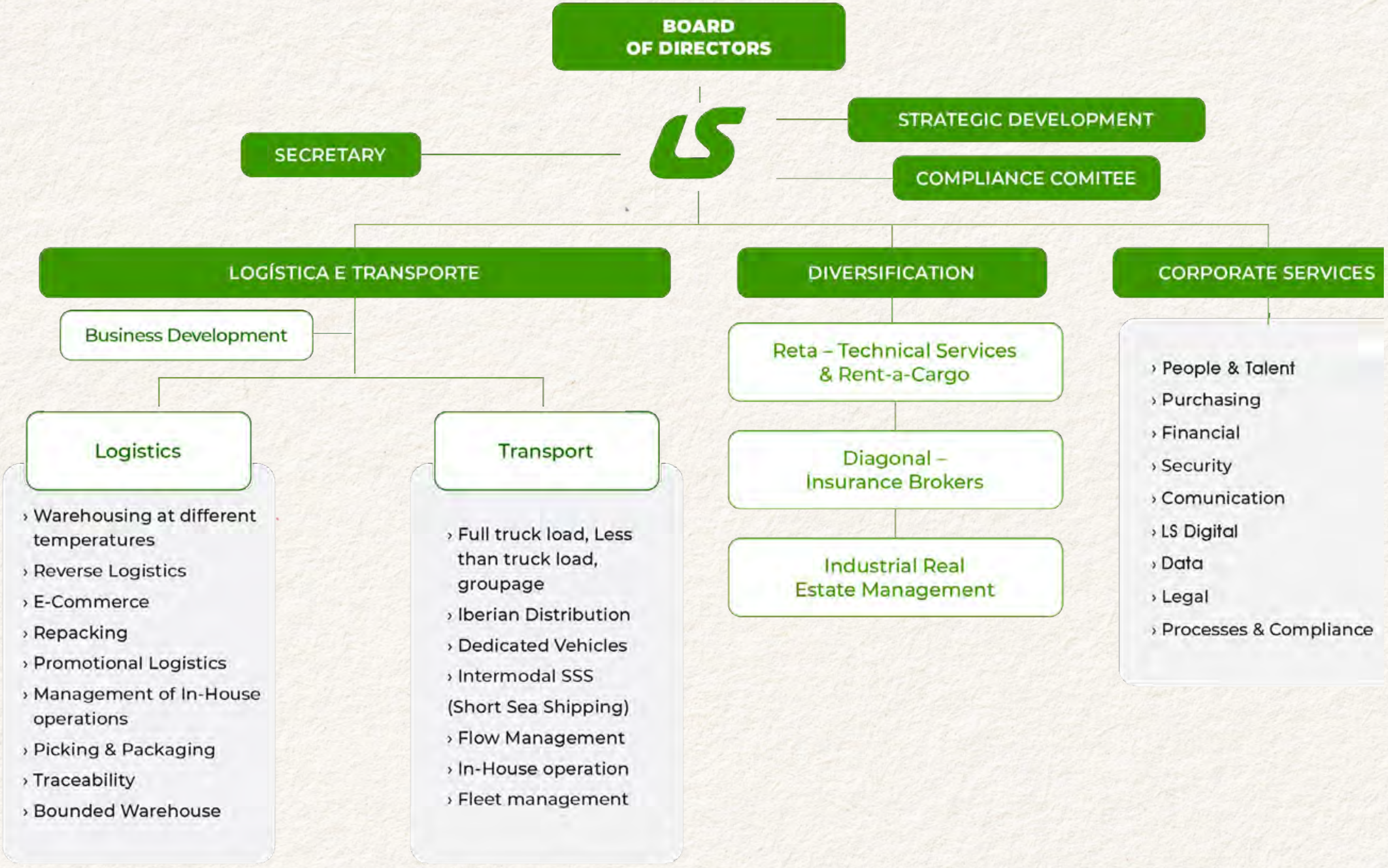
Daniela Simões
Board member

Fernanda Simões
Board member

Rui Simões
Board member

Miguel Roquette
Board member

20. The seven board members are: Jose Luis Simões, Leonel Simões, Jorge Simões, Daniela Simões, Fernanda Simões, Rui Simões and Miguel Roquette.



Sustainability governance

The cross-sectoral management of sustainability, which includes external reporting, is coordinated by the Processes and Compliance Department – Sustainable Development Area, in collaboration with other Corporate Departments responsible for each matter and with the support of two Board Members. The support of the Working Group consisting of directors of key areas and their teams follows the strategic revisions, the development and improvement of the report, and the preparation of the response to new challenges.

Ethics, transparency and anti-corruption

GOV-3, G1.MDR-P, G1-1, G1-3, G1-4

Within the framework of business conduct, the management bodies actively participate in the implementation of the rules set out in the Code of Ethics and Conduct, through the Executive Committees; for example, defining commercial policies.

The Group is firmly committed to promoting a culture of respect and cooperation among all its employees. Legal and regulatory compliance is a fundamental principle of our business activity, as well as a dignified and equal work environment that is free from any form of harassment, corruption or ethical conflict.

The Group's corporate culture is based on principles of ethics, anti-corruption and transparency, and is continuously promoted and evaluated throughout the organisation.

The corporate culture is formally evaluated through the preparation of the half-yearly compliance and risk management report, which is made available to the supervisory bodies, such as the Audit Committee or Single Auditor, as applicable.

The awareness of employees about the importance of ethical conduct is promoted periodically and all of the Group's employees can ask questions about the interpretation and application of the Code of Ethics and Conduct by talking to their hierarchical superior, or through the Compliance and Risk Management Department.

The promotion of business transparency and ethical conduct is also diffused through active communication over the 'Ethics Line' channel, with awareness campaigns that have contributed to the progressive increase in the number of registrations and participation of employees.

The Board of Directors (BoD) has a strong commitment to business ethics, reflected in the remuneration model for the management team. In 2024, all executive members of the BoD had a portion of their management premium tied to legal compliance criteria. In addition, the BoD encourages business departments with greater involvement in legal compliance to incorporate specific indicators of compliance into their management premiums.

In the Group, all incentive measures must be approved, first by the Persons and Talent area, in order to ensure that the incentive is aligned with the company's rules and to validate congruency between the different areas of the organisation or the different businesses. Finally, it is the General Director and Board Member of each business or the Board Member of each Central Area who approves the package of objectives for each of the persons or positions in his/her functional area, in order to ensure that these objectives focus on the strategic and relevant issues to be developed or achieved in each year.

Instruments for implementation of an entrepreneurial culture

The Group has three key instruments that are a reference for its corporate culture and good practices: Code of Ethics and Conduct, Plan for the Prevention of Risks of Corruption and Related Violations (PPRC) and Code of Conduct for the Preventing and Combating of Harassment.

All these documents are available on the LS Group's website and can be consulted by any internal or external stakeholder.

The **Code of Ethics and Conduct is** applicable to all Group companies. Their main objectives include the definition of ethical principles and forms of conduct within the Company, the development of a culture of Compliance, the prevention of unethical behaviour and the guarantee of LS integrity. This Code deals with the following points: Mission, Vision and Values of the LS Group, objectives and scope of application, commitments to employees, shareholders, business partners and society.

Reading and understanding the Code is essential for all people at the company, as it serves as a guideline for the Group's actions and reflects its core values. Its implementation is a commitment of each member of the organisation, ensuring value creation for all stakeholders. Among the various topics covered we highlight the following:

Relations with stakeholders

Conflicts of interest

Business ethics

The creation of the Code of Ethics and Conduct included the participation of employees, internal departments and specialist consultancy, and was supported by the Board of Directors. There is a plan to update it in 2025 with the involvement of the relevant stakeholders. The Board of Directors and the Chairperson are responsible for implementing and comply with this Code.

In terms of anti-corruption, the Group is committed to legal and regulatory compliance, as well as promoting a culture against corruption and bribery. In this respect, in 2024, the **Plan for the Prevention of Corruption Risks and Related Infractions (PPRC) was developed.** Prepared in legal compliance and approved by the Board of Directors of the LS Group, the PPRC applies to the companies LSLI PT, LSG, LS Frota, Reta and Diagonal and is supervised by the Director who is responsible for Compliance. Its creation involved consultation with the LS Board of Directors, the areas of risk management and legal experts. The **Plan for the Prevention of Corruption Risks and Related Infractions** provides for the implementation of twelve preventive and corrective measures over a three-year period (2025-2027). Every year, in April, Luís Simões shall report to the MENAC – National Anti-Corruption Mechanism and publish online the 'Annual Assessment Report', which will indicate the degree of implementation of the identified measures. In addition, the amount of current and future financial resources allocated to the Plan is expected to be defined.

In view of promoting a culture of respect and co-operation among all of its employees, in a dignified and equal working environment, and combat harassment at work, in 2024 we published the **Code of Good Conduct to Prevent and Combat Harassment.** Applicable to the companies LSLI PT, LSLI ES, LGS, LS Frota, Reta, Diagonal and Espaçotrans, defines the processes of detection, prevention and action in the face of situations of moral and sexual harassment, regardless of professional category or contractual bond. The document was approved by the Board of Directors and disclosed to all employees.

Training in business conduct

The Group organises a **Business Conduct Training Programme,** aimed at all functional levels of the organisation, with the aim of promoting a working environment with a common ethical dimension and to prevent inappropriate behaviour.

This training is offered transversally to all employees and at different stages of their careers, from the Welcoming and Integration Plan for new employees to continuing vocational training for higher roles. For coordinators and senior executives, the training is provided directly by the Compliance and Risk Management Department, addressing the Group's Compliance Management System (SGC) with an emphasis on areas such as:

- **Risk Management**
- **Legal Compliance**
- **Audits**
- **LS Ethics Line**
- **Compliance policies in force**

For these hearings, matters related to the compliance policies and processes may be included. For the other levels of the company, training is carried out by Human Resources, which provide the Code of Ethics and Conduct. The Training Programme is updated annually based on feedback from key members of the organisation, including the Compliance Committee, Compliance Representatives, and Legal officers.

In 2024, we identified the need to raise awareness among the Board of Directors and the General Directors about the Luís Simões Risk Management Methodology. As a result, eleven people were trained to allow analysis and decision on risks to be carried out and approved by the relevant Management Bodies.

In parallel, the Group has a Communication Programme that aims to draw attention from all functional levels to the various aspects of business conduct, using a variety of supports adapted to the different target audiences, such as internal ads, newsletters, posters, corporate television, internal magazine and intranet.

Mechanisms for identification, communication and investigation of concerns

The Luís Simões Group has established mechanisms for identifying, communicating and investigating concerns about behaviour that does not conform to the Code of Ethics and Conduct or Compliance Policies.

Mechanisms for detecting and responding to allegations or corruption and bribery cases are crucial to ensuring integrity and transparency at the company, as well as protecting it against fraud and corruption risks. For this purpose, the Group has established a process with the following interdependent steps:

- **Prevention**
The Group promotes an ethical and integrity environment, framed by the Risk Management and Compliance Controls Programme to mitigate the occurrence of fraud and corruption.

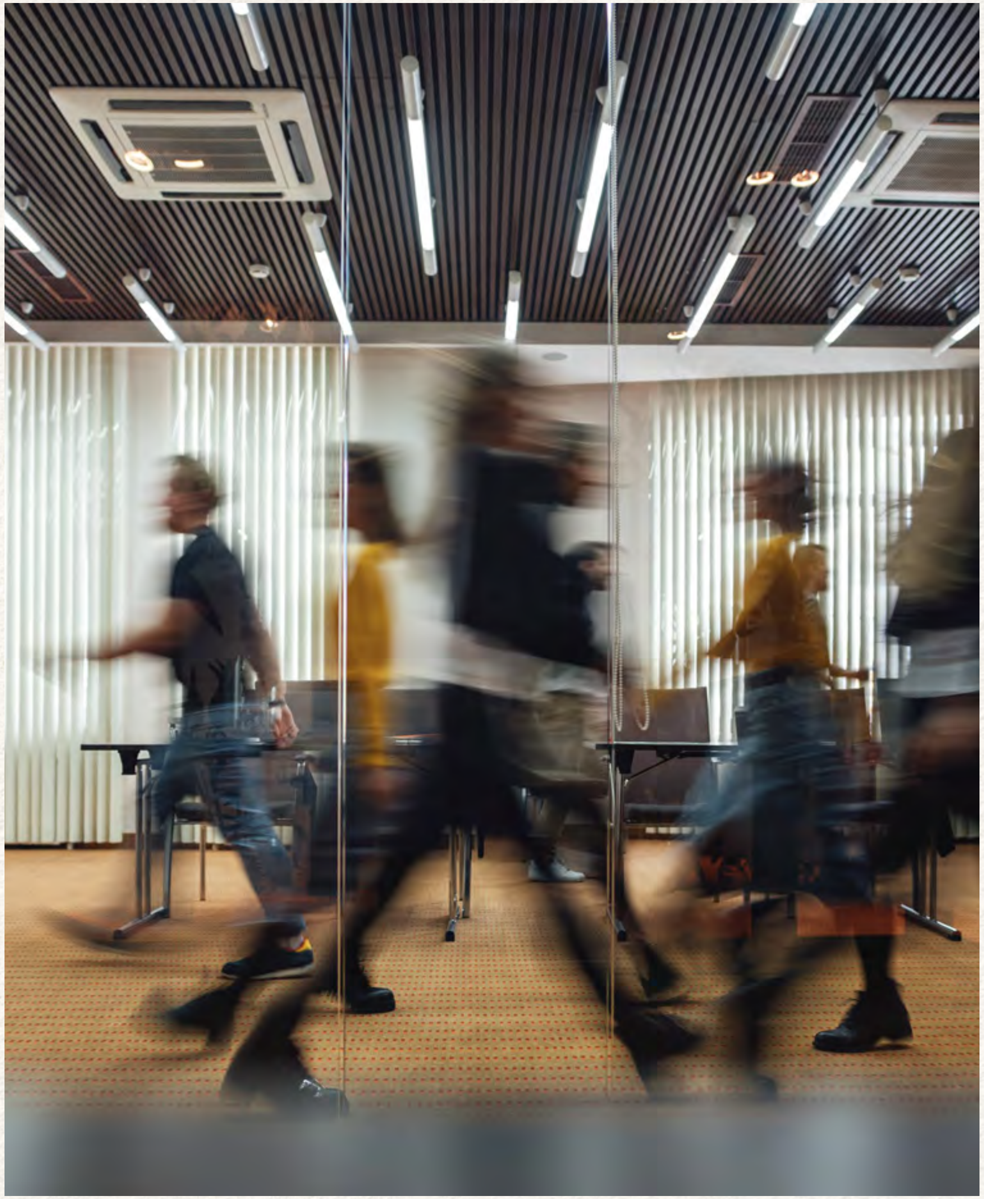
- **Detection**
By conducting audits to verify compliance with the policies, procedures and legislation in force, and the existence of a safe and confidential Reporting Channel through which employees and third parties can report suspicions of corruption.

- **Investigation**
The Group collects relevant information to clarify the incident, ensuring confidentiality and the adversarial principle. After analysing the results, the necessary measures are taken to correct and prevent future occurrences. Appropriate sanctions may also be imposed on those who have committed the irregularities.

- **Improvement**
Review and update the Compliance Policies and Procedures in order to avoid recurrence, and continuously improve the effectiveness of the prevention and detection mechanisms within the Group.

These mechanisms consider the involvement of internal and external stakeholders through a transparent and independent process in which all incidences are rigorously analysed in order to establish facts and identify corrective measures where necessary. The Compliance and Risk Management Department follows the ensuing improvement plans.

Any violation of the Code of Ethics and Conduct, internal rules or applicable legislation may result in disciplinary proceedings and notification of the relevant authorities, including judicial authorities.



Complaints can be made by email, telephone or in person to the Compliance and Risk Management Department. Any complaint, whether anonymous or identified, shall be the subject of a preliminary assessment to determine the seriousness of the matter. All questions received are treated appropriately, keeping strict confidentiality and the fundamental rights of those who report them. Retaliation against anyone who has in good faith understood that there are grounds to file a complaint shall not be permitted. It should also be noted that measures are taken to ensure that the area responsible for each investigation is separate from the management chain involved in the complaint made.

The research process is carried out by internal researchers from independent corporate areas, and in certain cases, to avoid any type of conflicts of interest, external researchers may be employed. The researchers collect and analyse the evidence, documenting the process and its conclusions in a detailed report. Based on the results obtained, corrective or disciplinary measures are applied based on the infraction.

The implementation of measures is monitored and the effectiveness of the complaint channel is periodically evaluated to ensure continuous improvements. This process allows for analysis of a complaint in an ethical, transparent and fair manner, and confirms trust in the Luís Simões 'Ethics Line.'

The concerns related to transparency and anti-corruption are communicated to the Board of Directors and, twice a year, by the Compliance and Risk Management area, through the 'Compliance, Risk Management and Internal Audit Semi-annual Report,' which is also sent to the supervisory bodies.

In 2024, there were no convictions for violation of anti-corruption and bribery laws, nor the application of related fines. The legal compliance audits conducted in 2024 within the Group reaffirmed our commitment to integrity and regulatory compliance. In total, nine audits were carried out, according to the distribution observed in the following table.

2024 Number of Legal Compliance Audits

Total LS: 9

LSG	1
LSLI PT	4
LSLI SP	3
Espaçotrans	1

Risk Management and Compliance

Risk Management and Compliance play a central role in ensuring compliance with legal and regulatory requirements, and mitigating risks that could compromise the integrity of operations. Implementation of robust compliance mechanisms reinforces the ethics and transparency-based organisational culture, ensuring that all activities are conducted according to the highest standards of governance.

Supervision of risks and control of the efficacy of implemented actions is the responsibility of the Compliance Processes Department, which submits to the Board of Directors, and to the supervisory bodies applicable to each company, namely the Audit Committee, Statutory Auditor or Single Auditor, as applicable, a half-yearly report.

This report contains information on the implementation status of the annual Compliance Programme, which includes all relevant risk mitigation initiatives. The report also informs about the results of Internal Process Audits to verify compliance of procedures and the effectiveness of controls, as well as informing on compliance incidents.

The management of risks, in terms of the effect of climate change, is also the responsibility of the Processes and Compliance Department, and the report to the Board of Directors carried out through the Sustainability Area, with a report submitted to the Board of Directors every six months. Management of financial risks, including credit, interest rate and treasury risks, is within the scope of the Corporate Financial Department, which has specific action plans to mitigate them.

Risks that, by their degree, and according to the approved risk management procedure, require validation of treatment proposals, are submitted for approval of the Board of Directors. In particular, the risks identified in the Financial Audit Report are the subject of a specific monitoring and are reported to the administrator in charge of that area. All risk monitoring activities are periodically presented to the External Auditor, the Single Auditor and the Audit Committee, as applicable.

In 2024, the application of the **Group Risk Management Methodology** was strengthened, through specialised training for the Board of Directors and

General Directors, allowing risk analyses for situations of medium or high risk, with decisions approved by the relevant body. The implementation of the **Control Programme**, which is intended to test the effectiveness of the risk mitigation measures adopted, has also begun. Control tests are very important because they allow you to verify the effectiveness of internal controls, mitigate significant risks, ensure legal compliance and ensure the accuracy of information and the efficiency of processes.

To adequately respond to the challenge of frequent legislative changes, the Group relies on a partner entity that provides alerts on changes that have an impact on support and business areas in different geographical locations. In 2024, it was found that the risk inherent in frequent legislative changes was under control, according to the results obtained in the various Legal Compliance Audits.

For 2024, it is also important to highlight the internal audit on compliance with the contractual requirements assumed with the main clients of the Logistics and Transport businesses. This allowed us to update the knowledge about the state of the process, identify the potential associated risks, as well as strengthen the necessary controls to maintain strict compliance with the contracted requirements.

Another significant event in 2024 was the integration of the company Espaçotrans into the Group's Compliance Management System. The strategy focused on implementing the Compliance Policies and Processes, with emphasis on the Legal Compliance Process. This integration culminated in a Legal Compliance Audit that obtained a result in line with the Group's legal compliance target for 2024.

Based on a zero-tolerance policy with respect to the practice of criminal activities, the **Crime Prevention Manual** includes the measures and procedures that regulate the Luís Simões Crime Prevention System, and describes in a structured manner the measures that LS has established in terms of prevention, detection and management of its criminal risks. In particular, criminal risk assessment is updated and reviewed whenever there are legal changes, risk events or irregularities affecting them, using an external expert in the matter.

Cybersecurity and data protection

ESRS 2 MDR-P, MDR-A

Cybersecurity

In an increasingly digitised world, cybersecurity and data protection have become fundamental pillars of continuity and operational integrity. The increasing sophistication of cyber threats and increasing regulation on privacy and information security require a proactive and strategic approach to ensure the protection of digital assets, sensitive data and the trust of stakeholders.

As such, the Group has implemented **advanced cybersecurity protocols**, such as the implementation of MFA - (Multifactor Authentication) for all users; SIEM (Microsoft Sentinel), Reinforcement Solution Backups and the implementation of ISO 27001, which protect the integrity of digital systems and prevent IT risks. In 2023 the cyber awareness programme was created, which is part of the Group's mandatory annual training plan and is present in the Onboarding Plan for new employees. In addition, to ensure the security and privacy of client information, we strictly comply with the **General Data Protection Regulation (GDPR)**.

In particular, in 2021 the **Cybersecurity Policy** was created with the involvement of top management bodies, key areas, and an external partner. The goal of the Cybersecurity Policy aims to ensure the logical security of the Group's infrastructure, providing with positive impact on its clients, employees, suppliers and partners by protecting the privacy of their data. It also aims at reducing the likelihood of information loss or damage, mitigate risks such as cyberattacks, data loss and consequent financial loss or reputational damage, legal consequences or fines resulting from data loss and operational interruptions. For this purpose, measures are implemented to monitor the Group's infrastructure, with information on what should be audited at the level of security and with what frequency, and the corresponding preventive and corrective actions to be applied as a result of the identified risks.

This Policy, currently under review, will be posted on the corporate portal, and will be accessible to internal stakeholders.

Given the relevance of this topic to the Group, the certification process according to the standard ISO 27001 (information security management) for the scope of the group ecommerce activities is underway. Also planned for 2025 is the implementation of a **SOC – Security Operation Centre**, responsible for monitoring, detecting, analysing and responding to security incidents.

Conclusion of the report

Annexes - ESRS | Annexes - NFRD | Annexes - NFRD tables | Verification Declaration NFRD | Annexes Accounts

Annexes - ESRS

Data Point	DR	Chapter		Sub-chapter/ section Section	Co-relation with other European legislation
ESRS 2 | General Disclosures					
BP-1	General basis for drafting sustainability statements	Regarding this report		-	
BP-2	Disclosures in relation to specific circumstances	The DR of the ESRS according to the materiality analysis are fulfilled in this sustainability statement, taking into account the information available at the LS Group.			
GOV-1	The role of the administrative, managerial and supervisory bodies	3. We manage impacts	3.3. Governance Performance	Governance Structure	SFDR Spanish Law 11/2018
GOV-3	Integration of sustainability performance in incentive schemes	3. We manage impacts	3.3. Governance Performance	Ethics, transparency and anti-corruption	Spanish Law 11/2018
SBM-1	Strategy, business model and value chain	Regarding this report Discover our world 1. Taking tomorrow farther 2. We define priorities 3. We manage impacts	1.1. Leadership in transport and distribution 1.2. Complete logistics solutions 1.3. Complex value chain 2.1. Mindful of impact 2.2. Committed to the future 3.2. Social performance: • Characterisation of the workforce		Spanish Law 11/2018
SBM-2	Interests and points of view of stakeholders	2. We define priorities	2.1. Mindful of impact	Stakeholder engagement	Spanish Law 11/2018
SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	2. We define priorities	2.1. Mindful of impact	-	Spanish Law 11/2018
IRO-1	Process description for identifying and evaluating material impacts, risks and opportunities	2. We define priorities	2.1. Mindful of impact	-	Spanish Law 11/2018
IRO-2	Disclosure requirements in the ESRS covered by the company's sustainability statement	This table presents the list of DR of the ESRS according to the materiality analysis carried out and the information available at the LS Group. Considering the Topical Standards that were addressed in this exercise, the respective 'non-material' DR are identified in the table. The data points derived from other European legislation (SFDR and Spanish Law 11/2018) are indicated in this table and in the table 'Contents of Spanish Law 11/2018 EINF,' respectively.			

Data Point	DR	Chapter	Sub-chapter/ section Section	Co-relation with other European legislation
ESRS E1 | Climate Change				
E1-1	Climate change transition plan	3. We manage impacts	3.1. Environmental Performance	Climate change: • Emissions targets and reduction • Descarbonisation plan
E1.SBM-3	Relevant impacts, risks and opportunities and interaction with the strategy and business model	3. We manage impacts	3.1. Environmental Performance	Climate change: • Climate risks
E1.IRO-1	Description of the processes for identifying and assessing material impacts, risks and opportunities related to climate	3. We manage impacts	3.1. Environmental Performance	Climate change: • Carbon footprint • Emissions targets and reduction Operational and energy efficiency: • Energy consumption and energy efficiency
E1.MDR-P	Policies adopted to manage material sustainability issues	3. We manage impacts	3.1. Environmental Performance	Climate change: • Descarbonisation plan
E1.MDR-A	Actions and resources related to material sustainability issues	3. We manage impacts	3.1. Environmental Performance	Climate change: • Descarbonisation plan
E1-3	Action and resources related to climate change policies	3. We manage impacts	3.1. Environmental Performance	Climate change: • Emissions targets and reduction • Descarbonisation plan
E1.MDR-T	Monitoring the effectiveness of policies and actions through targets	3. We manage impacts	3.1. Environmental Performance	Climate change: • Emissions targets and reduction

Data Point	DR	Chapter		Sub-chapter/ section Section	Co-relation with other European legislation
ESRS E1 | Climate Change					
E1-4	Climate change mitigation and adaptation	3. We manage impacts	3.1. Environmental Performance	Climate change: • Emissions targets and reduction	SFDR+PILLAR3+BENCH Spanish Law 11/2018
E1-5	Energy consumption and energy mix	3. We manage impacts	3.1. Environmental Performance	Climate change: • Energy consumption and energy efficiency	SFDR Spanish Law 11/2018
E1-6	Scopes 1, 2, 3 and Total GHG emissions	3. We manage impacts	3.1. Environmental Performance	Climate change: • Carbon footprint	SFDR+PILLAR3+BENCH
E1-7		Non-material			
ESRS E5 | Resource use and circular economy					
E5.MDR-A	Actions and resources related to material sustainability issues	3. We manage impacts	3.1. Environmental Performance	Circular economy and waste reduction	
E5-4		Non-material			
E5-5	Resource management	3. We manage impacts	3.1. Environmental Performance	Circular economy and waste reduction: • Waste	SFDR Spanish law 11/2018
ESRS S1 | Entity employees					
S1.SBM-3	Relevant impacts, risks and opportunities and interaction with the strategy and business model	3. We manage impacts	3.2. Social Performance	Management of the workforce	Spanish Law 11/2018
S1.MDR-P	Policies adopted to manage material sustainability issues	3. We manage impacts	3.2. Social Performance	Management of the workforce	Spanish Law 11/2018
S1-1	Policies related to own workforce	3. We manage impacts	3.2. Social Performance	Management of the workforce Occupational Health and Safety	SFDR Spanish Law 11/2018

Data Point	DR	Chapter		Sub-chapter/ section Section	Co-relation with other European legislation
ESRS S1 | Entity employees					
S1-2	Processes of engagement with the workforce and workers' representatives regarding impacts	3. We manage impacts	3.2. Social Performance	Managing the workforce: • Dialogue and employee engagement Welfare of employees: • Working conditions	Spanish Law 11/2018
S1-3	Processes to mitigate negative impacts and channels for the workforce to raise concerns	3. We manage impacts	3.2. Social Performance	Management of the workforce	SFDR Spanish Law 11/2018
S1.MDR-A	Actions and resources related to material sustainability issues	3. We manage impacts	3.2. Social Performance	Management of the workforce Welfare of employees Training and development Occupational Health and Safety Diversity, Equity and Inclusion	Spanish Law 11/2018
S1-4	Measures regarding material impacts on our own workforce and approaches to manage material risks and seek material opportunities related to our own workforce, and effectiveness of these actions	3. We manage impacts	3.2. Social Performance	Welfare of employees	Spanish Law 11/2018
S1-6	Characteristics of employees of the company	3. We manage impacts	3.2. Social Performance	Diversity, Equity and Inclusion	Spanish Law 11/2018
S1-8	Coverage of collective bargaining and social dialogue	3. We manage impacts	3.2. Social Performance	Welfare of employees: • Working conditions Diversity, Equity and Inclusion	Spanish Law 11/2018
S1-9	Metrics of diversity	3. We manage impacts	3.2. Social Performance	Diversity, Equity and Inclusion	Spanish Law 11/2018

Data Point	DR	Chapter		Sub-chapter/ section Section	Co-relation with other European legislation
ESRS S1 | Entity employees					
S1-11	Social protection	3. We manage impacts	3.2. Social Performance	Welfare of employees	Spanish Law 11/2018
S1-12	People with disabilities	3. We manage impacts	3.2. Social Performance	Diversity, Equity and Inclusion	Spanish Law 11/2018
S1-13	Training and Skills Development Metrics	3. We manage impacts	3.2. Social Performance	Training and development	Spanish Law 11/2018
S1-14	Health and safety metrics	3. We manage impacts	3.2. Social Performance	Occupational Health and Safety	Spanish Law 11/2018
S1-15	Metrics of balance between personal and professional life	3. We manage impacts	3.2. Social Performance	Welfare of employees	Spanish Law 11/2018
S1-16	Remuneration metrics (wage disparity and total remuneration)	3. We manage impacts	3.2. Social Performance	Diversity, equity and inclusion: • Salary equity	SFDR Spanish Law 11/2018
S1-17	Incidents, complaints and human rights impacts	3. We manage impacts	3.2. Social Performance	Diversity, equity and inclusion: • Incidents of discrimination	SFDR Spanish Law 11/2018
ESRS G1 | Business Conduct					
G1.GOV-1	Role of the administrative, supervisory and administrative bodies	3. We manage impacts	3.3. Governance Performance	Governance Structure	Spanish Law 11/2018
G1.MDR-P	Policies adopted for managing material sustainability issues	3. We manage impacts	3.3. Governance Performance	Ethics, transparency and anti-corruption: • Instruments for implementation of an entrepreneurial culture	Spanish Law 11/2018

Data Point	DR	Chapter		Sub-chapter/ section Section	Co-relation with other European legislation
ESRS G1 | Business Conduct					
G1-1	Business conduct and corporate culture policies	3. We manage impacts	3.3. Governance Performance	Ethics, transparency and anti-corruption: • Training in business conduct • Mechanisms for identification, communication and investigation of concerns	Spanish Law 11/2018
G1-2	Management of supplier relationships	1. Taking tomorrow further	1.3. Complex value chain	The suppliers: • Supplier monitoring and approval: continuous monitoring and assessment	Spanish Law 11/2018
G1-3	Prevention and detection of corruption and bribery	3. We manage impacts	3.3. Governance Performance	Ethics, transparency and anti-corruption: • Mechanisms for identification, communication and investigation of concerns	Spanish Law 11/2018
G1.MDR-A	Actions and resources related to material sustainability issues	3. We manage impacts	3.3. Governance Performance	Ethics, transparency and anti-corruption: • Instruments for implementation of an entrepreneurial culture	
G1-4	Incidents of corruption or bribery	3. We manage impacts	3.3. Governance Performance	Ethics, transparency and anti-corruption: • Mechanisms for identification, communication and investigation of concerns	SFDR

Data Point	DR	Chapter		Sub-chapter/ section Section	Co-relation with other European legislation
ESRS 2 MDR | Cybersecurity					
MDR-P	Policies adopted for managing material sustainability issues	3. We manage impacts	3.3. Governance Performance	Cybersecurity and data protection	
MDR-A	Actions and resources related to material sustainability issues	3. We manage impacts	3.3. Governance Performance	Cybersecurity and data protection	

Annexes - NFRD | Contents of Spanish Law 11/2018

Business Model	Report
Description of business model: • Business environment • Organisation and structure • Markets in which it operates • Goals and strategies • Main factors and trends that can affect its future evolution	Chapter 1. Taking tomorrow further Chapter 2. We define priorities
Management Approach	
A description of the policies applied by the Group with respect to these issues, which will include the procedures of due diligence applied for the identification, assessment, prevention and mitigation of risks and significant impacts and of verification and control, including what measures have been adopted.	Chapter 3. We manage impacts 3.3. Governance Performance Governance Structure
The results of those policies, should include key indicators of pertinent non-financial results that allow the follow-up and assessment of progress and which favour comparability between societies and sectors, in accordance with the national, European or international reference frameworks used for each subject.	Chapter 3. We manage impacts 3.3. Governance Performance Governance Structure
The main risks related to these issues linked to the activities of the Group, including, when appropriate and proportionate, its commercial relations, products or services that may have negative effects in those areas, and how the group manages these risks, explaining the procedures used to detect them and assess them in accordance with the national, European or international benchmarks for each subject. Information on the impacts that have been detected should be included, breaking them down according to the main short, medium and long-term risks.	Chapter 3. We manage impacts 3.3. Governance Performance Governance Structure
Key indicators of non-financial results that are relevant to the specific business activity, and that meet the criteria of comparability, materiality, relevance and reliability. In order to facilitate the comparison of information, both in time and between entities, key non-financial indicators standards shall be used that can be generally applied and that comply with the guidelines of the European Commission on this matter, along with the standards of the Global Reporting Initiative, and the report should mention the national, European or international framework used for each subject. Key indicators of non-financial results shall be applied to each of the sections of the non-financial information statement. These indicators should be useful, taking into account the specific circumstances and consistent with the parameters used in their internal risk management and risk assessment procedures.	Chapter 3. We manage impacts 3.3. Governance Performance Governance Structure

Environmental Issues

Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety, environmental assessment or certification procedures and; resources dedicated to the prevention of environmental risks; application of the precautionary principle, the quantity of provisions and guarantees for environmental risks.	Chapter 3. We manage impacts 3.1. Environmental Performance Climate change
Contamination: measures to prevent, reduce or repair carbon emissions that seriously affect the environment; taking into account any form of air pollution specific to an activity, including noise and light pollution.	Chapter 3. We manage impacts 3.1. Environmental Performance Climate change
Circular economy and prevention and waste management: measures for prevention, recycling, reuse, other forms of recovery and disposal of waste; actions to combat food waste.	Chapter 3. We manage impacts 3.1. Environmental Performance Circular economy and waste reduction
Sustainable use of resources: consumption of water and supply of water in accordance with local limits; consumption of raw materials and the measures adopted to improve the efficiency of their use; direct and indirect consumption of energy, measures taken to improve energy efficiency and use of renewable energy.	At Luís Simões Group, water is used for external washing of heavy vehicles, human consumption, sanitary use, cleaning and irrigation. In Portugal, water is drawn from the underground and municipal supply grid. At discharge, analyses are carried out to monitor treatment and ensure compliance with the required parameters, in accordance with legislation in force. In Spain, water is drawn from the municipal supply grid and the discharge of waste water is always carried out into public drainage systems for further treatment. Locations are not required to measure the quality of discharged water, seeing as no environmental impacts have been identified in the procedures pertaining to the licensed activity. Total consumption in 2024: Spain (grid water): 5.135 ML Portugal (grid water): 7.387 ML Portugal (well water): 10.703 ML The grid water is estimated based on the number of people working at the particular site and ground water consumption from wells is obtained through real data from the reading of the meters. Note: Water consumption data are related to the size of the facilities and the number of workers working at them.

Environmental Issues

Climate change: the important elements of greenhouse gas emissions generated as a result of the activities of the company, including use of the goods and services it produces; the measures adopted to adapt to the consequences of climate change; the voluntarily established medium and long-term reduction targets to reduce greenhouse gas emissions and the means implemented for this purpose.	Chapter 3. We manage impacts 3.1. Environmental Performance Climate change
Biodiversity protection: measures taken to preserve and restore biodiversity; impacts caused by activities or operations in protected areas.	Not applicable. Biodiversity is not a material subject.
Environmentally Sustainable Economic Activities: assessment of whether economic activity contributes substantially to the mitigation of climate change or its adaptation.	Among the various activities carried out by the Luís Simões Group, the activity of 'Road Freight Transport Services' is, by its nature, eligible according to the taxonomy of the European Union. As one of the main activities performed by the company and eligible for both the environmental objective of mitigation and adaptation to climate change, it should be considered a key activity in the Group's sustainability strategy as determined by the 'Technical Group of Experts in Sustainable Finance' appointed by the European Commission. The company's decarbonisation strategy shall take into account the metrics and mitigation thresholds defined, taking into account possible adaptation solutions that substantially reduce the risk of adverse climate effects in any selected area of activity, including damage prevention variables in aspects related to the circular economy and noise emission.

Social and personal issues

Employment: total number and distribution of employees by sex, age, country and occupational classification; total number and distribution of employment contract modalities, annual average of indefinite contracts, temporary contracts and part-time contracts by sex, age and occupational classification, number of dismissals by sex, age and occupational classification; the average remuneration and its evolution disaggregated by sex, age and occupational classification the same value; the average annual average of temporary contracts and part-time contracts by sex, the average number of dismissals by sex, age and occupational classification;	Chapter 3. We manage impacts 3.2. Social Performance Diversity, Equity and Inclusion Annex Spanish Law 11/2018
Organisation of work: organisation of working time; number of absentee hours; measures designed to facilitate the enjoyment of balance in the work life and encourage the exercise of these by both parents.	Portugal: 81,281 hours Spain: 55,282 hours Total: 136,563 hours of absenteeism
Health and safety: conditions of occupational health and safety; work-related accidents, in particular their frequency and severity, as well as occupational diseases; broken down by gender.	Chapter 3. We manage impacts 3.2. Social Performance Occupational health and safety

Social and personal issues

Social relations: organisation of social dialogue, including procedures to inform and consult the staff and negotiate with them; percentage of employees covered by collective agreement by country; the balance of the collective agreements, especially in the field of occupational health and safety.	Chapter 3. We manage impacts 3.2. Social Performance Management of the workforce Welfare of employees
Training: the policies implemented in the field of training; the total amount of training hours according to professional categories.	Chapter 3. We manage impacts 3.2. Social Performance Training and development Annex Spanish Law 11/2018
Persons with disabilities.	Chapter 3. We manage impacts 3.2. Social Performance Diversity, Equity and Inclusion
Equity: measures adopted to promote equal treatment and opportunities between women and men; equity plans (Chapter III of Organic Spanish Law 3/2007 of 22 March, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual harassment and harassment for sexual purposes, the integration and universal accessibility of people with disabilities; policy against all types of discrimination and, if applicable, management of diversity.	Chapter 3. We manage impacts 3.2. Social Performance Management of the workforce 3.3. Governance Performance Ethics, transparency and anti-corruption

Human Rights

Application of due diligence procedures in the field of human rights; prevention of the risks of human rights violations and, where applicable, measures to mitigate, manage and repair possible abuses committed; complaints regarding cases of human rights violations; promotion and compliance of the provisions of the fundamental conventions of the International Labour Organization related to respect for the freedom of association and the right to collective bargaining; elimination of the discrimination in employment and occupation; elimination of forced or obligatory labour; the effective abolition of child labour.	Chapter 3. We manage impacts 3.2. Social Performance Management of the workforce

Prevention of corruption and bribery

Measures adopted to prevent corruption and bribery; measures to combat money laundering, contributions to foundations and non-profit entities.	Chapter 3. We manage impacts 3.3. Governance Performance Ethics, transparency and anti-corruption

Profile of the Organisation

Company commitments to sustainable development: the impact of the company's activity of the society on employment and local development; the impact of the company's activity on local populations and on the territory; the relations with the local communities and methods of dialogue with them; actions of association or sponsorship.	Chapter 3. We manage impacts 3.2. Social Performance Citizenship The Luís Simões Group engages with its stakeholders, identified in 'Stakeholder engagement.' Forms of communication with stakeholder groups are identified. In the annexes we have identified the associations that Luís Simões works with. All actions of social solidarity in which LS is involved are carried out in the countries where it operates, namely Portugal and Spain. All social solidarity actions that LS is associated with are carried out in the countries where it operates: Portugal and Spain. LS makes donations to non-profit organisations in Portugal and Spain. In Spain, we collaborate with Fundación Madrina in the Guadalajara LOC as a logistics operator for the food received by the Red Cross. Coordinating the arrival of food pallets, their unloading and warehousing, and preparing and loading them for subsequent transfer to distribution points. In Portugal, we partner with the Food Bank and Banco de Bens Doados (Donated Goods Bank), among others. The value of donations is €203,234, of which €108,821 comes from Spain.
Sub-contractors and suppliers: inclusion of social, gender and environmental issues in the procurement policy; in relations with suppliers and sub-contractors, consideration of their social and environmental responsibility; systems of supervision and audits and their results.	Chapter 3. We manage impacts 3.3. Governance Performance Ethics, transparency and anti-corruption
Consumers: measures for the health and safety of consumers; complaint systems, received complaints and their resolution.	Chapter 3. We manage impacts 3.3. Governance Performance Ethics, transparency and anti-corruption
Taxation information: the benefits obtained country by country; the taxes on benefits paid and the public subsidies received.	Taxation Information: Public subsidies received: Spain - €208,564.82; Portugal - €21,083.20; Total - €209,648.02 Taxes on paid benefits (considered as current tax): Spain - €348,339.15; Portugal - €2,385,641,07; Total - €2,733,980.23 CbC Information: In Spain, companies linked to a group that consolidates its accounts are exempted from issuing an EINF, as their report is issued by the Group in a consolidated manner. In this case, LSLI ES defers EINF information to the Group Sustainability Report. Therefore, considering that in Portugal, CbC Information, pursuant to Articles 121-A and 121-B of the Corporate Income Tax Code, is only required for groups with a consolidated turnover of over 750 million euros, it is my understanding that we will not have to include this information, which is why we have not provided it.

Annexes - NFRD | Tables

Description of the workforce		Spain				Total Spain	Portugal				Total Portugal	Total LS Group
		Fixed-term		Open-ended			Fixed-term		Open-ended			
		♀	♂	♀	♂		♀	♂	♀	♂		
< 30 years	Administ/Assist/ Operational	5	21	11	41	79	30	77	19	43	169	248
	Team Leader	0	0	0	5	5	0	1	0	1	2	6
	Coordinator	0	0	0	1	1	0	0	1	1	2	3
	Manager	0	0	1	0	1	0	0	0	0	0	1
	Technician	5	3	7	23	39	11	9	14	9	43	82
< 30 years total		**10**	**24**	**20**	**71**	**125**	**41**	**86**	**34**	**54**	**216**	**341**
30-50 years	Administ/Assist/ Operational	12	31	88	279	408	36	106	86	251	478	886
	Board Member	0	0	0	0	0	0	0	2	2	4	4
	Team Leader	0	0	15	62	77	0	1	6	39	46	124
	Coordinator	0	0	15	23	37	0	0	24	28	51	89
	Director	0	0	0	3	3	0	1	2	7	10	13
	General Director	0	0	0	0	0	0	0	0	1	1	1
	Manager	0	0	5	14	19	0	0	11	25	36	55
	Technician	2	2	104	55	162	6	5	90	67	167	330
30-50 years total		**13**	**32**	**226**	**436**	**707**	**41**	**112**	**221**	**419**	**793**	**1501**
> 50 years	Administ/Assist/ Operational	0	4	20	88	113	4	19	38	245	307	419
	Board Member	0	0	0	0	0	0	0	0	3	3	3
	Team Leader	0	0	1	19	20	0	0	6	18	24	44
	Coordinator	0	0	2	8	10	0	0	9	17	26	36
	Director	0	0	0	8	8	0	0	2	12	14	23
	General Director	0	0	0	0	0	0	0	0	4	4	4
	Manager	0	0	1	12	13	0	0	8	12	20	33
	Technician	0	0	17	14	31	1	3	25	22	51	82
> 50 years total		**1**	**4**	**41**	**150**	**195**	**5**	**23**	**89**	**333**	**449**	**644**
	Total LS Group	24	61	287	656	1028	87	221	344	806	1458	2486

Employee Departures

Departure/Dismissed	Spain		Total Spain	Portugal		Total Portugal	Total LS Group
Administrative			0	2	3	5	5
Team Leader		1	1		1	1	2
Coordinator	1		1			0	1
Director			0		1	1	1
General Director			0		1	1	1
Manager		1	1			0	1
Driver		7	7		8	8	15
Workshop Operators	8	58	66	5	15	20	86
Technician	2	10	12	2		2	14
Total Geral	**11**	**77**	**88**	**9**	**29**	**38**	**126**

Remuneration

	Spain			Portugal		
			Variation F in M			Variation F in M
Board Member				119 843 €	91 031 €	32%
Director		81 547 €		62 823 €	81 362 €	-23%
General Director					104 671 €	
Director		81 547 €		62 823 €	81 362 €	-23%
Manager	47 342 €	52 839 €	-10%	41 909 €	47 039 €	-11%
Coordinator	30 862 €	39 078 €	-21%	34 309 €	30 859 €	11%
Technician	27 479 €	28 004 €	-2%	19 043 €	22 294 €	-15%
Administrative	22 807 €	14 293 €	60%	16 429 €	16 781 €	-2%
Team Leader	29 762 €	27 183 €	9%	17 766 €	20 447 €	-13%
Driver		21 764 €		18 659 €	21 689 €	-14%
Workshop Operators	25 506 €	24 193 €	5%	14 238 €	14 528 €	-2%
Warehouse Operators					17 779 €	
Total	**€ 27 203,85**	**€ 27 366,81**	**-1%**	**€ 20 226,00**	**€ 22 241,29**	**-9%**

Active employees, except part-time workers, interns and temporary employees. Only fixed remuneration was taken into account, variable remuneration was not considered.

Employee training

	Number of training hours			
	Professional Category	Women	Men	Total
Spain	Administ/Assist/Operational	1 067	3 904	4 971
	Team Leader	309	1 086	1 395
	Coordinator	1 228	1 023	2 251
	Director		575	575
	Manager	662	1 395	2 057
	Technician	3 412	2 284	5 696
Total Spain		**6 678**	**10 267**	**16 945**
Portugal	Chairman		19	19
	Administ/Assist/Operational	1 969	5 500	7 469
	Board Member	40	55	95
	Team Leader	153	976	1 129
	Coordinator	750	735	1 485
	Director	68	813	881
	General Director		100	100
	Manager	354	1 117	1 471
	Technician	1 528	1 361	2 888
Total Portugal		**4 863**	**10 676**	**15 539**
Total LS Group		**11 541**	**20 943**	**32 484**

Luís Simões participates in associations pertaining to the sector it operates in, as well as in other associations relevant to local and community development.

ACAP
Association of the Automotive Trade of Portugal (PT)

ACEGE
Christian Association
of Entrepreneurs and Managers (PT)

ACICA
Trade and Industrial
Association of Alenquer (PT)

ADL
Association for the Development of Logistics (SP)

AECOC
Spanish Association of Commercial Codification (SP)

AERCE
Spanish Association of Procurement , Contracting and
Supply Management Professionals (SP)

ANECRA
National Association
of Automotive Trade
and Repair Companies (PT)

ANTRAM
National Association
of Public Road Freight Carriers (PT)

APAL
Albufeira Promotion Agency (PT)

APLOG
Portuguese Logistics Association (PT)

APOL
Portuguese Association
of Logistics Operators (PT)

APROSE
National Association
of Insurance Agents and Brokers (PT)

ARAC
National Car
Rental Association (PT)

ASTIC
Association
of International Carriers (SP)

CCILE
Portuguese-Spanish Chamber
of Commerce and Industry

CEOE-CEPYME Guadalajara
Guadalajara - Confederation
of Guadalajara Entrepreneurs (SP)

CHP
Spanish-Portuguese Chamber of Commerce

COTEC
Business Association for Innovation (PT)

EFS
Association of Family Businesses (PT)

GS1
Portugal | CODIPOR (PT)

UNO
Business Organisation
of Logistics and Transport (SP)

APPUNLE
Association of promoters, owners
and users of logistics facilities of Spain (SP)

CEEP
Business Council Extremadura -Portugal

ELVT Group
Lisbon and Tagus Valley Companies (PT)

Rede Mulher Líder
(Woman Leader Network)
AE @IAPMEI (PT)

Verification Declaration NFRD

DECLARACIÓN DE VERIFICACIÓN

EQA

Declaración de Verificación Independiente del Estado de Información No Financiera de Luis Simões Logística Integrada España y sociedades dependientes del ejercicio 2024

A los Socios/órgano de administración de **Luis Simões Logística Integrada España.**

De acuerdo con el artículo 49 del Código de Comercio, hemos realizado la verificación, con alcance de seguridad limitada del Estado de Información No Financiera (en adelante EINF) correspondientes al ejercicio anual finalizado **el 31 diciembre de 2024**, de Luis **Simões Logística Integrada España** (en adelante "la organización") y sus sociedades dependientes que forma parte de su Informe de Gestión **consolidado** del mismo ejercicio.

El contenido del Informe de Gestión **consolidado** incluye información adicional a la requerida por la normativa mercantil vigente en materia de información no financiera que no ha sido objeto de nuestro trabajo de verificación. En este sentido, nuestro trabajo se ha limitado exclusivamente a la verificación de la información identificada en el del **ANEXO pagina 59 al 74 del EINF,** incluida en el citado Estado de Información no Financiera.

Responsabilidad de la Dirección

La dirección de la organización, es responsable de la preparación, del contenido y de la presentación del EINF, según la Ley 11/2018, de 28 de diciembre. Esta responsabilidad incluye el diseño, la implementación y el seguimiento del control interno que se considere necesario para permitir que el EINF esté libre de incorrección material. El EINF se ha preparado de acuerdo con los contenidos recogidos en la normativa mercantil vigente, seleccionados de acuerdo con lo mencionado para cada materia en **ANEXO, página 59 al 74,** del citado EINF.

Asimismo, la dirección de la organización es responsable de definir, implementar, adaptar y mantener los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF, así como para el seguimiento del grado de cumplimiento de requisitos exigidos en la Ley 11/2018, de 28 de diciembre.

Independencia y Competencia

El equipo auditor ha cumplido los requerimientos de independencia, imparcialidad y demás exigencias de ética, basando sus actuaciones en los principios fundamentales de integridad, objetividad, competencia y diligencia profesional, confidencialidad y comportamiento profesional.

EQA es un prestador independiente de servicios de verificación tal y como se contempla en la Ley 11/2018.

Número: 12916

Fecha de Verificación: 06 / 05 / 2025

Página **1** de **3**

European Quality Assurance Spain, S.L. (EQA España) - Calle Joaquín Bau nº 2 | 1ª Planta | Escalera Derecha | 28036 Madrid
Queda sujeto al "Procedimiento de Certificación y Condiciones Generales" establecido por EQA

DECLARACIÓN DE VERIFICACIÓN

EQA

Objetivo de la verificación

El objetivo de la verificación es asegurar que la información reportada por la organización en el Estado de Información No Financiera de **Luis Simões Logística Integrada España**, de 24/04/2024 - (Informe de Sostenibilidad y Financiero v 3 - versión del EINF verificado), es precisa, completa, transparente y libre de errores u omisiones.

Nuestra responsabilidad

La responsabilidad de EQA se circunscribe en expresar nuestras conclusiones en una declaración de verificación independiente de seguridad limitada, basada en los procedimientos realizados y en las evidencias que se han obtenido. El encargo se ha realizado de acuerdo con una metodología propia y los requisitos de la Norma Internacional UNE-EN ISO/IEC 17029 "Evaluación de la conformidad. Principios generales y requisitos para los organismos de validación y verificación".

El alcance de un encargo de seguridad limitada es sustancialmente inferior al de un encargo de seguridad razonable y, por lo tanto, la seguridad proporcionada es menor.

Los procedimientos realizados se basan en el juicio profesional de los expertos que han intervenido en el proceso e incluyen consultas, observación de procesos, evaluación de documentación, procedimientos analíticos, y pruebas de revisión por muestreo que, con carácter general, se describen a continuación:

- ✓ Reuniones con el personal de los diversos departamentos de la Organización involucrados para conocer el modelo de negocio, las políticas y los enfoques de gestión aplicados, los principales riesgos relacionados con esas cuestiones y obtener información necesaria para la revisión.
- ✓ Comprobación de los procesos de los que dispone la organización para determinar cuáles son los aspectos materiales en relación con sus actividades.
- ✓ Análisis de los procedimientos utilizados para recopilar y validar los datos e información presentada en el EINF.
- ✓ Análisis de la adaptación del EINF a lo señalado en Ley 11/2018.
- ✓ Comprobación de datos, en base a la selección de una muestra, y realización de pruebas sustantivas de la información cuantitativa y cualitativa contenida en el EINF.

Número: 12916

Fecha de Verificación: 06 / 05 / 2025

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Queda sujeto al "Procedimiento de Certificación y Condiciones Generales" establecido por EQA

DECLARACIÓN DE VERIFICACIÓN

EQA

Conclusiones de la Verificación

Como resultado de los procedimientos que se han realizado y de las evidencias obtenidas, no ha llegado a nuestro conocimiento ninguna cuestión que nos lleve a pensar que la información contenida en el EINF de **Luis Simões Logística Integrada España** y **sus sociedades dependientes** correspondiente al ejercicio anual finalizado el **31/12/2024**, no está presentada de manera adecuada, ni que existan desviaciones ni omisiones materiales que nos haga pensar que el informe no cumple los requisitos de la Ley 11 del 2018 recogidos en **ANEXO página 59 al 74**, del citado EINF.

Uso y distribución

La presente Declaración de Verificación se emite a la dirección de **Luis Simões Logística Integrada España**, de acuerdo con los términos del contrato suscrito entre ambas partes.

Esta declaración ha sido preparada en respuesta al requerimiento establecido en la normativa mercantil vigente en España, por lo que podría no ser adecuado para otros propósitos y jurisdicciones.

Esperanza Martínez García
Directora de Certificación

Número: 12916

Fecha de Verificación: 06 / 05 / 2025

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www.luis-simoes.com

Luis Simões

2024 Annual Report

LS – Luís Simões, SGPS, S.A.
Registration/Tax No.: 503 717 789
Civil Registry Loures
Share Capital: 30,000,000 Euros
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CONTENTS

CONSOLIDATED MANAGEMENT REPORT

1. MACROECONOMIC CONTEXT

1.1. WORLD AND EUROPEAN BACKDROP

The fight to control inflation in recent years, in the post-pandemic period, appears to have been won in 2024. After exceeding 9% in 2022, the inflation rate in 2024 is now close to 3.5%, which represents a rate in line with the average from 2000 to 2019. This downward trend was made possible through the monetary policy of central banks with an increase in interest rates up until 2023, and without compromising economic growth, thus avoiding a scenario of global recession.

The growth of the world economy in 2024 maintained the trend recorded in 2023, with slightly lower growth of 3.2% versus 3.3% in 2023. GDP growth in the US in 2024 was 2.8% and in the Eurozone 0.8%. The geopolitical context remains unstable, with pockets of military conflict in Europe and the Middle East. Nevertheless, it was possible to maintain the trend of economic growth and reduction of inflation and interest rates.

Throughout 2024, the United States Federal Reserve and the European Central Bank reduced their respective key interest rates by 1.0% and 1.3%, with the interest rate in the US now at 4.5% and in the Eurozone at 2.5%. This policy of reducing interest rates was only initiated when inflation rates reached levels considered to be more normal. In the US, in 2024, the inflation rate went down from 3.6% to 2.4% and in the Eurozone from 5.8% to 2.8%. Nevertheless, a context of uncertainty remains, but we can still expect new, more subtle, reductions in interest rates throughout 2025.

The global economy thus showed resilience, maintaining economic growth of 3.2%, close to that achieved in 2023. The US continues to show growth of close to 3.0%, but in Europe growth is tenuous, having been 0% in Germany, which remains in a situation of near recession, mainly due to some slowdown in its industry.

For 2025, the trend of 2024 is expected to continue, with global economic growth of 1.8%, with a decrease in the growth rate in the US, down from 2.8% to 2.2%, and a slight rise in the Eurozone, from 0.8% to 1.2%. The way in which military conflicts may be resolved, particularly in Europe, will be decisive, as will the geopolitical context, including the evolution of trade protectionism between the main economies.

The current account balance in the Eurozone improved again, from 1.6% in 2023 to 2.6% in 2024. The US continues to show an imbalance in its external accounts, with a current account balance of -3.3%. Debt levels have deteriorated slightly. The Eurozone recorded an average net debt of 88.1% of GDP in 2024, and the United States 121.0%.

For 2025, and according to the IMF, it is expected that inflation rates may continue their downward trend, reaching 1.9% in the United States and 2.0% in the Eurozone by the end of the year, and that the Central Banks of the most advanced economies may continue, albeit more slowly, to cut interest rates. The evolution of the inflation rate, which will condition the monetary policies of central banks and economic growth, will remain dependent on possible disruptions in supply, caused mainly by the context of geopolitical conflicts and the foreign trade policy of the most advanced economies.

1.2. PORTUGAL

In 2024, Portugal held early legislative elections, and although it elected a government without an absolute majority, it has been possible, to date, to maintain a context of stability and continuation of the positive economic trend of recent years.

Portugal's macroeconomic framework in 2024 continued to show positive signs of consolidation of the main indicators, despite some economic slowdown, with GDP growth falling from 2.2% in 2023 to 1.9% in 2024. Nevertheless, Portugal recorded growth in 2024 above the Eurozone average of 0.8%.

The current account balance remained in surplus, after having registered 1.7% of GDP in 2023, having possibly increased this balance in 2024 (in September 2024 it was 2.8% of GDP). This good performance of external accounts is mainly related to the continuation of the positive trend in world tourism, and also to the positive performance of Portugal as a tourist destination, also benefiting from the geopolitical tensions existing in other geographies, but also related to the transfers of funds from the European Union.

In terms of public accounts, Portugal will also record a budget surplus for the second consecutive year. In 2023 it was at 1.2% and in 2024 everything points to it being 0.6%, only the third year in the last 20 where Portugal has had a budget surplus. In terms of public debt, the trend continues to be downward. After falling below 100% in 2023, in 2024 public debt will be 95.3% of GDP. Despite these good results, in the coming years Portugal will have to continue its budgetary consolidation efforts, avoiding budget deficits and continuing to reduce public debt, keeping in mind that the objective set out in the Maastricht Treaty is 60% of GDP, while the Eurozone average is 88.1%. This good performance in terms of public accounts allowed the interest rate on 10-year treasury bonds to remain at the level recorded at the end of 2023, around 3.0%. It will be essential to maintain government stability, so as not to interrupt this period of consolidation of public accounts that Portugal has undertaken.

GDP growth of 2.1% is expected for 2024, based on a balanced current account and a continuation of the trend towards reducing public debt. This scenario will largely depend on maintaining political stability, implementation of European funds, as well as the international context of reducing inflation rates, interest rates, the dynamics of the global economy, and the evolution of currently existing geopolitical tensions.

Macroeconomic Indicators Portugal	2018	2019	2020	2021	2022	2023	2024 Mar	2024 Jun	2024 Sept	2024 Dec	2024	2025F
GDP Growth[1]	2.8%	2.7%	-8.3%	5.5%	6.8%	2.2%	1.4%	1.6%	2.0%	2.7%	1.9%	2.1%
Inflation Rate[2]	1.0%	0.3%	0.0%	1.3%	7.8%	4.3%	2.3%	2.8%	2.1%	3.0%	2.4%	2.3%
Treasury Bounds Interest Rates (10 years)[3]	1.7%	0.5%	0.1%	0.5%	3.6%	2.8%	3.0%	3.3%	1.7%	2.8%	2.8%	n/a
Unemployment Rate[4]	7.1%	6.6%	6.5%	6.6%	6.0%	6.6%	6.8%	6.1%	6.1%	6.7%	6.7%	6.5%
Current Account Balance[1]	0.4%	-0.1%	-1.1%	-1.2%	-1.2%	1.7%	2.7%	2.7%	2.8%	n/a	n/a	1.1%
Budget Deficit[1]	-0.6%	0.3%	-5.6%	-2.7%	-0.4%	1.2%	0.1%	2.2%	6.0%	n/a	0.6%	0.3%
Public Debt[4]	122.2%	117.7%	133.7%	127.5%	112.4%	97.9%	99.4	100.7%	97.5%	95.3%	95.3%	93.3%

Sources: OECD, Bank of Portugal, INE (Statistics Portugal), Portuguese Government, IMF
Notes:
(1) Quarterly amounts correspond to the monthly average for the quarter and annual amounts correspond to the average of the quarters; (2) Quarterly year-on-year rate of change;
(3) Spot rate on the last day of each quarter; (4) Accumulated at the end of each quarter in % of GDP

1.3. SPAIN

In 2024, Spain recorded GDP growth of 3.2%, one of the highest growth rates in the Eurozone. The inflation rate, in line with the global trend, fell throughout the year, reaching 2.8%, after reaching 8.4% in 2022 and 3.5% in 2023. The increase in interest rates in the Eurozone, together with the State's measures to combat inflation, had the desired effect in controlling prices.

Spain continues to have a positive current account balance, and in 2024 the contribution from tourism revenue remained significant. In terms of public accounts, there is room for improvement. Spain continues to record a public accounts budget deficit (-3.4%) and a public debt of 102.5%, both failing to meet the objectives defined by the Maastricht Treaty, namely 60% for public debt and a maximum of 3% for budget deficit.

The unemployment rate continues its downward trend, having reached 10.6% in 2024. The interest rate on 10-year treasury bonds remained at 3.1% at the end of the year, despite very favourable GDP growth, which could be a reflection of the imbalance in public accounts.

For 2024, GDP growth of 2.4% is expected, thus remaining well above the Eurozone average, continuing to reduce the inflation rate and maintaining the current account surplus. In terms of public accounts, a tendency towards slight improvement is expected, with a possible slight reduction in public debt to 100%. This scenario will largely depend on the international context of decreasing inflation rates, interest rates, the growth capacity of the global economy, and the evolution of currently existing geopolitical tensions.

Macroeconomic Indicators	2018	2019	2020	2021	2022	2023F	2024				2024	2025F
Spain							Mar	Jun	Sept	Dec		
GDP Growth(1)	2.6%	2.0%	-11.0%	5.1%	5.8%	2.5%	2.6%	2.9%	3.5%	3.5%	3.2%	2.4%
Inflation Rate(2)	1.7%	0.7%	-0.3%	3.1%	8.4%	3.5%	3.2%	3.4%	1.5%	2.8%	2.8%	2.2%
Treasury Bounds Interest Rates (10 years)(3)	1.4%	0.5%	0.1%	0.6%	3.6%	3.0%	3.2%	3.5%	2.8%	3.1%	3.1%	n/a
Unemployment Rate(4)	15.3%	14.1%	16.1%	14.8%	12.9%	12.1%	12.3%	11.3%	11.2%	10.6%	10.6%	10.8%
Current Account Balance(1)	1.9%	2.1%	0.8%	0.9%	0.6%	n/a	n/a	n/a	n/a	3.0%	3.0%	2.9%
Budget Deficit(1)	-2.5%	-2.8%	-11.0%	-6.9%	-4.7%	n/a	-0.4%	-2.1%	-1.5%	n/a	-3.4%	-2.8%
Public Debt(4)	97.1%	95.5%	120.0%	118.4%	111.6%	111.2%	106.3%	105.3%	104.3%	n/a	102.5%	100.9%

Sources: OECD, Bank of Spain, IMF
Notes:
(1) Quarterly amounts correspond to the monthly average for the quarter and annual amounts correspond to the average of the quarters;
(2) Quarterly year-on-year rate of change; (3) Spot rate on the last day of each quarter; (4) Accumulated at the end of each quarter in % of GDP.

2. ANALYSIS BY SECTOR

2.1. THE ROAD FREIGHT TRANSPORT AND LOGISTICS SECTOR

2.1.1. PORTUGAL

According to DBK, the Road Freight Transport service provision business in Portugal grew by 2.4% in 2024 to a value of 3.5 billion euros, already 15% above the pre-pandemic period of 2019. The outsourcing of logistics services has also been growing, although data for 2023 and 2024 are not available; in 2022, the recorded value was 780 million. By 2023 this growth dropped to 4%, also reflecting the slowdown in the economy and greater control over the inflation rate.

Road transport continues to be the most common form of freight transport in the country, accounting for 59% of transported tonnage. After the drop seen up until 2017, during which road transport fell from 80% of transported tonnage to close to 60%, the relative weight of road transport of freight in relation to other transport methods, has stabilised. Maritime transport accounts for 37% of transported tonnage, while rail continues to account for a mere 4.0% and air transport accounts for a residual amount.

No data are available as yet on the evolution of financial indicators in 2024 for Road Freight Transport and Logistics companies in Portugal. As regards 2023 data, the last year with available data, the corporate landscape continues to be significantly fragmented, although with a greater tendency toward consolidation. In terms of corporate concentration, the five largest companies in the Road Freight Transport and Logistics sector in Portugal account for 20%-25% of total market turnover.

Focusing on the 60 largest companies in the Road Freight Transport and Logistics market, we can seen that they registered a growth in turnover of 4.1% in 2023.

Despite the increase in turnover, the sector's margins rose only slightly in 2023, with the 60 largest companies recording an average operating profitability (EBIT) of 4.4% of turnover (in 2022 they had recorded 4.1%). This profit margin reflects the high competitive level of the sector, although it represents a slight increase compared to the last decade.

A new increase in turnover is expected for 2024, although with a possibly lower growth rate, and also a stabilisation of current profitability. On the one hand, the sector faces challenges and opportunities from the point of view of technological innovation and sustainability, particularly energy, which should lead to an increase in investment and corresponding level of debt; and on the other hand, there is a greater tendency towards consolidation in the sector.

2.1.2. SPAIN

According to DBK, the business of supplying Road Freight Transport services in Spain grew 2.4% in 2024 to reach a total of 17.9 billion euros and is now some 13.1% above the pre-pandemic figures from 2019. The outsourcing of logistics services was worth 6.3 billion euros in 2023 (2024 figures are not yet available), a growth of 9.6% versus 2022.

Road transport continues to be the most common form of freight transport in the country (76.3% of transported tonnage). Maritime transport, which had continued to grow up until 2014, dropped slightly as of 2015, and is now stable at 22.5% of transported tonnage (in 2004 it accounted for 16%). Rail transport continues to account for only 1.1% of transported tonnage.

No data available as yet on the evolution of financial indicators in 2024 for Road Freight Transport and Logistics companies in Spain. Regarding data from 2023, which is the last year with available data, a significantly fragmented business landscape remains, although with a marked dynamic of consolidation through mergers and acquisitions, especially with the increase in the size of multinationals. In terms of business concentration, the five largest companies in the Road Freight Transport and Logistics sector in Spain likely account for around 20%-25% of the market's total turnover.

Focusing on the 60 largest companies in the Road Freight Transport and Logistics market, it can be seen that they recorded a growth in turnover of 2.0% in 2023.

In 2023 there was a reduction in average profitability in Spain, with the 60 largest companies registering an average operating profitability (EBIT) of 2.9% of turnover (in 2022 they had registered 4.0%). This profitability reflects the high level of competition in the sector, registering a decline after a growth trend in recent years.

For 2025, a continued increase in turnover is expected, maintaining a slower pace, and a stabilisation or slight recovery in current profitability. On the one hand, the sector faces challenges and opportunities from the point of view of technological innovation and sustainability, particularly energy, which should lead to an increase in investment and corresponding level of debt; and on the other hand there is a greater tendency towards consolidation in the sector.

2.1.3. CUSTOMS LOGISTICS

Customs logistics consists mainly of supplying warehousing services in customs warehouses or export warehouses, consolidating and deconsolidating containers, transport services during collection and delivery of containers, and consulting and advisory services during the entire goods import and export process from and outside of the European Union.

Customs warehouses are instruments that facilitate and add flexibility to the customs procedures, and can essentially be classified as public or private, the public ones being usable by any private entity for warehousing third party goods, while the private ones can only be used by the depositary for warehousing.

According to AICEP, and considering numbers up until October 2024, exports are expected to be up 4.6% and imports 2.0%, resulting in a trade surplus for Portugal. The EU continues to be the main destination for exports, accounting for 64.2%. Spain remains the main trading partner, receiving 19.2% of exports, followed by France (12.0%) and Germany (11.6%). Regarding non-EU countries, which represent 35.8% of exports, the main destination is the United Kingdom with 9.1% and the USA with 7.7%. Regarding imports, the EU represents 74.1%. The main supplier country is Spain with 32.9%, followed by Germany with 11.6% and France with 7.1%. As regards imports from outside the EU, China accounts for 4.9%.

The most recent data (January-November 2024) from AMT show a year-on-year growth of 9.3% in the tonnage handled at mainland ports. Growth seen in the Port of Sines (+18.7%) stands out, with Lisbon and Leixões recording drops of -1.7% and -2.8%. Container cargo continues to be the most transported cargo in Portuguese ports, accounting for 41.0% of tonnage.

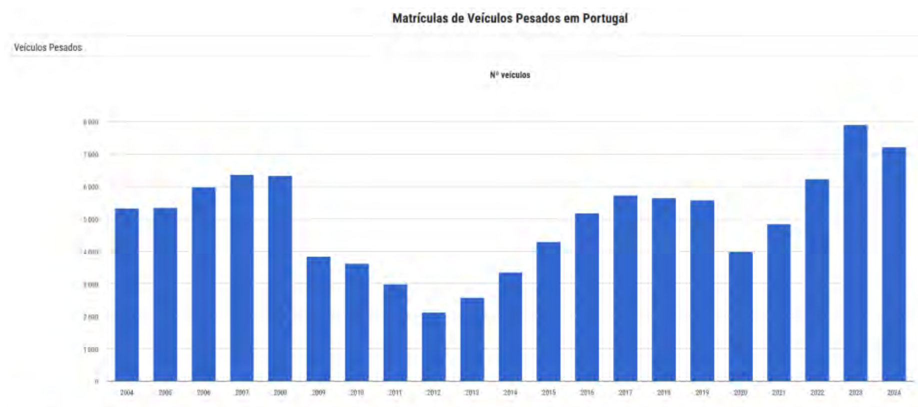
The Containers segment, where the group operates, saw growth of 12.2% in 2024 (up until November). Container cargo is concentrated more in the ports of Sines (62%), influenced by transhipment, Leixões (19%) and Lisbon (13%). The increase in 2024 was mainly due to the reduction in the Port of Sines (+16.3%), Lisbon (+14.9%) and Leixões (+2.3%).

2.2. RENTAL, SALE AND MAINTENANCE OF HEAVY VEHICLES SECTOR

The Goods Transport and Logistics Operators Sector continues to be Reta's main market for activity. This sector is characterised by being highly fragmented, based on approximately 8,000 companies, many of which have economic and financial weaknesses. Nevertheless, and according to consultant DBK, the five largest companies account for 20%/25% of business in this sector.

The year 2024 was marked by the rise in the price of new vehicles, which pushed up the price of used vehicles. As a result, we have noticed that small and medium-sized transport companies continue to be receptive to purchasing used vehicles to offset the high price of new vehicles and reduce the amount of investment and debt.

In 2024, there was a decrease in the number of registered heavy goods vehicles, somewhat correcting the strong growth of 2023.



Fonte: ACAP.

Fonte: ACAP

The bus maintenance and repair segment is another sector in which Reta has been increasing its market share. The resumption of normal economic activity after the pandemic has allowed tourism to grow in recent years, along with the number of passengers transported, thus contributing to the significant recovery of activity in this sector and, consequently, to the increase in demand for maintenance and repair services for this type of vehicle.

However, the high level of competition in the provision of maintenance and repair services, from branded workshops and independent workshops, many of the latter being small, and the lack of qualified staff, has hampered the growth of Reta's activity in this area.

For 2025, the weak increase in turnover in the Road Freight Transport Sector in Portugal is expected to continue. However, this sector faces challenges and opportunities from the point of view of technological and energy innovation, which should lead to an increase in investment and the corresponding level of debt, potentially leading to consolidation in the Sector.

Also for 2025, Passenger Transport activity is expected to continue to benefit from the growth in tourism, which broke records in 2024, and from the increase in the number of passengers carried.

In short, despite the constraints and uncertainties resulting from international effects, we can state that economic growth in Portugal has positively influenced the growth of Reta's activity, taking into account the increase in maintenance and repair activity, the growth in the used car market and the demand for rentals as an alternative to investment and the immediate availability of vehicles.

Reta continues to be characterised by its ability to successfully overcome difficulties, adapting to the realities of each moment and taking advantage of the opportunities that arise, based on the following guiding principles:

- Customer focus, i.e. finding and offering structured solutions that bring our customers added value that they can see;
- Focus on the shareholder, i.e. adding value that will enable a return on investment and the future sustainability of the business;
- Focus on solutions, because it is these that allow us to take advantage of opportunities, overcome the constraints and adversities induced by markets and unfavourable circumstances, and sustain our future in a competitive market that is constantly evolving and changing.

2.3. INSURANCE MARKET

Trends in the national insurance sector reflect trends in the Portuguese economy, given that the purchase of personal or corporate insurance depends highly on growth of corporate activity in general and on the disposable income of families. In the case of Life Insurance, which includes retirement savings plans (RSP) and capitalisation products, subscription also depends on the attractiveness of interest rates practised in financial markets and the type of risk.

Based on provisional data from the Insurance and Pension Funds Supervisory Authority (ASF) and the Portuguese Insurers Association (APS), the growth of the insurance market in 2024 is expected to be approximately 22.7%, compared to 2023, contrary to the decline recorded in 2022 and 2023. However, the insurance market has evolved differently, depending on the Life or Non-Life segments.

The Life Branch, especially that related to RSP and capitalisation products, is a very volatile market, with significant fluctuations, positively or negatively influencing the evolution of the insurance market, due to the high volume of capital transacted and, consequently, the weight it represents. After the impressive growth of 68.5% in 2021, there followed years of decline in 2022 and 2023, of -22.7% and -14.3%, respectively, with growth of 38.6% expected in 2024, contributing decisively to the 22.7% growth of the insurance market in 2024, as mentioned above.

The strong growth of the Life Branch results, on the one hand, from the greater attractiveness of interest rates and, on the other hand, from the launch of Dual products, which stimulated the subscription of this type of product among investors with a more cautious risk profile. Dual products are characterised by guaranteeing part of the invested capital, while another part is linked to investment funds (Unit Linked).

Trends in direct insurance production in Portugal by type of insurance Millions of euros

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024**
Life	9,248	10,439	8,671	6,677	7,089	8,123	6,994	4,585	7,728	6,021	5,159	7,151
Change	33.6%	12.9%	-16.9%	-23.0%	6.2%	14.6%	-13.9%	-34.4%	68.5%	-22.1%	-14.3%	38.6%
Non-Life	3,855	3,849	3,993	4,194	4,494	4,825	5,209	5,366	5,622	6,035	6,651	7,342
Change	-3.2%	-0.2%	3.8%	5.0%	7.1%	7.4%	8.0%	3.0%	4.8%	7.4%	10.2%	10.4%
Total Market	**13,104**	**14,288**	**12,664**	**10,872**	**11,582**	**12,948**	**12,203**	**9,951**	**13,350**	**12,056**	**11,810**	**14 493**
Change	**20.2%**	**9.0%**	**-11.4%**	**-14.2%**	**6.5%**	**11.8%**	**-5.8%**	**-18.5%**	**34.2%**	**-9.7%**	**-2.0%**	**22.7%**

** Provisional amounts

Source: ASF

In the Non-Life segment, which is the preferred business area of Diagonal and of most brokers, the market trended favourably and is expected to grow 10.4% in 2024 over the previous year, thus recording the highest value of premiums ever. The Non-Life market is known for its stability, showing constant and consistent growth of between 3.0% and 10.4% since 2015, which is a hugely important factor for the sector and for Diagonal.

Growth of Non-Life in 2024 was spurred by growth in the largest categories that make up Non-Life. Those that grew the most, and with a significant weight in the Non-Life segment, are the Accident and Health branches, which should grow by approximately 14% and which includes Work Accident and Health insurance, and the Automobile branch, whose growth should be approximately 10%. These two branches represent around 74% of non-life insurance premiums, and the growth mentioned is largely related to the increase in the salary mass and the insured population, adjustments in tariffs, with a greater emphasis on health insurance, and economic growth.

There were no relevant transactions that took place in the insurance sector with regard to acquisitions. Nevertheless, it is worth highlighting the acquisition of Liberty (Portugal, Spain and Ireland) by the Generali Group, owner of the brands Tranquilidade, Açoreana and Logo, whose operation began in 2023, but whose merger process has been gradual and is expected to be completed in 2025. With this acquisition, Generali strengthens its position in the Non-Life segment and moves closer to leader Fidelidade.

According to ASF data for the year 2023, the insurance distribution (mediation) segment continues to be characterised by a strong fragmentation of the market, composed of approximately 14,106 individual or corporate brokers (including brokers from other countries who carry out the activity at an establishment or as independent brokers), but with a tendency towards progressive reduction (in 2020, there were 20,554 operators). Part of this reduction is due to the requirements imposed by the new insurance brokerage legislation and the increased trend toward aggregation of brokers (integration, acquisition and merger).

In recent years, the brokerage market has been and remains very active with the acquisition of several brokers and agents by others, some related to international transactions. However, we are witnessing a growing tendency toward developing networks of agents, due to the strategy adopted by most insurance companies (reduction in the number of small agents), in order to withstand the pressure from brokers on other brokers because of the need for growth, and by establishing partnerships as a means of withstanding competition in the sector.

For 2025, we are convinced that the Non-Life segment will continue to grow, at a similar pace to that of the last two years, taking into account the prospect of continued economic growth referred to in the previous point, combined with the reduction/stabilisation of inflation. Regarding the Life segment, its evolution is uncertain, highly dependent on interest rates and the competitiveness of financial products made available by insurance companies. However, the continuation of the war between Russia and Ukraine, the conflict in Palestine, the policies of the Trump administration, geopolitical movements and the growing adherence of European citizens to nationalist ideals, induce a degree of uncertainty in relation to the economic-financial, social and political evolution in Europe, including Portugal. Even so, economic growth is expected, combined with a tendency to reduce and stabilise the inflation rate, around 2.1%, and a gradual reduction in interest rates.

3. DESCRIPTION OF THE BUSINESS

3.1. THE LUÍS SIMÕES GROUP

The business of LS - Luís Simões, SGPS, S.A. (LS-SGPS together with its subsidiaries Luís Simões) was established in 1948, initially supplying transport services mainly for agricultural products and construction materials. In 1968 the company Transportes Luís Simões, Lda. was established in Loures.

In the 1970s the company specialised further in the construction materials transport business segment and expanded its geographic area of operation to Porto.

The 1980s saw the company invest in the training of its management team and it diversified to include road transport of freight from other business sectors, especially consumer products, significantly reducing its presence in the transport of agricultural products and construction materials. In 1986 Luis Simões expanded its services to Spain and in 1989 it diversified its businesses, establishing a vehicle maintenance company for maintaining heavy vehicles and an insurance brokerage company.

The following decade it recorded exponential growth upon establishing the company Distribuição Luís Simões, S.A. in1990, a company that supplies logistics services, and a company in Spain headquartered in Madrid. In 1991 it established Reta - Serviços Técnicos e Rent-A-Cargo, S.A. (Reta), a company that sells and rents heavy vehicles and which also currently includes the activity of maintaining and repairing heavy vehicles, and LS- Gestão Empresarial e Imobiliária, S.A. ("LSG"), whose initial business purpose was management of Luís Simões real estate assets, but gradually began to include support services for operations businesses. In 1993 Luís Simões expanded its activity to Spain when it opened a delegation in Barcelona and in the following year in Seville. In 1995 the company inaugurated its Vila Nova de Gaia facilities and in 1997 it inaugurated its first warehouse in Carregado with an area greater than 30 000 m^2.

In 2001 it acquired a logistics company in Spain. In 2002 it entered into the positive cold logistics business in Portugal. In 2004 it merged the two companies it held in Spain and created Luís Simões Logística Integrada, S.A. 2008 was marked by the inauguration of the automated warehouse in Carregado with an area of over 20 000 m^2 and a warehousing capacity of over 50,000 palettes, which today continues to be a leader in the business on an Iberian scale, due to its implementation of innovation with respect to automation and processes.

In 2010 the road freight transport and logistics companies in Portugal were merged and gave way to Luís Simões Logística Integrada, S.A.. Between 2013 and 2014 Luís Simões acquired Diagonal - Corretores de Seguros, S.A. and Espaçotrans - Gestão de Entrepostos Aduaneiros, Lda. in those respective years, their main business activity being customs logistics via management of customs warehouses and export warehouses. 2015 saw the inauguration of the new Leixões Logistics Operations Centre, which because of its proximity to the Port of Leixões, helps illustrate Luís Simões' commitment to the import and export business, which is so vital to the Portuguese economy. Also in 2015, it undertook renovation of the Gaia logistics Operations Centre. In 2017 it began its operations at the new Centre in Cabanillas del Campo, which brings together the business activity that until then had been spread out among four smaller warehouses around Madrid, incorporating differentiating factors and automating the process of preparing and shipping goods.

During the first quarter of 2021 Luís Simões began its operations at the largest and most modern Logistics Centre in Guadalajara with an area of 89,000 m2 and a capacity for 178,000 palettes, consisting of two conventional warehouses that began operating in 2020 and an automated warehouse that began operating in 2021, which service important Clients in the Consumer Packaged Goods business area with long term relationships.

In the road freight transport sector, Luís Simões currently manages an approved fleet of approximately 1,712 trucks and, notably, has started using Gigaliners and Duo trailers in Portugal and Spain. Meanwhile, in the logistics sector, a storage space of approximately 403,371 m2 gives Luís Simões the status of an integrated logistics operator with full coverage of the Iberian Peninsula, covering more than 101 million kilometres per year and 1,744 distribution routes per day.

ECONOMIC AND FINANCIAL INDICATORS

LS-LUÍS SIMÕES, SGPS, S.A. (CONSOLIDATED)			
	2024	2023	2022
Turnover	**298,742,212**	**277,152,057**	**269,277,852**
Sale of goods	5,809,106	6,070,289	7,210,659
Supply of services	292,933,106	271,081,768	262,067,193
% Growth (Turnover)	*7.8%*	*2.9%*	*11.4%*
EBITDA	**28,431,471**	**22,498,229**	**20,024,100**
% Turnover	*9.5%*	*8.1%*	*7.4%*
EBIT	**16,227,401**	**10,075,727**	**8,836,226**
% Turnover	*5.4%*	*3.6%*	*3.3%*
EBT	**12,842,508**	**6,512,048**	**7,407,882**
% Turnover	*4.3%*	*2.3%*	*2.8%*
Net income for the year (1)	**10,412,753**	**5,605,633**	**6,929,951**
% Turnover	*3.5%*	*2.0%*	*2.6%*
Total assets	**188,590,115**	**180,103,398**	**173,125,527**
Equity	**67,344,599**	**59,234,784**	**55,501,582**
Net financial debt (2)	**21,092,425**	**30,427,818**	**35,209,078**
Net debt/EBITDA	0.7 x	1.4 x	1.8 x
Net financial debt (including loans to shareholders)	**40,411,152**	**45,071,545**	**49,852,805**
Net debt/EBITDA	1.4 x	2.0 x	2.5 x

(1) Excludes minority interests;
(2) Includes bank loans and suppliers of fixed assets, deducted by cash and cash equivalents;

In 2024, Luis Simões recorded a consolidated turnover of 299 million euros, a 7.8% rise over 2023.

In 2024, the Group presented an EBIT higher than in 2023 by 6.1 million euros, thus reaching a value of 16.2 million euros.

EBT reached a new historical high, amounting to 12.8 million euros, representing a growth of 97% compared to 2023.

Luís Simões undertook structural investments in Logistics in cycles of 10 years: conventional warehouse with an area of 30 thousand m2 in 1997 and an automated warehouse with a capacity for 55 thousand palettes in 2008, both in Carregado; Warehouses in the New Centre of Cabanillas and Guadalajara within the 2017-2019 period. While in the past, investments in 1997 and 2008 spurred growth and market dominance by Luís Simões in Portugal, during the next decades we believe that the new investments in modern and innovative logistics platforms in the Madrid region will put Luís Simões logistics in the lead of the consumer packaged goods logistics market in Spain during the next decade.

LSLI Portugal and LSLI Spain, which include the Transport and Logistics businesses (except Espaçotrans), recorded very noteworthy results, together recording EBT of 10 million euros.

At Reta, which carries out maintenance services, Rent-a-Cargo and sale of heavy goods vehicles, 2024 saw sales grow 9.2% and a historic net income of 1.7 million euros, based on very careful operational management of the company in all its aspects.

In the property business, the year was marked by the continued development of support work as regards the group's premises.

Espaçotrans, specialised in customs logistics, recorded a turnover of 5.4 million euros, registering a growth of 13.6% over 2023. EBITDA continued its excellent performance, representing 17.8% of turnover. This indicator allowed Espaçotrans to achieve a net income of 692,000 euros, which corresponds to 12.8% of turnover.

At Diagonal, in 2024, the volume of commissions reached a historic value of 2,775,000 euros, which represents a growth of 18.0% over 2023, reflecting the good dynamics of the sales team in retaining the portfolio and capturing new business.

The growth in commissions, combined with adequate cost control and continuous improvement of internal processes, resulted in an EBITDA of 587,000 euros in 2024 (+1.3% over 2023) and a net profit of 439,000 euros (+1.1% over 2023).

4. OUTLOOK FOR 2025

4.1. TRANSPORT AND LOGISTICS ACTIVITIES:

Main initiatives to highlight for 2025:

- The focus on increasing turnover and income, improving the profitability of current operations and concluding new business opportunities and new operations with current clients. Customer service will continue to be the cornerstone of our growth.
- Focus on the profitability of logistics operations through efficient use of resources, while also improving implemented processes. Continued focus on customer service levels;
- Introduction and consolidation of new operations with Gigaliners and Duo trailers in national and Iberian distribution activities, making routes more efficient and profitable;
- Focus on growth in the Iberian transport operation;
- Continued investment in innovation and digitalisation projects that bring added value to our clients and help us improve processes;
- Focus on decarbonisation, seeking to reduce the volume of greenhouse gas emissions resulting from our operations.

4.2. CUSTOMS LOGISTICS ACTIVITY

Main initiatives to highlight for 2025:

- Adapt the business to the panorama of uncertainty internationally;
- Create loyalty among current clients and obtain new business in order to offset any drop in consumption in customs logistics;
- Optimisation of internal resources;
- Maintain business profitability.

4.3. RENTAL, SALE AND MAINTENANCE OF HEAVY VEHICLES ACTIVITIES

Main initiatives to highlight for 2025:

- Continue to implement the strategy as a reinforcement of our position in our preferential markets, where we are leaders or have a relevant position;
- Continue to develop and consolidate the business in our more recent markets;
- Be mindful of innovations and technological trends, in order to adapt to market requirements in a timely manner;
- Continue to innovate and format products and services that correspond to client needs;
- Keep an eye out for any opportunities that may arise, with the aim of growing the business and adding value to the organisation;
- Continually investing in human resources, through training and reinforcement of the operations and business support team, which is so indispensable to the organisation's forecasted growth.

4.4. INSURANCE BROKERAGE ACTIVITIES

In 2025, the company's activity is expected to continue to grow steadily, despite the uncertainty caused by the war between Russia and Ukraine, the conflict in Palestine and the policies of the Trump administration which, combined with the growing support of European citizens for nationalist ideals, is leading to political and social instability in Europe and, consequently, in Portugal.

The company is currently investing in new technological tools with the aim of updating its information systems, increasing productivity and improving the quality of service provided to agents and customers.

4.5. REAL ESTATE ACTIVITY

Main initiatives to highlight for 2025:

- Continue to develop support works involving new installations so that companies can develop activities in the regions where they are located;
- Participation in the Detailed Plan for the Azambuja Urban Front that allows the development of projects planned for the site;
- Development of management and maintenance at own centres and those rented via the IT tool;
- Day-to-day management of existing assets;
- Audits and inspections of installations/spaces for developing the activities of Luís Simões companies.
- The promotion of the expansion of residential areas to be placed on the rental market.

4.6. CORPORATE SUPPORT ACTIVITIES

Main initiatives to highlight for 2025:

- Continue with the strategy of developing, simplifying and digitising cross-company processes;

5. RISK MANAGEMENT POLICY

As part of the strategic plan of the Grupo Luís Simões companies and in line with good national and international practices, the Compliance and Risk Management area is responsible for compliance with the Luís Simões Risk Management Policy, which establishes its own methodology that ensures knowledge of and assessment of the risks faced by Grupo LS, and it is also responsible for determining the need for effectively responding to those same risks.

Due to their importance, we would like to highlight some of the actions undertaken in 2024, with a view to mitigating the risks for LS Group companies:

- Luís Simões is firmly committed to promoting a culture of respect and cooperation among all its employees, in a dignified and equal working environment, constituting a pillar of the Company to prevent and combat harassment at work. All employees of the Company benefit from a working environment free from sexual harassment, moral harassment and possible retaliation. Any and all harassment practices, in any form, harm working relationships and are contrary to the values by which the Company guides its actions. As such, they are absolutely prohibited and not tolerated, and are subject to the application of disciplinary sanctions and liability under the law. Thus, in 2024 we issued and published the Code of Good Conduct for Preventing and Combating Harassment, applicable to the Portuguese companies (available **here**) and the ‘Protocolo de Prevención e Intervención Frente al Acoso’, applicable to the company LSLI ES (available **here**).

- Luís Simões is committed to legal and regulatory compliance, as well as promoting a culture against acts of corruption and bribery. With this in mind, in 2024 we prepared the “PLAN FOR PREVENTING RISKS OF CORRUPTION AND RELATED INFRACTIONS,” in response to Decree-Law No. 109-E/2021, which establishes the General Regime for the Prevention of Corruption (RGPC). This Plan reflects the work that has been developed in terms of corruption prevention, as well as reinforcing Luís Simões' Compliance Management System, and is available on the websites of LS (available here), Reta (available here), and Diagonal (available here). Luís Simões thus has yet another element that our main clients demand, and which is valued in the various sustainability platforms where we are evaluated. This constitutes a firm intention to continue implementing actions in future years to reduce the potential risks identified.

- In 2024, we included the company Espaçotrans in the LS group's Compliance Management System, with the strategy being to ensure the implementation of policies and different compliance processes, the most relevant component being the legal compliance process, which culminated in the completion of a Legal Compliance Audit, which obtained a result in line with LS's legal compliance objective for 2024.

- In 2024, we reinforced the need to ensure the application of the LS Risk Management Methodology, by carrying out specialised training aimed at all members of the Board of Directors and General Directors of the LS group. At LS we have perfectly established rules that require Risk Analyses to be carried out in Medium or High Risk situations, and for which decisions must be approved by the respective Approval Body.

- In 2024, we also began implementing the Control Programme, which aims to test whether the measures implemented to mitigate risks remain adequate and in operation over time, so that we do not have a false sense of compliance. Control testing is a management tool that offers important advantages in risk management, including: checking whether internal controls are working as expected; mitigating significant risks that may affect the integrity of processes; ensuring legal compliance; ensuring that information is accurate and reliable; having more efficient processes, etc.

In 2024, it was found that the risk inherent in constant legislative changes was under control, as demonstrated by the results obtained in the various Legal Compliance Audits. In order to keep this risk under supervision, Grupo LS has been working with an external partnership that provides legislative changes alerts, with an impact on support and business areas and on the various geographical locations where they operate.

In 2024, it is also important to highlight the internal audit carried out on compliance with the contractual requirements assumed with the main Clients of the Logistics and Transport businesses, which allowed updating knowledge on the status of the process, identifying potential associated risks, as well as strengthening the controls necessary to maintain strict compliance with the contractual requirements assumed.

The management of financial risk, including credit risks, interest rate risks and treasury risks, is the responsibility of Corporate Finance Department, which implements action plans that seek to mitigate these risks.

The Compliance and Risk Management Department monitors the effectiveness of the actions implemented and additionally prepares and submits to the Board of Directors, and to the supervisory bodies applicable to each company, namely the Supervisory Board, Statutory Auditor or Single Auditor, as applicable, a half-yearly report including:

a) The state of implementation of the annual Compliance Programme, which includes all initiatives to mitigate relevant risk;

b) The result of the Internal Process Audits that seek to verify compliance of the processes and the efficacy of controls; and

c) Compliance Incidents, which include points where processes and controls failed, as well as an incident that occurred that was contrary to LS's interests.

6. GOVERNING BODIES

Board of Directors

José Luís Soares Simões	Chairperson/Managing Director
Leonel Fernando Soares Simões	Voting Member
Jorge Manuel Soares Simões	Voting Member
Fernanda Maria Oliveira Simões	Voting Member
Daniela Alexandra Lopes Simões	Voting Member
Rui Miguel Marcos Simões	Voting Member
Miguel Roquette Rocha Martins	Voting Member

Committee of the General Meeting

Clara Maria Campos Monteiro Ribeiro	Chairperson
Isabel Maria Blazquez Pereira Silva	Secretary

Single Auditor

Deloitte & Associados, SROC S.A.	Permanent
João Carlos Henriques Gomes Ferreira	Alternate

Moninhos, 31 March 2025.

Management:	Signature
José Luís Soares Simões - Chairperson	
Leonel Fernando Soares Simões - Voting Member	
Jorge Manuel Soares Simões - Voting Member	
Fernanda Maria Oliveira Simões - Voting Member	
Daniela Alexandra Lopes Simões - Voting Member	
Rui Miguel Marcos Simões - Voting Member	
Miguel Roquette Rocha Martins - Voting Member	

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS

LS-LUÍS SIMÕES, SGPS, S.A. (CONSOLIDATED)

CONSOLIDTAED BALANCE SHEETS AT 31 DECEMBER 2024 AND 2023 — Euros

ITEMS	NOTES	DATES 31/12/2024	31/12/2023
ASSETS:			
NON-CURRENT ASSETS			
Tangible fixed assets	8	91,512,456.64	92,654,412.04
Investment properties	10	1,010,323.35	1,018,383.53
Intangible assets	7	3,265,156.58	2,029,864.28
Other financial investments	18.1	1,215,064.10	1,216,959.58
Receivables	18.1	2,662,275.49	2,642,721.65
Deferred tax assets	17	3,524,358.92	3,154,818.49
		103,189,635.08	102,717,159.57
CURRENT ASSETS			
Inventory	11	1,985,424.67	1,750,723.53
Clients	18.1	62,829,445.82	59,619,179.66
State and other public entities	21.4	916,264.44	1,861,255.97
Other receivables	18.1	7,804,748.12	6,313,198.39
Deferrals	21.1	1,931,151.30	2,013,058.25
Other financial assets	18.1	400,000.00	-
Cash and bank deposits	4 and 18.1	9,533,445.74	5,828,822.57
		85,400,480.09	77,386,238.37
Total assets		188,590,115.17	180,103,397.94
EQUITY AND LIABILITIES			
EQUITY			
Subscribed capital	18.4	30,000,000.00	30,000,000.00
Legal reserve	21.2	1,487,626.62	1,207,489.66
Other reserves	21.2	4,135,025.81	4,132,131.47
Unappropriated earnings	21.2	17,845,502.41	14,603,247.49
Adjustments/other changes in equity	21.2	3,059,999.62	3,315,397.56
		56,528,154.46	53,258,266.18
Net income for the period		10,412,752.51	5,605,633.49
Non-controlling interests	21.3	403,691.99	370,884.28
Total equity		67,344,598.96	59,234,783.95
LIABILITIES:			
NON-CURRENT LIABILITIES			
Provisions	13	409,215.34	175,458.84
Financing obtained	18.2	38,261,031.72	40,116,691.33
Deferred tax liabilities	17	1,407,436.01	1,690,673.03
Other payables	18.2	10,782,145.35	11,630,989.21
		50,859,828.42	53,613,812.41
CURRENT LIABILITIES			
Suppliers	18.2	30,046,297.74	29,826,018.10
State and other public entities	21.4	7,081,885.80	6,009,695.36
Financing obtained	18.2	12,083,566.05	10,738,676.43
Other payables	18.2	20,698,691.20	20,251,311.17
Deferrals	21.1	475,247.03	429,100.53
		70,385,687.82	67,254,801.59
Total liabilities		121,245,516.24	120,868,613.99
Total equity and liabilities		188,590,115.17	180,103,397.94

The notes to the accounts are an integral part of these consolidated financial statements.

The Chartered Accountant:	Signature
Vítor José Caetano de Sousa	
Management:	
José Luís Soares Simões - Chairperson	
Leonel Fernando Soares Simões - Voting Member	
Jorge Manuel Soares Simões - Voting Member	
Fernanda Maria Oliveira Simões - Voting Member	
Daniela Alexandra Lopes Simões - Voting Member	
Rui Miguel Marcos Simões - Voting Member	
Miguel Roquette Rocha Martins - Voting Member	

CONSOLIDATED FINANCIAL STATEMENTS BY NATURE

LS-LUÍS SIMÕES, SGPS, S.A. (CONSOLIDATED)

CONSOLIDATED FINANCIAL STATEMENTS BY NATURE

PERIODS ENDED AT 31 DECEMBER 2024 AND 2023

Euros

ITEMS	NOTES	DATES 2024	DATES 2023
Sales and services rendered	12	298,742,212.27	277,152,057.03
Operating subsidies	14	229,648.02	497,154.37
Own works	21.5	794,600.21	260,304.54
Purchases of goods for resale	11	(8,107,358.68)	(9,869,610.88)
External supplies and services	21.6	(182,661,907.17)	(169,443,596.63)
Staff costs	19	(85,042,663.00)	(80,157,155.20)
Inventory impairment (losses/ reversals)	11	(7,202.64)	304,528.08
Impairment on receivables (losses/reversals)	18.1	(246,355.59)	(176,822.09)
Provisions (increases/reductions)	13	(313,163.44)	(103,070.96)
Other income	21.7	7,445,104.30	5,916,668.33
Other costs	21.8	(2,401,443.20)	(1,882,227.35)
Earnings before interest, taxes, depreciation and amortisation		28,431,471.08	22,498,229.24
Costs/reversals of depreciation and amortisation	21.9	(12,204,070.08)	(12,422,502.66)
Operating income (before interest and taxes)		16,227,401.00	10,075,726.58
Interest and similar income obtained	21.11	150,701.04	17,499.67
Interest and similar costs paid	21.10	(3,535,593.93)	(3,581,178.33)
Income before taxes		12,842,508.11	6,512,047.92
Income tax for the period	17	(2,222,278.89)	(731,745.43)
Net income for the period		10,620,229.22	5,780,302.49

Net income for the period attributable to:			
Holders of parent company capital		10,412,752.51	5,605,633.49
Non-controlling interests	21.3	207,476.71	174,669.00
Basic earnings per share	21.13	1.74	0.93

The notes to the accounts are an integral part of these consolidated financial statements.

The Chartered Accountant:	Signature
Vítor José Caetano de Sousa	
Management:	
José Luís Soares Simões - Chairperson	
Leonel Fernando Soares Simões - Voting Member	
Jorge Manuel Soares Simões - Voting Member	
Fernanda Maria Oliveira Simões - Voting Member	
Daniela Alexandra Lopes Simões - Voting Member	
Rui Miguel Marcos Simões - Voting Member	
Miguel Roquette Rocha Martins - Voting Member	

CONSOLIDATED CASH FLOW STATEMENTS

LS-LUIS SIMÕES, SGPS, S.A. (Consolidated)

CONSOLIDATED CASH FLOW STATEMENTS

PERIODS ENDED AT 31 DECEMBER 2024 AND 2023

Euros

ITEMS	NOTES	Periods 2024	Periods 2023
Cash flow from operating activities			
Accounts receivable		369,860,094.66	344,213,332.71
Payments and suppliers		(236,821,804.36)	(220,353,945.42)
Staff payments		(52,727,708.49)	(59,421,478.29)
Cash generated from operations		80,310,581.81	64,437,909.00
Payment/receipt of income tax		(1,079,805.50)	(587,535.84)
Other receipts/payments		(57,518,341.04)	(47,437,367.22)
Cash flow from operating activities (1)		21,712,435.27	16,413,005.94
Cash flow from investment activities			
Payments pertaining to:			
Tangible fixed assets		(12,132,360.10)	(14,712,097.23)
Intangible assets		(1,836,494.50)	(134,229.31)
Financial investments		-	(150,000.00)
Other assets	18.1	(400,000.00)	-
Receipts from:			
Tangible fixed assets		2,338,645.40	3,401,055.11
Financial investments		1,895.48	41,770.95
Investment subsidies	21.2	-	5,076,970.45
Interest and similar income		117,916.66	15,416.67
Cash flow from investment activities (2)		(11,910,397.06)	(6,461,113.36)
Cash flow from financing activities			
Receipts from:			
Financing obtained		2,275,000.00	9,922,000.00
Payments pertaining to:			
Financing obtained		(6,281,946.52)	(5,957,012.40)
Interest and similar costs		(3,386,449.45)	(2,970,446.25)
Dividends	21.2	(2,255,016.30)	(1,822,476.99)
Cash flow from financing activities (3)		9,648,412.27	(827,935.64)
Change in cash and cash equivalents (1)+(2)+(3)		153,625.94	9,123,956.94
Cash and cash equivalents at the start of the period	4	3,135,125.01	(5,988,831.93)
Cash and cash equivalents at the end of the period	4	3,288,750.95	3,135,125.01

The notes to the accounts are an integral part of these consolidated financial statements.

The Chartered Accountant:	**Signature**
Vítor José Caetano de Sousa	
Management:	
José Luís Soares Simões - Chairperson	
Leonel Fernando Soares Simões - Voting Member	
Jorge Manuel Soares Simões - Voting Member	
Fernanda Maria Oliveira Simões - Voting Member	
Daniela Alexandra Lopes Simões - Voting Member	
Rui Miguel Marcos Simões - Voting Member	
Miguel Roquette Rocha Martins - Voting Member	

CONSOLIDATED FINANCIAL STATEMENTS OF CHANGES IN EQUITY

LS-LUIS SIMÕES SGPS, S.A.

CONSOLIDATED FINANCIAL STATEMENT OF CHANGES IN EQUITY

FOR THE 2023 PERIOD *Euros*

	Note	Equity attributed to holders of parent company capital							Non-controlling interests	Total equity
		Subscribed capital	Legal reserve	Other reserves	Unappropriated earnings	Adjustments to financial assets	Net income for the period	Total		
Position at the start of the 2023 period		30,000,000.00	861,136.83	4,129,237.21	9,734,392.24	3,540,021.28	6,929,950.95	55,194,738.51	306,843.66	55,501,582.17
Changes during the period:										
Other recognised changes in equity:										
Distribution of Income										
Transfer to Reserves and Unappropriated earnings	21.2	-	346,352.83	2,894.26	4,868,855.25	-	(5,218,102.34)	-	-	-
Dividend distribution	21.2	-	-	-	-	-	(1,711,848.61)	(1,711,848.61)	(110,628.38)	(1,822,476.99)
Adjustments to financial assets	21.2	-	-	-	-	(224,623.72)	-	(224,623.72)	-	(224,623.72)
		30,000,000.00	1,207,489.66	4,132,131.47	14,603,247.49	3,315,397.56	-	53,258,266.18	196,215.28	53,454,481.46
Net income for the period							5,605,633.49	5,605,633.49	174,669.00	5,780,302.49
Comprehensive income							5,605,633.49	5,605,633.49	174,669.00	5,780,302.49
Position at the end of the 2023 period		30,000,000.00	1,207,489.66	4,132,131.47	14,603,247.49	3,315,397.56	5,605,633.49	58,863,899.67	370,884.28	59,234,783.95

The notes to the accounts are an integral part of these consolidated financial statements.

LS-LUIS SIMÕES SGPS, S.A.

CONSOLIDATED FINANCIAL STATEMENT OF CHANGES IN EQUITY

FOR THE 2024 PERIOD

Euros

	Note	Equity attributed to holders of parent company capital							Non-controlling interests	Total equity
		Subscribed capital	Legal reserve	Other reserves	Unappropriated earnings	Adjustments to financial assets	Net income for the period	Total		
Position at the start of the 2024 period		30,000,000.00	1,207,489.66	4,132,131.47	14,603,247.49	3,315,397.56	5,605,633.49	58,863,899.67	370,884.28	59,234,783.95
Changes during the period:										
Other recognised changes in equity:										
Distribution of Income										
Transfer to Reserves and Unappropriated earnings	21.2	-	280,136.96	2,894.31	3,242,254.92	-	3,525,286.19	-	-	-
Dividend distribution	21.2	-	-	-	-	-	2,080,347.30	2,080,347.30	(174,669.00)	(2,255,016.30)
Adjustments to financial assets	21.2	-	-	-	-	(255,397.94)	-	(255,397.94)	-	(255,397.94)
		30,000,000.00	1,487,626.62	4,135,025.78	17,845,502.41	3,059,999.62	-	56,528,154.43	196,215.28	56,724,369.71
Net income for the period							10,412,752.51	10,412,752.51	207,476.71	10,620,229.22
Comprehensive income							10,412,752.51	10,412,752.51	207,476.71	10,620,229.22
Position at the end of the 2024 period		30,000,000.00	1,487,626.62	4,135,025.78	17,845,502.41	3,059,999.62	10,412,752.51	66,940,906.94	403,691.99	67,344,598.93

The notes to the accounts are an integral part of these consolidated financial statements.

The Chartered Accountant:	**Signature**
Vítor José Caetano de Sousa	
Management:	
José Luís Soares Simões - Chairperson	
Leonel Fernando Soares Simões - Voting Member	
Jorge Manuel Soares Simões - Voting Member	
Fernanda Maria Oliveira Simões - Voting Member	
Daniela Alexandra Lopes Simões - Voting Member	
Rui Miguel Marcos Simões - Voting Member	
Miguel Roquette Rocha Martins - Voting Member	

NOTES TO THE ACCOUNTS

(Amounts expressed in euros)

1. IDENTIFICATION OF THE ENTITY

Grupo Luís Simões (‘Group’) consists of LS - Luís Simões, SGPS, S.A. and its subsidiaries (Note 6.1).

LS - Luís Simões, SGPS, S.A. (‘Company’), public limited company with head office in Moninhos, Loures, was established on 5 August 1996 and its business purpose is the management of capital holdings in other companies as an indirect form of performing economic activities.

The Company’s headquarters is located at Rua Fernando Namora in Moninhos, municipality of Loures.

The Group operates in the following business areas:

1- The road freight transport business, which accounts for some 37% of Group turnover, leads the national transport market and the road transport market on the Iberian Peninsula.

2- The logistics business, which accounts for some 57% of Group turnover, is the leader in Logistics and Distribution of consumer packaged goods in Portugal, supplying integrated transport services, warehousing, shipment preparation, inventory control and distribution, in addition to other added value services. In Spain, this business activity is also specialised in Logistics and Distribution of consumer packaged goods.

3- The other business activities that account for some 6% of overall Group sales work toward two essential goals: support the Group’s main business activities and develop independent businesses in their specific markets.

The parent company goes by the name of LS - Luís Simões, SGPS, S.A..

The Company is held by the entities described in the following table:

Shareholders	No. of shares held	% Voting Power	% Stake
Leonel Simões & Filhas, SGPS, S.A.	1,999,700	33.33%	33.33%
Varanda do Vale, SGPS, S.A.	1,999,700	33.33%	33.33%
Mira Serra, SGPS, S.A.	1,999,700	33.33%	33.33%
José Luís Simões	300	0.01%	0.01%
Leonel Fernando Simões	300	0.01%	0.01%
Jorge Manuel Simões	300	0.01%	0.01%
	6,000,000	100.00%	100.00%

These consolidated financial statements were approved by the Board of Directors at the meeting held on 31 March 2025. The Board of Directors is of the opinion that these consolidated financial statements truly and appropriately reflect the Group's operations, along with its consolidated financial position, financial performance and consolidated cash flows.

These consolidated financial statements shall be submitted for approval at the General Meeting of Shareholders

2. ACCOUNTING PRINCIPLES USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

2.1. BASIS OF PREPARATION

These consolidated financial statements were prepared in accordance with the Financial Reporting Accounting Standards (NCRF) in force at the present date.

Preparation of the consolidated financial statements in accordance with the Accounting Standards System (SNC) requires use of estimates, presuppositions and judgements critical to the process of determining the accounting policies that are to be adopted by the Group, with a significant impact on the book value of the assets and liabilities, as well as on the income and costs for the period under review.

Although these estimates are based on the best experience of the Board of Directors and on their best expectations in relation to current and future events and actions, current and future results may differ from these estimates. Areas that involve a greater degree of judgement or complexity, or areas in which presuppositions and estimates are significant to the consolidated financial statements are stated in Note 3.22.

Management proceeded to assess the Group's capacity to operate on a going concern basis, on the basis of all the relevant information, facts and circumstances of a financial, commercial or other nature, including events that occurred after the date of the financial statements, available regarding the future. As a result of the assessment undertaken, Management concluded that the Group possesses adequate resources to maintain its business activities, there being no intention to cease such business activities in the short term, considering therefore the going concern principle to be appropriate to the preparation of the consolidated financial statements.

3. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of the attached consolidated financial statements are those described below. These policies were consistently applied to all the financial years presented, barring indication to the contrary.

3.1. BASIS OF CONSOLIDATION

The Group's corporate universe consists of the subsidiaries described in Note 6.

In compliance with Article 6 of Decree-Law no. 158/2009 of 15 July, republished via Decree-Law 98/2015 of 2 June, which approved the SNC, the Company has presented the consolidated accounts of the Group that consists of the Company and all the subsidiaries in which:

- Regardless of the ownership of capital, it is the case that, as an alternative:

- It may exercise, or effectively exercises, dominant influence or control; and

- It undertakes management as if the two consisted of a single entity.

- If it owns the capital:

- It has a majority of the voting rights, except if it is demonstrated that those rights do not grant control;

- It has the right to appoint or dismiss most of the members of the management body of an entity with powers to manage the financial and operating policies of that entity;

- It exercises a dominant influence over an entity by virtue of a contract signed with it or by virtue of another clause of the memorandum of association of that entity;

- It holds at least 20% of voting rights and a majority of the members of the management body of an entity with the power to manage the financial and operating policies of that entity, which have been in power during the financial year that pertains to the consolidated financial statements, as well as during the previous financial year and up until the time when the consolidated financial statements are drafted, and which have been exclusively appointed as a consequence of it exercising its voting rights; and

- It holds, on its own or via an agreement with other shareholders of that entity, a majority of voting rights of the shareholders of that entity.

The existence and effect of potential voting rights that can currently be exercised or converted are considered when an assessment is made to determine whether or not there is control.

The subsidiaries are consolidated using the comprehensive method, from the date when control is transferred to the Group, and shall be excluded from the consolidation from the date when control ceases.

The purchase method is used to record the acquisition of subsidiaries. The cost of an acquisition is valued at the fair value of the assets that are delivered, capital instruments that are issued and the liabilities that are incurred or accepted at the acquisition date, accrued by costs that are directly attributable to the acquisition.

Excess of acquisition cost in relation to the fair value of the share of the Group in the Assets and Liabilities that are acquired is recognised as goodwill.

If the acquisition cost is less than the fair value of the net assets of the acquired subsidiary, the difference is stated directly in the consolidated income statement for the year when it is recognised.

During the process of consolidation, transactions, balances and unrealised gains in intragroup transactions and dividends distributed between group companies are eliminated. Unrealised losses are also eliminated, except when the transaction reveals evidence of impairment in the assets that have been transferred but not yet disposed of.

Accounting policies used by Subsidiaries to prepare their individual financial statements have been changed, whenever necessary, in order to ensure consistency with the policies adopted by the Group.

The temporary differences that ensued from elimination of the results of intragroup transactions were subject to NCRF 25 – Income Tax.

Equity and Net Income of Subsidiaries that are held by third parties from outside the Group are stated under Non-controlling interests on the Consolidated Balance Sheet (independently as part of Equity) and in the Consolidated Income Statement, respectively.

3.2. FOREIGN EXCHANGE

Group financial statements and the respective notes to the accounts are stated in euros, which is the currency used by the Group, barring explicit indication to the contrary.

3.3. TANGIBLE FIXED ASSETS

Tangible fixed assets are valued at cost or at deemed cost (for assets acquired before the date of transition to NCRF), deducted by accumulated depreciation and any impairment losses that may exist.

Acquisition cost includes the price of the purchase of the asset, expenses that are directly attributable to its acquisition and the charges paid as a result of preparation of the asset so that it can be ready for use.

Costs related to substitutions and major repairs are capitalised whenever the useful life of the fixed asset in question increases and they are depreciated during the remainder of the useful life of that fixed asset or during its own useful life, if the latter is the lesser of the two.

Maintenance and repair costs (subsequent expenses) that do not generate future economic benefits are recorded as costs during the period in which they are incurred.

Costs pertaining to dismantling or removing assets installed in third party properties shall be considered as part of the initial cost of the respective assets when they translate into significant amounts.

Depreciation rates as a percentage, resulting from the establishment of estimated useful lives for tangible fixed assets are as follows:

Asset	2024	2023
	(%)	(%)
Buildings and other constructions	2.00 - 33.33	2.00 - 33.33
Basic equipment	5.00 - 33.33	5.00 - 33.33
Transport equipment	10.00 - 33.00	10.00 - 33.00
Office equipment	8.33 - 33.33	8.33 - 33.33
Other tangible fixed assets	10.00 - 33.00	10.00 - 33.00

Depreciation is calculated on a duodecimal basis once the asset is in a condition to be used, in accordance with the estimated useful life period for each group of assets.

Depreciation cost is recognised in the income statement under Costs/reversals of depreciation and amortisation.

Whenever there are indications of a loss in the value of tangible fixed assets, impairment tests are conducted in order to estimate the recoverable value of the asset, and when necessary, record an impairment loss. The recoverable value is determined as the higher one between the net sale price and the value in use of the asset, the latter being calculated on the basis of the current value of estimated future cash flows, ensuing from continued use and disposal of the asset at the end of its useful life.

Useful lives of assets are reviewed during each financial reporting period, so that the depreciation applied complies with the expected consumption patterns for the assets. Changes in useful lives are treated as a change in an accounting estimate and are applied prospectively, thus affecting the results for the period.

Gains (or losses) resulting from disposing of or writing off a tangible fixed asset are recorded as the difference between the amount received from the transaction and the book value of the asset, and the gain (or loss) is recognised under income or loss for the period during which the disposal took place.

Tangible fixed assets under construction pertain to assets that are still in the construction or development phase and are valued at acquisition cost, and are only depreciated when available for use.

3.4. LEASING

Financial leasing is capitalised at the start of the lease at the lesser value between the fair value of the leased asset and the current value of the minimum payments of the lease, each one determined at the start date of the lease. The debt resulting from a financial leasing contract is recorded net of financial charges under Financing obtained. Financial charges included in the lease payment and the depreciation of the leased assets are recognised in the financial statements during the period that they pertain to, under Interest and similar costs

Tangible fixed assets acquired through financial leasing are depreciated at the lower value between the period of useful life of the asset and the lease period (when the Group does not have a purchase option at the end of the Contract) or for the estimated period of useful life when the Group intends to acquire the assets at the end of the contract.

In leases that are considered operating leases the payments are recognised as cost in the income statement on a straight line basis during the lease period.

3.5. INVESTMENT PROPERTIES

Investment properties are real estate properties (land, buildings or parts of buildings) held with the aim of increasing their capital value, obtaining rental income or both. Investment properties have been valued at cost or at deemed cost (corresponding to fair value at the date of transition to the SNC), deducted by accumulated depreciation and impairment losses.

Determination of the useful lives of investment properties, along with the applicable depreciation method is essential to determining the value of the depreciation recognised in the income statement of each year.

These two parameters are defined according to the best judgement of Management with respect to the assets in question, always taking into account, whenever possible, the practices adopted by sector companies.

The fair value of investment properties is calculated in accordance with the nature of each asset. When determining fair value, the greater value between the sale value and the value in use of the asset was considered, corresponding to the best estimate of the Board of Directors for said assets.

The fair value of other land and financial years are determined on the basis of valuations conducted by external valuers, taking into account the conditions of their use or better use.

3.6. INTANGIBLE ASSETS

Initial recognition

The cost of tangible assets acquired separately generally reflects the expected future economic benefits and includes:

- The purchase price, including costs pertaining to intellectual property rights and taxes on non-reimbursable purchases, after deducting commercial discounts and write-offs; and
- Any cost that is directly attributable to preparing the asset for its intended use.

The Group values its tangible assets, after initial recognition, on the basis of the cost model, as stipulated in NCRF 6 - Intangible Assets, which stipulates that an intangible asset must be recorded at cost value, deducted by accumulated amortisation and any accumulated impairment losses.

The Group determines the useful life and method for amortising intangible assets on the basis of estimated consumption of the future economic benefits associated with the asset.

Intangible assets are amortised on a systematic basis from the date when they are available for use, during their estimated useful life.

Amortisation cost is recognised in the income statement under Costs/reversals of depreciation and amortisation.

The useful lives and method of amortisation of the various intangible assets are revised annually.

The effect of any change in these estimates is recognised in the consolidated income statement prospectively.

Amortisation rates as a percentage, resulting from the establishment of estimated useful lives for intangible assets are as follows:

Asset	2024 (%)	2023 (%)
Computer software	16.66 - 33.33	16.66 - 33.33
Other intangible assets	10.00 - 20.00	10.00 - 20.00

3.7. IMPAIRMENT OF ASSETS

At each reporting date the book values of Group assets are revised in order to determine whether or not there is an indicator of their impairment.

Whenever the book value of the asset or the unit that generates cash is greater than its recoverable value an impairment loss is recorded. Impairment losses are immediately recorded in the consolidated income statement, unless such a loss offsets a revaluation surplus recorded in equity. In the latter case, such a loss shall be treated as a decrease in revaluation.

The recoverable value is the higher between the fair value of the asset deducted by sale costs and its value in use. In order to determine the existence of impairment, assets are allocated at the lowest level for which there is identifiable separate cash flow (units that generate cash).

Non-financial assets, other than goodwill. for which impairment losses have been recognised are valued at each reporting date taking into account a possible reversal of impairment losses.

Reversal of impairment losses recognised in previous years are recorded when there is evidence that the recognised impairment losses no longer exist or have been diminished. Reversal of impairment losses are recognised in the income statement. Reversal of impairment losses is undertaken up until the limit of the amount that would have been recognised (net of depreciation) if the loss had not been recorded.

When there is an impairment to record or reverse, the amortisation and depreciation of the assets are recalculated prospectively according to the recoverable value.

3.8. FINANCIAL HOLDINGS – OTHER METHODS

The Group employs the cost model when initially recognising financial holdings in entities in which it is not obliged to use the equity method and for which there are no conditions for using fair value, namely financial holdings in non-listed companies.

According to the cost model, financial holdings are initially recognised at acquisition cost, which includes transaction costs, and its value shall subsequently be reduced by impairment losses whenever they occur.

3.9. INCOME TAX

Income tax corresponds to the sum of current tax plus deferred tax. Current tax and deferred tax are recorded under income, except when they pertain to items recorded directly under equity. In such cases, current tax and deferred tax are also recorded under equity.

Current tax: payable current tax is based on taxable profit for the year for the various entities included in the consolidation perimeter. Taxable profit differs from the accounting result, given that it excludes various costs and income that can only be deductible or taxable in other years. Taxable profit also excludes costs and income that will never be deductible or taxable.

Deferred taxes: deferred taxes refer to temporary differences between the amounts of the assets and liabilities for the purpose of accounts reporting and the respective amounts for the purpose of taxation.

Deferred tax assets and liabilities are valued by applying tax rates that are expected to be in force at the date of reversal of the corresponding temporary differences, on the basis of the taxation rates (and tax legislation) that have been formally or substantially established at the reporting date.

Deferred tax assets are recognised to the extent of a likelihood of future taxable profits available in order to use the temporary difference. Deferred tax liabilities are recognised in relation to all the temporary taxable differences.

Deferred tax assets are reviewed annually and reduced whenever it is no longer likely that they may be used.

3.10. INVENTORY

Inventory is recorded at acquisition cost and the weighted average cost is the costing method that is used for outgoing inventory.

Whenever the net realisable value is less than acquisition or production cost, the inventory value shall be reduced, subject to recognition of an impairment loss, which is reversed when the reasons for creating it no longer exist.

As such, the net realisable value is the estimated sale price during the ordinary course of business activity deducted by the estimated finishing costs and the costs necessary to undertake the sale. Estimates have taken into account changes related to events that have occurred after the end of the period to the extent that such events confirm conditions that exist at the end of the period.

3.11. FINANCIAL ASSETS AND LIABILITIES

The Board of Directors determines the classification of financial assets and liabilities at the date of initial recognition in accordance with NCRF 27 – Financial instruments.

Financial assets and liabilities may be classified/valued as follows:

(a) At amortised cost deducted by any loss or impairment; or

(b) At fair value with the changes in fair value recognised in the earnings statement.

The Group classifies and values financial assets and liabilities at amortised cost:

i) that in terms of time period, are on demand or have a set maturity;

ii) whose return consists of a fixed amount, fixed interest rate or variable interest rate tied to a market index; and

iii) that do not possess any contractual clause from which may result the loss of the nominal value and accumulated interest (in the case of assets) or change in the responsibility for reimbursement of the nominal value and payable accumulated interest (in the case of liabilities).

For assets and liabilities recorded at amortised cost, the interest to be recognised for each period is determined in accordance with the effective interest rate method, which corresponds to the rate that exactly deducts future cash receipts and payments estimated during the expected life span of the financial instrument

The following are recorded at amortised cost:

i) financial assets that constitute loans granted, accounts receivable (clients, other debtors, etc.) and equity instruments, along with any associated derivatives contracts that are not negotiated on the active market or whose fair value cannot be determined in a reliable manner and

ii) financial liabilities that constitute financing obtained, accounts payable (suppliers, other debtors, etc.) and equity instruments, along with any associated derivatives contracts that are not negotiated on the active market or whose fair value cannot be determined in a reliable manner.

The Group classifies and values at fair value financial assets that do not meet the conditions to be valued at amortised cost, as described above. Financial assets that constitute equity instruments listed on the active market, derivatives contracts and financial assets held for trading. Changes in fair value are recorded as earnings for the year, except with regard to derivatives that qualify as cash flow hedges.

At each financial reporting date, the Group assesses the existence of value loss indicators for financial assets that are not valued at fair value under earnings. If there is objective evidence of impairment, the Group recognises an impairment loss in the earnings statement.

Financial assets are derecognised when the rights to receive the cash flows originated by those investments expire or are transferred, along with all risks and benefits associated with their possession. An entity shall derecognise a financial liability (or part of a financial liability) only when it is extinguished, i.e., when the obligation established in the contract is paid, cancelled or expired.

3.12. CASH AND CASH EQUIVALENTS

The amounts included in the item Cash and bank deposits correspond to the amounts of bank deposits maturing in less than three months and which can be immediately liquidated with insignificant risk of changing their value.

For the purpose of the cash flow statement, the item Cash and cash equivalents includes, in addition to Cash and bank deposits, all bank overdrafts included in the balance sheet item Financing obtained.

3.13. FINANCING OBTAINED

Financing obtained is initially recognised at fair value, net of transaction and assembly costs. Financing is subsequently stated at amortised cost and the difference between the nominal value and the initial fair value is stated in the consolidated earnings statement over the course of the loan period, using the effective interest rate method.

Financing obtained is classified under current liabilities, except if the Group possesses an unconditional right to defer payment of the liability for more than 12 months after the balance sheet date, in which case it shall be recorded under Non-current liabilities.

Costs related to interest regarding financing obtained are recorded under financing costs and losses under income for the year, except for interest pertaining to financing of investments in tangible fixed assets under construction, which are capitalised during the construction period.

3.14. GOVERNMENT SUBSIDIES

Government subsidies are only recognised when there is a degree of reasonable certainty that the Group will comply with the conditions for granting the subsidies and that the subsidies will be received.

Government subsidies associated with acquisition or production of non-current assets (Investment Subsidies) are initially recognised under equity, deducted by the corresponding deferred tax liability and are subsequently recognised on a systematic basis (in proportion to the amortisation of the underlying assets) as income for the year during the useful lives of the assets they are related to.

Other government subsidies (Operating Subsidies) are generally recognised as income in a systematic manner during the periods necessary for balancing them against the costs that they are supposed offset. Government subsidies that are supposed to offset losses that have already been incurred or that have no associated future costs are recognised as income for the period during which they become receivable.

Government aid in the form of reimbursable financing at a subsidised rate must be deducted on the date of initial recognition and the amount of the deduction shall be the amount of the subsidy that is to be amortised for the financing period.

3.15. PROVISIONS

Provisions are only recognised when the Group has a present obligation (legal or constructive) resulting from a past event, it is more likely than not that in order to liquidate that obligation resources shall be outlaid and the amount of the obligation can be reasonably estimated.

The amount that is recognised in the provisions consists of the current value of the best estimate at the date of the report of the resources necessary for liquidating the obligation. Such an estimate is determined by taking into account the risks and uncertainties associated with the obligation, as known and assessed by Management at the date of the report.

3.16. ACCRUALS BASIS OF ACCOUNTING

Costs and income are recorded during the period that they pertain to, regardless of their payment or receipt, in accordance with the accruals basis of accounting. The differences between the amounts received and paid and the corresponding revenue and costs are recognised as assets or liabilities, if they qualify as such in the Balance Sheet under Other receivables, Other payables, and Deferrals.

3.17. REVENUE

Revenue is measured at fair value of the consideration received or receivable. Revenue that is to be recognised is deducted from the estimated amount of the returns, deductions and other write-offs. Recognised revenue does not include VAT and other taxes paid in relation to the sale.

Revenue from the sale of assets is recognised when all of the following conditions have been met.

- All significant risks and advantages pertaining to the ownership of assets have been transferred to the purchaser;
- The Group does not maintain any control over sold assets;
- The amount of revenue can be reliably measured;
- It is likely that future economic benefits associated with the transaction will come to the Group;
- The costs incurred or to be incurred with the transaction can be reliably measured.

Revenue from the supply of services is recognised in relation to the finishing phase of the transaction at the date of the report, as long as all of the following conditions have been met:

- The amount of revenue can be reliably measured;
- It is likely that future economic benefits associated with the transaction will come to the Group;
- The costs incurred or to be incurred with the transaction can be reliably measured;
- The finishing phase of the transaction at the report date can be reliably measured.

3.18. FINANCIAL CHARGES FROM LOANS OBTAINED

Financial charges related to loans obtained are generally recognised as costs as they are incurred, in the Income Statement under Interest and similar costs paid, or they are capitalised under Tangible fixed assets of the Balance Sheet when they pertain to financing on investments in tangible fixed assets.

3.19. CONTINGENT ASSETS AND LIABILITIES

A contingent asset is a possible asset that is the result of past events and the existence of which shall only be confirmed through the occurrence or lack thereof of one or more future, uncertain events that are not entirely under the entity's control.

Contingent assets are not recognised in the financial statements so that there is no recognition of income that may never be realised. However, they are disclosed when it is likely that there will be a future influx.

A contingent liability is:

- A contingent liability is a possible obligation that is the result of past events and the existence of which shall only be confirmed through the occurrence or lack thereof of one or more future, uncertain events that are not entirely under the entity's control;

or

- A present obligation that ensues from past events, but has not been recognised because:
    - It is not likely that an outlay of resources will be required in order to liquidate the obligation; and
    - The amount of the obligation cannot be measured in a sufficiently reliable manner,

Contingent assets are not recognised in the financial statements so that there is no recognition of costs that may never become effective. However, they are disclosed whenever there is a non-remote likelihood of future outflows.

3.20. EQUITY

Ordinary actions are classified under equity. Costs that are directly attributable to the issuance of new shares or options are stated under equity as a deduction, net of taxes, from the issued amount.

Own shares acquired through a contract are recognised under equity in their own item. According to the Commercial Companies Code, the Company must guarantee at all times the existence of equity reserves in order to cover the value of own shares, limiting the value of reserves available for distribution.

Own shares are recorded at acquisition cost for spot purchases or at estimated fair value if the purchase is deferred.

Distribution of dividends to shareholders is recognised as a liability via a reduction in equity at the date when the decision is approved by the shareholders.

3.21. ENVIRONMENTAL MATTERS

Provisions for environmental matters are recognised whenever the Group has a legal or constructive obligation stemming from past events, in relation to which it is likely that an outlay of resources will become necessary to liquidate the obligation and a reliable estimate can be made regarding the amount of that obligation.

The Group incurs environmental expenses that, depending on their characteristics, are capitalised or recognised as a cost under Operating income for the period.

As such, expenses related to equipment and operating techniques that ensure compliance with applicable legislation and regulations, along with a reduction in the environmental impact down to levels that do not exceed the levels corresponding to a viable application of the best available technologies that include those pertaining to minimising energy consumption, atmospheric emissions, and waste and noise production, are capitalised when they are used to serve the activity of the Group and relate to future economic benefits, thus helping to prolong useful life, increase capacity or improve the safety or efficiency of other assets held by the Group.

3.22. MAIN ESTIMATES AND JUDGEMENTS PRSESENTED

Estimates and judgements that impact the consolidated financial statements of Grupo Luís Simões are continuously assessed, representing at the date of each report, Management's best estimate, taking into account historical performance, accumulated experience and expectations regarding future events, which under the circumstances in question, are believed to be reasonable.

The intrinsic nature of the estimates may result in the reality of the situations that were subject to an estimate, for financial reporting purposes, differing from the estimated amounts. The estimates and judgements that pose a significant risk of leading to a material adjustment in the book value of assets and liabilities over the course of the following year are as follows:

3.22.1. TANGIBLE AND INTANGIBLE FIXED ASSETS AND INVESTMENT PROPERTIES

Determination of the useful lives of assets, along with the applicable depreciation/amortisation method is essential to determining the value of the depreciation/amortisation recognised in the consolidated income statement of each year.

These two parameters are defined according to the best judgement of Management with respect to the assets in question, always taking into account, whenever possible, the practices adopted by sector companies.

3.22.2. IMPAIRMENT LOSSES FROM CLIENTS AND DEBTORS

Determination of an eventual impairment loss can be triggered by the occurrence of various events, many of which are outside the Group's sphere of influence, such as: future availability of financing, the cost of capital or any other changes, internal or external to the Company.

Identification of the impairment indicators, estimated future cash flow and determination of the fair value of assets entail a high degree of judgement on the part of the Board of Directors as regards identification and assessment of the various impairment indicators, expected cash flows, applicable discount rates, useful lives and residual values.

In particular, periodic analyses of receivable balances may result in the need to record impairment losses, these being determined on the basis of available information and estimates made by the Group with respect to cash flows that are expected to be received.

3.22.3. PROVISIONS

The Group periodically analyses all obligations that result from past events and that should be recognised or disclosed.

Inherent subjectivity in determining the probability and amount of resources necessary for payment of obligations may lead to adjustments in the recorded values, namely with respect to the processes underway and the contingencies.

3.22.4. RECOVERY OF DEFERRED TAXES

Deferred tax assets are only recognised when it is highly likely that there will be future taxable profits available in order to use the temporary differences or when there are deferred tax liabilities that are expected to be reversed during the same period in which the deferred tax assets are reversed. Assessment of deferred tax assets is undertaken by Management at the end of each year, taking into account expected future performance.

3.23. SUBSEQUENT EVENTS

Events that took place after the balance sheet date that provide additional information regarding conditions that exist at the balance sheet date (adjusting events) are reflected in the financial statements. Events that took place after the balance sheet date that provide information regarding conditions that are in place after the balance sheet date (non-adjusting events) are disclosed in the financial statements if they are considered to be materially significant.

3.24. MANAGEMENT OF FINANCIAL RISKS

The Company is essentially exposed to the following financial risks:

(a) Interest rate risk

The Company is exposed to interest rate risk essentially related to interest paid on financing obtained from the shareholder and from financial institutions, which are exposed to changes in market interest rates.

(b) Liquidity risk

Liquidity risk may occur if the financing sources, such as operating cash flow and cash flow from financing operations, do not meet financing needs such as debt repayment.

(c) Credit risk

The Company is exposed to credit risk that is essentially related to accounts receivable resulting from operations. This risk is monitored on a regular basis with the aim of:

- limiting the credit extended to clients on the basis of their profiles and seniority of accounts receivable;
- monitor the changes in the amount of credit extended;
- analyse the recoverability of accounts receivable on a regular basis.

Impairment losses on accounts receivable are calculated taking into account:

- an analysis of the seniority of accounts receivable;
- the client’s risk profile;
- the client’s financial condition.

4. CASH AND CASH EQUIVALENTS

At 31 December 2024 and 2023 Cash and cash equivalents breaks down as follows:

	2024	2023
Cash	1,670.00	1,670.00
Demand Deposits	3,331,775.74	827,152.57
Term Deposits	6,200,000.00	5,000,000.00
Total cash and bank deposits	9,533,445.74	5,828,822.57
Bank Overdrafts (Note 18.2)	6,244,694.79	(2,693,697.56)
Total cash and cash equivalents	3,288,750.95	3,135,125.01

The total balance of Demand deposits represents cash and cash equivalents given that there are no deposits with movement restrictions.

During 2024 and 2023 no significant transactions were identified that failed to generate cash flow.

5. ACCOUNTING POLICIES, CHANGES IN ACOUNTING ESTIMATES AND ERRORS

During the year ended 31 December 2024, the Group did not identify any materially significant errors, nor did it change accounting policies or make any significant changes to estimates in comparison to those considered in the preparation of the consolidated financial information as at 31 December 2023.

6. RELATED PARTIES

For the purpose of these financial statements, all subsidiaries of LS - Luís Simões, SGPS, S.A. are considered related parties and key elements in their management.

6.1. GROUP ENTITIES

Group Companies included in the consolidation at 31 December 2024 and 2023 are as follows:

Subsidiaries	Head Office	Activity	% Stake 2024	% Stake 2023	Effective control 2024	Effective control 2023	Special Regime for Taxation of Corporate Groupings (*)
LS - Luís Simões, SGPS, S.A. (Holding Company)	Moninhos - Loures	Holding company	Parent Company	Parent Company	n/a	n/a	Yes
Luís Simões Logística Integrada, S.A. (Portugal)	Moninhos - Loures	Logistics and transport	100%	100%	100%	100%	Yes
Luís Simões Logística Integrada, S.A. (Spain)	Madrid - Spain	Logistics and transport	100%	100%	100%	100%	No
LS Frota, Lda.	Carregado - Alenquer	Transport	100%	100%	100%	100%	Yes
Reta - Serviços Técnicos e Rent-a-Cargo, S.A.	Moninhos - Loures	Rental, sale and maintenance of vehicles	100%	100%	100%	100%	Yes
Diagonal - Corretores de Seguros, S.A.	Moninhos - Loures	Insurance brokerage	100%	100%	100%	100%	Yes
LS - Gestão Empresarial e Imobiliária, S.A.	Moninhos - Loures	Group support services	100%	100%	100%	100%	Yes
Patrimundus - Investimentos Imobiliários, S.A.	Carregado - Alenquer	Real Estate	100%	100%	100%	100%	Yes
Solmoninhos - Consultoria, Gestão e Execução Imobiliária, S.A.	Moninhos - Loures	Real Estate	100%	100%	100%	100%	Yes
Espaçotrans - Gestão Entrepostos Aduaneiros, Lda.	Quebradas de Cima - Póvoa Santa Iria	Management of customs warehouses	70.00%	70.00%	70%	70%	No

(*) RETGS - Special Regime for Taxation of Corporate Groupings

No subsidiaries have been excluded as part of the full consolidation process.

6.2. REMUNERATION OF KEY MANAGEMENT STAFF

Over the course of the years ended 31 December 2024 and 2023 the following remunerations were paid to key management staff:

Remuneration	2024	2023
Short term benefits of employees	1,092,646.19	930,134.74
	1,092,646.19	930,134.74

The Board of Directors of the Group was considered to be the only key management staff member, in accordance with NCRF 5.

6.3. TRANSACTIONS WITH RELATED PARTIES

a) Nature of the relationship with related parties

	Nature of the relationship (provided)	Nature of the relationship (received)
Other related parties:		
Leonel Simões & Filhas, SGPS, S.A.	Loans	Dividends
Varanda do Vale, SGPS, S.A.	Loans	Dividends
Mira Serra, SGPS, S.A.	Loans	Dividends
Other shareholders	Loans	Dividends

b) Number of pending transactions and balances with related parties

	Year 2024			Year 2023		
	Loans obtained (Note 18.2)	Interest paid (Note 21.10)	Other payables (Note 18.2)	Loans obtained (Note 18.2)	Interest paid (Note 21.10)	Other payables (Note 18.2)
Shareholders:						
Leonel Simões & Filhas, SGPS, S.A.	1,700,800.00	82,719.73	82,719.73	1,460,800.00	68,418.40	68,418.40
Varanda do Vale, SGPS, S.A.	2,007,800.00	94,138.69	94,138.69	1,597,800.00	75,840.60	75,840.60
Mira Serra, SGPS, S.A.	2,003,800.00	74,046.89	74,046.89	903,800.00	43,841.17	43,841.17
Individual shareholders	13,606,327.04	869,420.79	-	13,081,327.04	838,053.89	-
Total	19,318,727.04	1,120,326.10	250,905.31	17,043,727.04	1,026,154.06	188,100.17

7. INTANGIBLE ASSETS

During the years ended 31 December 2024 and 2023 the changes in the book value of intangible assets, along with their respective accumulated amortisation and impairment losses, was as follows:

	Computer software	Other intangible assets	Intangible assets under construction	Total
Amounts at 01.01.2023				
Gross book values	10,167,362.89	690,476.12	247,996.37	11,105,835.38
Accumulated amortisation and impairment losses	(8,634,447.57)	(667,460.50)	-	(9,301,908.07)
Net book values	1,532,915.32	23,015.62	247,996.37	1,803,927.31
Additions	298,437.60	-	748,508.20	1,046,945.80
Transfers	181,206.04	-	(183,355.73)	(2,149.69)
Amortisation for the year (Note 21.9)	(795,843.52)	(23,015.62)	-	(818,859.14)
Amounts at 31.12.2023				
Gross book values	10,647,006.53	690,476.12	813,148.84	12,150,631.49
Accumulated amortisation and impairment losses	(9,430,291.09)	(690,476.12)	-	(10,120,767.21)
Net book values	1,216,715.44	-	813,148.84	2,029,864.28
Additions	10,810.75	-	1,878,401.07	1,889,211.82
Divestment, losses and write-offs				
Gross book values	(3,945,049.01)	(690,476.12)	-	(4,635,525.13)
Accumulated amortisation and impairment losses	3,945,041.46	690,476.12	-	4,635,517.58
Amortisation for the year (Note 21.9)	(653,911.97)	-	-	(653,911.97)
Amounts at 31.12.2024				
Gross book values	6,712,768.27	0.00	2,691,549.91	9,404,318.18
Accumulated amortisation and impairment losses	(6,139,161.60)	-	-	(6,139,161.60)
Net book values	573,606.67	0.00	2,691,549.91	3,265,156.58

In the year ending 31 December 2023, the Group began a project to implement two new software packages to support warehouse and distribution management. This project was called the GOLD project (abbreviation for Optimised Logistics and Distribution Management, in Portuguese) and aims to provide the Group with modernised management tools with a view to simplifying processes, improving efficiency and creating value in the supply chain. The main additions that occurred in 2024 and 2023 concern developments for the aforementioned project.

The item Other intangible assets also includes an insurance portfolio that was acquired in 2013. This intangible asset was being amortised over a period of 10 years, corresponding to the economic life estimated by the Board of Directors, and was fully amortised in the year ended 31 December 2023. During the year ended 31 December 2024, this asset was derecognised, as it had already been fully amortised.

Computer software programmes are not owned by the Group as it is limited to having the respective rights of use pursuant to the contract signed with the supplier.

No intangible assets have been pledged as liability guarantees.

There are no future commitments for acquiring intangible assets.

8. TANGIBLE FIXED ASSETS

During the years ended 31 December 2024 and 2023 the changes in the book value of tangible fixed assets, along with their respective accumulated depreciation and impairment losses, was as follows:

	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Tangible fixed assets under construction	Totals
Amounts at 01.01.2023								
Gross book values	12,239,216.51	51,345,544.40	89,690,243.72	267,037.29	12,679,533.19	3,501,407.39	3,189,826.35	172,912,808.85
Accumulated depreciation and impairment losses	-	(35,930,771.74)	(37,704,376.08)	(140,092.90)	(11,411,061.53)	(3,034,206.84)	-	(88,220,509.08)
Net book values	12,239,216.51	15,414,772.66	51,985,867.64	126,944.39	1,268,471.66	467,200.56	3,189,826.35	84,692,299.77
Additions	-	103,166.17	12,252,160.05	1,182.00	554,192.90	337,790.48	1,610,924.16	14,859,415.76
Transfers	-	-	1,281,883.66	-	90,732.57	48,480.81	(1,418,947.02)	2,150.02
Other changes								
Gross book values	-	-	7,657,648.00	-	-	-	-	7,657,648.00
Accumulated depreciation and impairment losses	-	-	(1,660,860.00)	-	-	-	-	(1,660,860.00)
Divestment, losses and write-offs								
Gross book values	-	(59,203.21)	(3,657,164.64)	-	(16,197.50)	(69,000.00)	-	(3,801,565.35)
Accumulated depreciation and impairment losses	-	1,391.20	2,622,110.38	-	16,009.94	69,000.00	-	2,708,511.52
Depreciation for the year (Note 21.9)	-	(1,881,446.56)	(9,178,511.37)	(20,391.12)	(499,079.57)	(223,759.06)	-	(11,803,187.68)
Amounts at 31.12.2023								
Gross book values	12,239,216.51	51,389,507.36	107,224,770.79	268,219.29	13,308,261.16	3,818,678.68	3,381,803.49	191,630,457.28
Accumulated depreciation and impairment losses	-	(37,810,827.10)	(45,921,637.07)	(160,484.02)	(11,894,131.16)	(3,188,965.90)	-	(98,976,045.24)
Net book values	12,239,216.51	13,578,680.26	61,303,133.72	107,735.27	1,414,130.00	629,712.79	3,381,803.49	92,654,412.04
Additions	-	95,538.89	8,693,798.14	2,590.00	504,115.71	253,365.07	990,254.26	10,539,662.07
Transfers	-	3,697.80	693,540.92	-	60,940.95	71,779.96	(829,959.63)	-
Other changes								-
Gross book values	-	-	1,415,731.30	-	-	-	(2,000.00)	1,413,731.30
Divestment, losses and write-offs								1,415,731.30
Gross book values	-	(829,523.65)	(7,912,103.65)	-	(6,960,704.40)	(1,291,830.48)	-	(16,994,162.18)
Accumulated depreciation and impairment losses	-	829,523.65	6,511,559.58	-	6,958,751.95	1,266,788.43	-	15,566,623.61
Depreciation for the year (Note 21.9)	-	(1,838,252.12)	(8,953,186.90)	(19,360.18)	(558,870.57)	(172,428.16)	-	(11,542,097.93)
Other adjustments	-	-	-	-	-	-	(125,742.27)	(125,742.27)
Amounts at 31.12.2024								-
Gross book values	12,239,216.51	50,659,220.40	110,115,737.50	270,809.29	6,912,613.42	2,851,993.23	3,414,355.85	186,463,946.20
Accumulated depreciation and impairment losses	-	(38,819,555.57)	(48,363,264.39)	(179,844.20)	(5,494,249.78)	(2,094,605.63)	-	(94,951,519.56)
Net book values	12,239,216.51	11,839,664.83	61,752,473.11	90,965.09	1,418,363.64	757,387.61	3,414,355.85	91,512,426.64

The main additions that occurred in 2024 and 2023 pertain to acquiring IT equipment, shelves, vehicles and various types of equipment for the logistics centres in Guadalajara and Centralidad.

The main transfers in 2024 and 2023 involve vehicles and equipment for the Guadalajara logistics centre.

The divestments that took place in 2024 and 2023 essentially pertain to the sale of vehicles.

As at 31 December 2024, the properties in Carregado and Gaia 2 remain pledged as collateral to third parties. No other tangible fixed assets have been pledged as liability guarantees, nor have any land or buildings belonging to the Group been mortgaged during the years ended 31 December 2024 and 2023.

The amount of expenses recognised under tangible fixed assets under construction breaks down as follows:

	31-12-2024	31-12-2023
Azambuja Terminal	1,458,054.01	1,575,221.27
Works on facilities	64,936.49	62,559.64
Photovoltaic Panels	744,521.20	740,711.21
Electric chargers	-	47,377.17
Others	410,431.97	464,094.41
Vehicles undergoing Preparation	736,412.18	491,839.78
	3,414,355.85	3,381,803.48

The tangible fixed asset pertaining to the Azambuja Terminal refers to two plots of land, which shall be used by the Group in the near future as part of its business activity.

Over the course of 2021 the building was appraised and its value is higher than its book value. The appraisal is based on licensing projects that are awaiting final approval from Azambuja City Council and which is expected to be obtained in the near future in accordance with the commitments established between City Council and the Company. These licenses pertain to the development of a logistics project that will be developed by the Company in the future. The Board of Directors believes that in 2023 there were no changes in the real estate market that impacted market value and as such, at the present date there are no indications of impairment with regard to the building.

Over the course of 2020 the Block Plan for the Azambuja Urban Front (PPFUA) was published in the Government Gazette.

It was ascertained during the year ended 31 December 2024 that some sub-projects that were under construction with a value of 125,742.27 euros would not be executed and, as such, they were recognised as costs for the year.

9. LEASING

Operating leases

Non-cancellable future minimum payments pertaining to operating leases at 31 December 2024 and 2023 break down as follows:

On behalf of the Lessor:

2024

	Income for the year	Minimum future payments		
		Up to 1 year	1 year and 5 years	Over 5 years
Vehicle leasing	6,595,138.24	4,502,552.16	879,411.08	-
	6,595,138.24	4,502,552.16	879,411.08	-

2023

	Income for the year	Minimum future payments		
		Up to 1 year	1 year and 5 years	Over 5 years
Vehicle leasing	5,434,311.00	3,245,989.84	3,062,092.74	-
	5,434,311.00	3,245,989.84	3,062,092.74	-

On behalf of the Lessee:

	31-12-2024			
	Cost for the year	Minimum future payments		
		Up to 1 year	1 year to 5 years	Over 5 years
Real estate leasing	16,203,585.05	16,195,967.91	44,960,847.35	25,029,039.73
Lightweight vehicle leasing	1,627,511.73	953,700.01	2,266,580.98	-
Heavy vehicle leasing	2,711,927.95	2,303,290.45	4,258,988.02	161,849.97
Forklift leasing	3,327,658.28	1,462,356.31	1,108,684.00	48,111.00
	23,870,683.01	20,915,314.68	52,595,100.35	25,239,000.70

	31-12-2023			
	Cost for the year	Minimum future payments		
		Up to 1 year	1 year to 5 years	Over 5 years
Real estate leasing	15,544,245.73	16,253,496.79	47,979,295.41	32,398,142.94
Lightweight vehicle leasing	765,185.55	901,327.40	2,675,818.45	7,566.84
Heavy vehicle leasing	3,660,292.47	2,231,466.05	1,251,571.05	-
Forklift leasing	3,101,068.69	3,375,586.08	552,226.34	-
	23,070,792.44	22,761,876.32	52,458,911.25	32,405,709.78

Financial leasing

The future non-cancellable minimum payments for financial leases, as at 31 December 2024 and 2023, break down as follows:

	31-12-2024		
	Minimum lease payments		
	Up to 1 year	1 year to 5 years	Over 5 years
Heavy vehicle leasing	1,240,939.68	3,238,352.32	-
	1,240,939.68	3,238,352.32	-

	31-12-2023		
	Minimum lease payments		
	Up to 1 year	1 year to 5 years	Over 5 years
Heavy vehicle leasing	961,480.57	4,492,962.12	-
	961,480.57	4,492,962.12	-

As at 31 December 2024 and 2023, the Group was a party to contracts relating to the operational leasing of semi-trailers, which provide for the Group's obligation to purchase said equipment at the end of the contracts.

10. INVESTMENT PROPERTIES

Investment properties consist of land and buildings that are not used in the Group's business activity and break down as follows:

	31-12-2024	31-12-2023
At 1 January		
Gross value	1,238,340.30	1,238,340.30
Accumulated depreciation and impairment losses	(219,956.76)	(419,500.92)
Accumulated depreciation	(164,537.45)	(154,460.89)
Accumulated impairment losses	(55,419.31)	(265,040.03)
Net value	1,018,383.53	818,839.37
Depreciation for the year (Note 21.9)	(10,076.56)	(10,076.56)
Reversal of impairment losses	2,016.38	209,620.72
At 31 December		
Gross value	1,238,340.30	1,238,340.30
Accumulated depreciation and impairment losses	(228,016.94)	(219,956.76)
Accumulated depreciation	(174,614.01)	(164,537.45)
Accumulated impairment losses	(53,402.93)	(55,419.31)
Net value	1,010,323.35	1,018,383.53

The purpose of investment properties is to cede their operation to external entities.

The fair value of assets at the balance sheet date is greater than the amounts stated in the Group financial statements at the date of the financial statements.

During the years ended 31 December 2024 and 2023, changes in accumulated impairment losses break down as follows:

	2024	2023
Initial balance	55,419.31	265,040.03
Increases		
Reversals	(2,016.38)	(209,620.72)
Final balance	53,402.93	55,419.31

During 2023, the Group proceeded to appraise the investment properties, having accordingly updated the recorded accumulated impairment losses.

At 31 December 2024 there were no investment properties stated as guarantees to third parties.

At 31 December 2024 there were no significant contractual obligations for purchase, construction or development of investment properties.

The Group recognised the amount of 24,792.39 euros (31,924.03 euros in 2023) pertaining to rent from Investment Properties (Note 21.7) in the Consolidated Income Statement by Nature under Other income.

11. INVENTORY

At 31 December 2024 and 2023, Group inventory broke down as follows:

	2024	2023
Goods		
Gross amount	1,853,351.98	1,574,222.36
Impairment losses	(206,727.13)	(199,524.49)
	1,646,624.85	1,374,697.87
Raw materials, subsidiary and for consumption		
Gross amount	365,446.31	402,672.15
Impairment losses	(26,646.49)	(26,646.49)
	338 799,82	376,025.66
	1,985,424.67	1,750,723.53

The inventory indicated in the above table corresponds to land, parts acquired for repair and maintenance of vehicles, semi-trailers for sale and fuel for use in own vehicles and assignment to subcontractors.

During the years ended 31 December 2024 and 2023 the inventory amounts recognised as costs were as follows:

	Goods	Raw Materials, Subsidiary and for consumption	Total
Inventories at 1 January 2023	1,539,819.49	488,599.55	2,028,419.04
Purchases	4,974,117.53	5,604,079.09	10,578,196.62
Inventory adjustments	-	(560,585.78)	(560,585.78)
Inventories at 31 December 2023	1,773,746.85	402,672.15	2,176,419.00
Purchases of goods for resale	4,740,190.17	5,129,420.71	9,869,610.88
Inventories at 1 January 2024	1,773,746.85	402,672.15	2,176,419.00
Purchases	4,932,138.88	3,810,888.71	8,743,027.59
Inventory adjustments	-	(386,562.49)	(386,562.49)
Inventories at 31 December 2024	2,060,079.11	365,446.31	2,425,525.42
Purchases of goods for resale	4,645,806.62	3,461,552.06	8,107,358.68

The aforementioned amounts pertaining to Purchases of goods for resale include 1,577,349.37 euros (2,207,595.06 euros in 2023) relative to the cost of purchased and subcontracted fuel.

The item “Inventory adjustments” includes, respectively at 31 December 2024 and 2023, the amounts of 359,652.17 euros and 514,552.07 euros pertaining to the refund for professional diesel.

During the years ended 31 December 2024 and 2023 the amounts recognised as impairment losses were as follows:

	2024			2023		
	Goods	RM, subsid. consumption	Total	Goods	RM, subsid. consumption	Total
Initial balance	486,574.36	59,967.95	546,542.31	470,731.11	59,967.95	530,699.06
Increase	49,586.54	-	49,586.54	29,484.86	13,378.54	42,863.40
Reversal	(42,383.90)	-	(42,383.90)	(300,691.48)	(46,700.00)	(347,391.48)
Final balance	493,777.00	59,967.95	553,744.95	199,524.49	26,646.49	226,170.98

During the financial years ended on 31 December 2024 and 2023, impairment losses of 42,383.90 euros and 347,391.48 euros were reversed and net losses of 49,586.54 euros and 47,740.57 euros were recorded, respectively, as part of a critical analysis of the obsolescence and turnover of goods, as well as resulting from real estate valuations of land classified as inventories completed in February 2024.

12. REVENUE

Revenue recognised by the Group in 2024 and 2023 breaks down as follows:

	2024	2023
Sale of goods		
Goods	5,815,929.57	6,091,454.62
Deductions and write-offs	(6,823.39)	(21,166.04)
	5,809,106.18	6,070,288.58
Supply of services		
Services	292,952,226.44	271,107,713.11
Deductions and write-offs	(19,120.35)	(25,944.66)
	292,933,106.09	271,081,768.45
	298,742,212.27	277,152,057.03

Revenue distributed according to business and geographic markets breaks down as follows:

	2024	2023
Logistics	170,321,286.92	159,056,588.69
Transport	109,800,763.14	100,988,676.01
Fuel	1,188,100.11	1,720,390.85
Others	17,432,062.10	15,386,401.48
	298,742,212.27	277,152,057.03

	2024	2023
Domestic market (Portugal)	122,376,542.89	130,775,916.88
Foreign market	176,365,669.38	146,376,140.15
	298,742,212.27	277,152,057.03

13. PROVISIONS, CONTINGEMT LIABILITIES AND CONTINGENT ASSETS

13.1. PROVISIONS

Amounts recorded under Provisions refer to the best estimate by the Board of Directors in view of covering losses that have been estimated as likely because of legal proceedings underway.

Changes in Provisions during the years ended 31 December 2024 and 2023 are stated in the following table:

	Provisions for legal proceedings underway
At 1 January 2023	327,395.22
Uses during the year	(255,007.34)
Reversals for the year	(6,859.31)
Increases for the year	109,930.27
At 31 December 2023	175,458.84
At 1 January 2024	175,458.84
Uses during the year	(79,406.94)
Reversals for the year	(52,399.58)
Increases for the year	365,563.02
At 31 December 2024	409,215.34

During the years ended 31 December 2024 and 2023 the Group recorded costs to the value of 313,163.44 euros and 103,070.96 euros, respectively.

13.2. CONTINGENT LIABILITIES

There are two court cases currently underway against the Group in which compensation has been petitioned, for which it was not possible to estimate the amount of possible expenses to incur. The maximum contingency for these processes amounts to 1,245,412.00, which corresponds to the maximum value of the compensation requested.

On the basis of the opinion of its legal counsel, the Board of Directors believes that the risk of loss is reduced and has not recorded any provision for such purpose.

13.3. CONTINGENT ASSETS

Subsidiaries Luís Simões Logística Integrada, S.A. (Portugal) and Luís Simões Logística Integrada, S.A. (Spain) proceeded to claim *Impuesto sobre las Ventas Minoristas de Determinados Hidrocarburos* (IVMDH) from both the Autonomous Communities and the State Agency for Taxation Administration (AEAT) pertaining to fiscal years 2002 to 2012.

IVMDH violates Community law on the harmonisation of special taxes, specifically Article 3, number 2 of Council Directive 92/12/EEC of 25 February 1992 regarding the general regime, mandate, circulation and control of the products that are the object of the Special Taxes. On 27 February 2014 the Court of Justice of the European Union ruled that IVMDH runs counter to the Directive on Special Taxes, which allows companies to claim the amount from the respective public administrations.

During the 2024 and 2023 financial years, no amount was received. The amounts claimed have not been recorded in the accounts as at the closing date, namely 513,615.29 euros accrued by the respective penalty interest; they shall be recorded when the Spanish Taxation Authority confirms that the amounts will be returned.

The amount indicated in the previous paragraph has procedures that have already been concluded with administrative resolutions granted and rejected, continuing with the proceedings in accordance with material liability "*Responsibilidad Patrimonial del Estado* (Spanish)".

Subsidiaries Luís Simões Logística Integrada, S.A. (Portugal) and Luís Simões Logística Integrada, S.A. (Spain) are currently undergoing legal proceedings against the so-called "Truck Cartel" involving some 115 vehicles, and it is not possible to estimate the amount of compensation to be received.

14. SUBSIDIES AND GOVERNMENT AID

The nature and extent of the government subsidies recognised in the consolidated financial statements have been itemised in the following table:

	2024	2023
State subsidies		
Employment incentives	21,083.20	3,731.32
Road freight transport incentive Spain	-	467,255.47
FUNDAE incentive	58,564.82	25,076.21
DANA State Aid [1]	150,000.00	-
Others	-	1,091.37
	229,648.02	497,154.37

(1) State aid from the government of Spain to cover damage caused by the floods (DANA) that occurred on 30 October 2024 in the region of Valencia (Spain).

In 2024 and 2023 the Group did not directly benefit from any other forms of government aid.

15. FOREIGN EXCHANGE DIFFERENCES

Over the course of the years ended 31 December 2024 and 2023 no income or costs were recorded with respect to favourable and unfavourable foreign exchange differences.

16. EVENTS AFTER THE BALANCE SHEET DATE

No other events took place after 31 December 2024 that are materially relevant enough to require adjustment or disclosure, as described in Note 3.21.

17. INCOME TAX

In Portugal the Group is subject to Corporate Income Tax (IRC) at a rate of 21% of the tax base. Taxation is accrued by a Surtax up until a maximum of 1.5% on taxable profit, resulting in an aggregate tax rate of a maximum of 22.5%. In Spain, the Group is subject to corporate tax at the rate of 25%.

In addition, over the course of the year ended 31 December 2024, taxable profits that exceed 1,500,000 euros are subject to state surtax, pursuant to Article 87-A of the Corporate Income Tax Code, at the following rates:

-3% for taxable profits from 1,500,000 to 7,500,000 euros;

-5% for taxable profits from 7,500,000 to 35,000,000 euros;

-9% for taxable profits in excess of 35,000,000.

Pursuant to Article 88 of the Corporate Income Tax Code (CIRC), the Company is subject to autonomous taxation on a group of charges at the rates stipulated in the aforementioned article.

Some Group companies, subsidiaries in Portugal, fall within the scope of the Special Regime for Taxation of Corporate Groupings (RETGS), pursuant to Article 69. and subsequent of the CIRC, led by shareholder LS – Luís Simões, SGPS, S.A., as such, taxes that have been individually calculated are reflected in the balance of the shareholder included under the item Shareholders/Partners. The foreign subsidiary is taxed in accordance with the tax rules that are in force in the respective country of origin.

Companies that are included in the RETGS are listed in the following table:

Company	Start date
LS - Luís Simões, SGPS, S.A.	01/01/2007
Luís Simões Logística Integrada, S.A. - Portugal	01/01/2007
Reta - Serviços Técnicos e Rent-a-Cargo, S.A.	01/01/2007
Diagonal - Corretores de Seguros, S.A.	01/01/2007
LS - Gestão Empresarial e Imobiliária, S.A.	01/01/2011
LS Frota, Lda.	01/01/2016
Patrimundus - Investimentos Imobiliários, S.A.	01/01/2017
Solmoninhos - Consultoria, Gestão e Execução Imobiliária, S.A.	01/01/2019

LS – Luís Simões, SGPS, SA, as the controlling company, is responsible for calculating the group's taxable profit, through the algebraic sum of the taxable profits and tax losses determined in the income tax returns of each of the controlled companies belonging to the “RETGS”.

The amount of payable tax for the year is calculated at each of the companies that are part of the Group, in accordance with the respective taxable profit. Any gains or losses ensuing from RETGS shall be recognised by each of the companies that are part of the Tax Group.

In accordance with applicable legislation, tax returns are subject to revision and correction by the tax authorities for a period of four years (five years for social security), except when there have been tax losses or inspections, complaints or challenges are underway, in which case, depending on the circumstances, the time periods are extended or suspended. As such, the Company’s tax returns for the years 2021 to 2024 may still be subject to revision and correction. The Board of Directors believes that any corrections resulting from revisions/inspections on the part of the tax authorities regarding those tax returns will not have a limitative effect on the financial statements under review.

The deduction of “PFR” has no time limit.

Deduction of a tax loss carryover (“TLC”) in Portugal is limited to 65% of taxable profit (70% until 2022); this rule is applicable to the deductions made during the tax periods initiated on or after 1 January 2014, except in the case of tax losses calculated for the 2020 and 2021 tax periods, where the limit is extended to 10% of taxable profit. In Spain it is limited to 25% of taxable profit, starting from the established minimum of one million euros.

17.1. SEPARATE DISCLOSURE OF THE FOLLOWING MAIN COMPONENTS OF TAX COST (INCOME)

Tax cost (income) is stated in the following table:

	2024	2023
Current tax		
Corporate income tax for the year	2,736,980.23	1,123,074.56
Deferred tax		
Originating from and the object of reversal due to temporary differences	(514,701.34)	(391,329.13)
	2 222 278,89	731,745.43

For the years ended 31 December 2024 and 2023, the amount of deferred tax cost (income) related to the origin and reversal of temporary differences is shown in the following tables:

Deferred tax assets

	Base			
	31-12-2023	Increases	Reductions	31-12-2024
Impairment of assets:				
Impairment losses on inventories	303,507.46	206 727,13	(199,524.49)	310,710.10
Losses from impairment on receivables (Note 10.3)	45,704.30	214,903.14	(149,686.91)	110,920.53
Limitation on deduction of depreciation and amortisation 2013 and 2014	112,398.84	-	(112,398.84)	-
Impairment losses on Investment properties (Note 6)	55,419.31	-	(2,016.38)	53,402.93
Other adjustments:				
Tax Benefits – RCCS/ICE	1,134,505.67	436,619.05	(297,419.04)	1,273,705.68
Other temporary differences	31,000.00	258,366.44	(31,000.00)	258,366.44
Tax losses	10,789,423.25	3,552,450.61	(2,337,358.54)	12,004,515.32
	12,471,958.83	4,669,066.37	(3,129,404.20)	14,011,621.00
Consolidation adjustments	333,867.72	-	-	333,867.72
Total base	12,805,826.54	4,669,066.37	(3,129,404.20)	14,345,488.71
Tax benefits	-	52,943.43	(39,140.16)	13,803.27
Deferred tax assets	3,154,818.49	1,135,605.94	(766,065.51)	3,524,358.92

Deferred tax assets

	Base			
	31-12-2022	Increases	Reductions	31-12-2023
Impairment of assets:				
Impairment losses on inventories	136,512.85	199,524.49	(32,529,88)	303,507.46
Losses from impairment on receivables (Note 18.1)	120,063.38	149,686.91	(224,045.99)	45,704.30
Limitation on deduction of depreciation and amortisation 2013 and 2014	224,797.70	-	(112,398.86)	112,398.84
Impairment losses on Investment properties (Note 10)	265,040.03	-	(209,620.72)	55,419.31
Other adjustments:				
Tax Benefits - RCCS/ICE	-	1,134,505.67	-	1,134,505.67
Other temporary differences	56,500.00	31,000.00	(56,500.00)	31,000.00
Tax losses	10,793,255.95	1,077,860.27	(1,081,692.97)	10,789,423.25
	11,596,169.91	2,592,577.33	(1,716,788.41)	12,471,958.83
Consolidation adjustments	333,867.72	-	-	333,867.72
Total base	11,930,037.62	2,592,577.33	(1,716,788.41)	12,805,826.54
Tax benefits	28,618.62	-	(28,618.62)	-
Deferred tax assets	2,985,992.76	567,162.00	(398,336.27)	3,154,818.49

Deferred tax liabilities

	Base			
	31-12-2023	Increases	Reductions	31-12-2024
Differences between the accounting base and the tax base of tangible fixed assets:				
Revaluation of assets - deemed cost (Note 14.4)	3,046,475.32	-	(727,390.82)	2,319,084.50
	3,046,475.32	-	(727,390.82)	2,319,084.50
Differences between the accounting base and the tax base of equity:				
Subsidies granted by the public administration (Note 21.2)	4,062,644.21	-	(340,530.58)	3,722,113.63
	4,062,644.21	-	(340,530.58)	3,722,113.63
Deferred tax liabilities	1,690,673.03	-	(283,237.02)	1,407,436.01

Deferred tax liabilities

	Base			
	31-12-2022	Increases	Reductions	31-12-2023
Differences between the accounting base and the tax base of tangible fixed assets:				
Asset revaluation	4,037,135.13	-	(990,659.81)	3,046,475.32
	4,037,135.13	-	(990,659.81)	3,046,475.32
Differences between the accounting base and the tax base of equity:				
Subsidies granted by the public administration (Note 21.2)	4,362,142.49	-	(299,498.28)	4,062,644.21
	4,362,142.49	-	(299,498.28)	4,062,644.21
Deferred tax liabilities	1,988,051.00	-	(297,377.97)	1,690,673.03

Tax losses for which Deferred tax assets were recognised break down as follows:

	Value	AID	Deadline
Luís Simoes Logística Integrada, S.A. (Spain)			
Tax losses 2017	366 940,07	91 735,02	Unlimited
Tax losses 2018	5,422,483,18	1,355,620.80	Unlimited
Tax losses 2019	3,303,912.66	825,978.17	Unlimited
Tax losses 2020	672,115.81	168,028.95	Unlimited
Tax losses 2021	1,916,132.52	479,033.10	Unlimited
Tax losses 2023	322,931.08	80,732.77	Unlimited
Total	12,004,515.32	3,001,128.81	

The recoverability of tax loss carryover has no time limit. These tax losses cannot be used by the Tax Group under the RETGS, given that this company is not included in it, and the Group has prepared projections that support its expectation and recovery regarding those amounts.

In 2024 there were no changes in the tax rate and, as such, no amount was recorded related to such a fact.

In Portugal, in the 2025 financial year the nominal Corporate Income Tax rate will be 20%.

17.2. TAX COST (INCOME) TO ACOUNTING PROFIT RATIO:

The numerical reconciliation between the average effective tax rate and the applicable tax rate is indicated in the table below:

	Tax base		Tax rate	
	2024	2023	2024	2023
Income before taxes	12,842,508.11	6,512,047.92		
Nontaxable income				
Reversal of impairment losses taxed during previous years.	351,227.78	466,196.63		
Accounting gains	1,253,358.11	2,347,565.07		
Tax benefits (a)	1,236,030.25	1,332,216.93		
Other nontaxable income	258,828.54	304,877.52		
	3,099,444.67	4,450,856.15		
Non-deductible costs for tax purposes				
Unaccepted depreciation and amortisation	528,066.89	551,082.51		
Tax gains	639,293.23	1,268,925.36		
Recording of impairment losses (Note 17.1)	421,630.27	349,211.40		
Other non-deductible costs for tax purposes	618,572.05	429,065.50		
	2,207,562.45	2,598,284.76		
Tax losses for the year not compensated in the Group	-	(366,718.16)		
Use of tax losses	1,000,000.00	147,668.06		
Taxable profit	10,950,625.88	4,878,526.64		
Income tax rate	21.00%	21.00%		
Municipal Surtax Rate	1.50%	1.50%		
Calculated corporate income tax	2,299,631.44	1,024,490.59	17.91%	15.73%
Municipal surtax	152,979.17	83,170.43		
State surtax	174,696.34	63,038.68		
Autonomous taxation	91,057.49	104,743.49		
Tax benefits used (b)	(44,760.10)	(152,368.63)		
Effects of the existence of tax rates different from those that exist in Portugal	63,375.88	-		
Tax for the year	2,736,980.23	1,123,074.56	21.31%	17.25%
Deferred taxes (Note 17.1)	(514,701.34)	(391,329.13)	(4.01%)	(6.01%)
Income tax for the period	2,222,278.89	731,745.43	17.30%	11.24%

(a) The tax benefits essentially concern: i) Scaling-up of donations; ii) Scaling-up of contributions; iii) Scaling-up of professional diesel; iv) Scaling-up of Incentives for Salary Appreciation; and v) Conventional Remuneration of Share Capital/Company Capitalisation Incentive.

During the years under review, the Group used the tax incentive pertaining to Conventional Remuneration of Share Capital, replaced as of the 2023 financial year by the Company Capitalisation Incentive, provided for under Article 41-A of the Tax Benefits Statute. This benefit consisted of the deduction from taxable income of part of the capital contributions made by shareholders to the companies and, from 2023 onwards, the net increase in equity.

In the current year the Group utilised a tax benefit of 354,277.46 euros (211,891,74 euros in 2023). The total amount of this tax benefit that is expected to be used in the coming financial years is 396,760.39 euros.

(b) The tax benefits used in the year ended 31 December 2024 essentially relate to Technological Innovation (TI). In the financial year ended 31 December 2023, they relate to the benefit associated with the contribution to the Lince Capital investment fund, Lince Innovation III, (Note 18.1) intended to finance companies dedicated to R&D, within the scope of the Tax Incentive System for Business Research and Development II (SIFIDE II). This tax benefit, totalling 123,750 euros, falls under Articles 35 to 42 of the Investment Tax Code.

17.3. EXPLANATION OF CHANGES IN THE APPLICABLE TAX RATE COMPARED WITH TEH PREVIOUS ACCOUNTING PERIOD;

Between the years 2024 and 2023 there were no changes in the Corporate Income Tax rate. In Portugal, in the 2025 financial year the nominal Corporate Income Tax rate will be 20%.

18. FINANCIAL INSTRUMENTS

18.1. FINANCIAL ASSETS

Financial assets valued at amortised cost are as follows:

	31-12-2024	31-12-2023
Non-current		
Other financial investments		
Capital holdings in non-listed companies	3,795.86	3,795.86
Work Compensation Fund (FCT)	236,268.24	238,163.72
Stakes in Funds	975,000.00	975,000.00
	1,215,064.10	1,216,959.58
Receivables		
Sureties	2,662,275.49	2,642,721.65
	2,662,275.49	2,642,721.65
Current		
Clients c/a	62,829,445.82	59,619,179.66
Other receivables		
Accrued income debtors	4,408,184.02	2,969,390.29
Advances to suppliers	17,912.43	14,274.01
Staff	57,404.81	32,216.58
Other debtors - insurance brokerage business	77,353.35	120,777.80
Other debtors - divestment of tangible fixed assets	489,836.22	427,753.04
Other debtors - taxes paid by clients (a)	1,512,149.38	1,507,430.43
Other debtors	1,241,907.91	1,241,356.24
	7,804,748.12	6,313,198.39
Other financial assets		
Term Deposits	400,000.00	-
	400,000.00	-
Cash	1,670.00	1,670.00
Other bank deposits	9,531,775.74	5,827,152.57
	9,533,445.74	5,828,822.57
	84,444,979.27	75,620,881.85

(a) At 31 December 2024 and 2023 the balance pertains to Special Consumption Taxes receivable from clients and payable to the State, as indicated in Note 21.4.

Financial Assets valued at amortised cost for which impairment was recognised are descried in the table below:

	31-12-2024	31-12-2023
Clients		
Gross amount	65,635,506.40	62,273,683.59
Accumulated impairment	2,806,060.58	(2,654,503.93)
Net book value	62,829,445.82	59,619,179.66
Other debtors - insurance brokerage business		
Gross amount	81,587.15	128,276.11
Accumulated impairment	(4,233.80)	(7,498.31)
Net book value	77,353.35	120,777.80
	62,906,799.17	59,739,957.46

The amount of impairment losses recognised in each of the classes of financial assets is indicated in the following tables:

Year 2024	Initial balance	Increase	Use	Reversal	Final balance
Financial assets valued at amortised cost deducted by impairment					
Clients c/a	2,662,001.76	278,776.66	(98,063.45)	(29,156.56)	2,813,558.41
Other debtors	-	-	-	(3,264.51)	(3,264.51)
	2,662,001.76	278,776.66	(98,063.45)	(32,421.07)	2,810,293.90

Year 2023	Initial balance	Increase	Use	Reversal	Final balance
Financial assets valued at amortised cost deducted by impairment					
Clients c/a	2,680,763.52	195,880.47	(195,857.64)	(26,282.90)	2,654,503.45
Other debtors	273,79	7,224.52	-	-	7,498.31
	2,681,037.31	203,104.99	(195,857.64)	(26,282.90)	2,662,001.76

The effect on results of net impairment losses in 2024 and 2023 was 246,355.59 euros and 176,822.09 euros, respectively.

18.2. FINANCIAL LIABILITIES

Financial liabilities valued at amortised cost are indicated in the table below:

	31-12-2024	31-12-2023
Non-current		
Financing		
Bank loans	18,942,304.68	23,072,964.29
Shareholders (Note 6.3)	19,318,727.04	17,043,727.04
	38,261,031.72	40,116,691.33
Other payables		
Investment suppliers	4,654,113.62	4,492,962.00
Other accrued costs (a)	6,128,031.73	7,138,027.21
	10,782,145.35	11,630,989.21
Current		
Suppliers	30,046,297.74	29,826,018.10
Financing obtained		
Bank loans	5,838,871.26	8,044,978.87
Bank overdrafts (Note 4)	6 244 694,79	2,693,697.56
	12,083,566.05	10,738,676.43
Other payables		
Investment suppliers	1 977 317,75	2,606,208.23
Accrued costs creditors		
Accrual for holiday and holiday allowance	5,489,971.40	5,846,628.34
Bonuses and daily allowances	1,376,842.40	1,282,880.48
Subcontracting accruals	5,412,879.60	4,945,534.97
Other accrued costs - related parties (Note 6.3)	250,905.31	188,100.17
Other accrued costs	5,516,832.90	4,785,278.45
Staff	44,680.29	48,133.60
Other creditors - insurance brokerage business	164,126.26	121,571.96
Other creditors	465,135.29	426,974.97
	20,698,691.20	20,251,311.17
	110,455,970.76	112,563,686.23

(a) At 31 December 2024 and 2023 the non-current component of Other accrued costs refers to the linearisation of the recognition of the costs ensuing from long term operating lease agreements.

The maturity of the non-current component of the financing obtained is as follows:

a) Bank loans:

	2024	2023
Bank loans		
Between 1 and 5 years	13,854,447.59	16,698,848.13
Over 5 years	5,087,857.09	6,374,116.16
	18,942,304.68	23,072,964.29

During the first quarter of 2020 the Group obtained a loan from Novo Banco in the amount of 20,000,000.00 euros, maturing on 21 February 2033, which is subject to compliance with certain financial ratios, which are being complied with at 31 December 2024. The classification of the financing is conducted in accordance with the degree of compliance with these ratios.

During the years ended 31 December 2024 and 2023, Financing obtained and respective maturity breaks down as follows:

Subscriber	Issue date	Maturity	Nominal value 2024		Balance sheet value 2024	
			Non-current	Current	Non-current	Current
Novo Banco	21/02/2020	21/02/2033	13,015,679.62	1,433,668.52	12,439,364.76	2,126,009.19
BPI	06/09/2022	30/09/2032	4,500,000.00	500,000.00	3,384,678.63	629,890.35
CGD	10/03/2023	10/03/2028	2,800,000.00	800,000.00	1,928,068.84	900,781.13
Caixa Bank	28/09/2023	30/09/2028	3,750,000.00	1,250,000.00	1,190,192.45	2,182,190.59
Total			24,065,679.62	3,983,668.52	18,942,304.68	5,838,871.26

Subscriber	Issue date	Maturity	Nominal value 2023		Balance sheet value 2023	
			Non-current	Current	Non-current	Current
BPI	16/07/2019	16/07/2024	-	1,039,629.38	-	1,039,629.38
BPI	17/12/2018	17/12/2024	-	841,981.84	-	841,981.84
Novo Banco	21/02/2020	21/02/2033	14,449,348.14	1,433,668.52	13,747,178.65	2,278,850.13
BPI	06/09/2022	30/09/2032	4,500,000.00	500,000.00	3,864,294.67	648,069.57
CGD	10/03/2023	10/03/2028	2,800,000.00	800,000.00	2,696,066.77	937,241.19
Caixa Bank	28/09/2023	30/09/2028	3,750,000.00	1,250,000.00	2,765,424.20	2,299,206.76
Total			25,499,348.14	5,865,279.74	23,072,964.29	8,044,978.87

b) Shareholders:

	2025	2026	2027	2028	2029	2032	2033	2034	2045	2047	Total
Equity participants	400,000.00	605,000.00	4,961,137.67	950,000.00	1,750,000.00	300,000.00	100,000.00	525,000.00	9,000,000.00	727,589.37	19,318,727.04

At the end of 2024, the value of credit lines obtained was 57,500,000.00 euros (55,000,000.00 euros in 2023), available in the amount of 51,205,669.84 euros (52,318,157.68 euros in 2023).

The lines of credit with movement up to 1 year are automatically renewable in accordance with what was contractually agreed with the credit institutions.

Interest paid by the Group during 2024 and 2023 related to loans and lines of credit obtained and approved from credit institutions is largely tied to the Euribor index, accrued by the market spread.

18.3. NET GAINS AND NET RECOGNISED LOSSES

In the years ended 31 December 2024 and 2023, income, costs, gains and losses related to financial instruments break down as follows:

	2024		2023	
	Income	Costs	Income	Costs
Financial assets at amortised cost:				
Interest (Note 21.11)	150,701.04	-	17,499.67	-
Impairment losses (Note 18.1)	-	278,776.66	-	203,104.99
Reversal of impairment losses (Note 18.1)	32,421.07	-	26,282.90	-
	183,122.11	278,776.66	43,782.57	203,104.99
Financial liabilities at amortised cost:				
Interest paid (Note 21.10)	-	3,535,593.93	-	3,581,178.33
Cash discount obtained (Note 21.7)	1,031,564.18	-	1,049,823.89	-
	1,031,564.18	3,535,593.93	1,049,823.89	3,581,178.33
	1,214,686.29	3,814,370.59	1,093,606.46	3,784,283.32

18.4. EQUITY INSTRUMENTS

The book value of share capital issued by the Group at 31 December 2024 and 2023 breaks down as follows:

	31-12-2024	31-12-2023
Capital		
Nominal value	30,000,000.00	30,000,000.00
	30,000,000.00	30,000,000.00

The number of shares representing share capital are indicated in the table below:

	Value	Quantity
Shares issued		
Ordinary shares at 5 euros each	30,000,000.00	6,000,000
	30,000,000.00	6,000,000

19. STAFF COSTS

Staff costs breaks down as follows in the table:

	2024	2023
Staff remuneration	64,765,426.25	61,527,106.76
Compensation	613,821.04	401,000.84
Charges applied to remuneration	17,540,369.53	16,804,188.43
Work accident and occupational illness insurance	566,602.81	529,773.44
Social action costs	69,623.10	69,091.30
Others	1,486,820.27	825,994.43
	85,042,663.00	80,157,155.20

The average number of workers employed by the Group in 2024 was 2,473 (in 2023 it was 2,453).

20. INFORMATION REQUIRED BY LAW

Of the information legally required by other legislation, namely Articles 66., 324., 397., 447. and 448. of the Commercial Companies Code (CCC), the legal provisions of Decree-Law no. 328/95 of 9 December and the provisions of Decree-Law no. 411/91 of 17 October, it is important to point out that:

I. In compliance with No. 2 of Article 324. of the CCC, the Group hereby informs that it does not possess any own shares and up to now has not undertaken any dealing that involves securities of that nature.

II. In compliance with No. 4 of Article 397 of the CCC, the Group hereby informs that no business dealings were conducted between the Group and members of its governing bodies over the course of 2024;

III. In compliance with No. 1 of Article 21 of Decree-Law no. 411/91 of 17 October, the Group hereby informs that it does not have any overdue contributions owed to any pension fund, and the accounting balances at 31 December 2024 come from withholding tax deductions and contributions for the month of December, payment of which was made in January 2025 within the legally applicable timeframes.

IV. The members of the Board of Directors indicated below hold the following shares in the Company:

José Luís Soares Simões:	300
Jorge Manuel Soares Simões:	300
Leonel Fernando Soares Simões:	300

As legally required, the Board of Directors hereby states that the Group has no outstanding debts to the State and that the situation of the Group in relation to Social Security has been settled within the legally applicable time periods.

21. OTHER INFORMATION

21.1. DEFERRALS

At 31 December 2024 and 2023 the items recognised as Deferrals under Current assets and Current liabilities break down as follows:

	2024	2023
Deferred assets		
Deferred costs - insurance	107,838.60	127,847.62
Deferred costs - external supplies and services	1,823,312.70	1,885,210.63
	1,931,151.30	2,013,058.25
Deferred liabilities		
Other Deferred Income	475,247.03	429,100.53
	475,247.03	429,100.53

21.2. RESERVES, INCOME AND OTHER CHANGES IN EQUITY

Distribution of Income

Changes in reserves and other equity items at 31 December 2024 and 2023 as a result of distribution of income break down as follows:

Year 2024

By decision of the General Meeting of 15 April 2024, Consolidated net income for the period ended 31 December 2023, in the amount of 5,605,633.49 euros, was distributed as follows:

- Other reserves:	2,894.31
- Legal Reserve:	280,136.96
- Dividend Distribution:	2, 080, 347.30
- Unappropriated Earnings:	3,242, 254,92

Year 2023

By decision of the General Meeting of 17 April 2023, Consolidated net income for the period ended 31 December 2022 in the amount of 6,929,950.95 euros was distributed as follows:

- Other reserves:	2,894.30
- Legal Reserve:	346,352.83
- Dividend Distribution:	1,711,848.56
- Unappropriated Earnings:	4,868,855.26

The difference between the amount of approved dividends and the amount of net dividends paid as indicated in the Cash Flow Statement refers to tax withheld at the source.

Legal reserve

The legal reserve is not available for distribution and can only be used to increase capital or cover losses. Under the law, a legal reserve is increased annually by at least 5% of net income up until reaching the minimum of 20% of share capital. This reserve cannot be distributed except in the event of liquidation of the company, but it may be used to cover losses after all other reserves have been used up or it can be incorporated into capital.

At 31 December 2024 and 2023 the legal reserve totalled 1,487,626.62 euros and 1,207,489.66 euros, respectively.

Adjustments/Other changes in equity

In 2024 and 2023 the balance of Adjustments to financial assets breaks down as follows:

Project	Balance at 31.12.2023	Increased subsidies	Recognition under income (Note 21.7)	Realisation of deferred taxes	Balance at 31.12.2024
Guadalajara	3,315,397.56	-	(340,530.62)	85,132.68	3,059,999.62

Project	Balance at 31.12.2022	Increased subsidies	Recognition under income (Note 21.7)	Realisation of deferred taxes	Balance at 31.12.2023
Guadalajara	3,540,021.28	36,897.85	(348,695.43)	87,173.86	3,315,397.56

During the 2023 financial year, the investment subsidy granted by the *Junta de Castilla la Mancha* to the Luís Simões Group Company Logística Integrada, S.A. was received for the Guadalajara project. (Sociedad Unipersonal) - Spain, in the amount of 5,076,970.45 euros

Other reserves

The item Other reserves corresponds to free reserves.

At 31 December 2024 and 2023, Other reserves totalled 4,135,025.78 euros and 4,132,131.47 euros respectively.

21.3. NON-CONTROLLING INTERESTS

In 2024 and 2023 the balance of non-controlling interests breaks down as follows:

	2024	2023
Balance at 1 January	370,884.28	306,843.66
Profit for the period	207,476.71	174,669.00
Dividends issued	(174,669.00)	(110,628.38)
Balance at 31 December	403,691.99	370,884.28

Non-controlling interests at 31 December 2024 and 2023 breaks down as follows:

	2024	2023
Espaçotrans - Gestão Entrepostos Aduaneiros, Lda.	403,691.99	370,884.28
	403,691.99	370,884.28

21.4. STATE AND OTHER PUBLIC ENTITIES

At 31 December 2024 and 2023, State and other public entities breaks down as follows:

	31-12-2024		31-12-2023	
	Assets	Liabilities	Assets	Liabilities
Corporate Income Tax				
Payments on account	2,149.05	(1,086,201.00)	1,509,521.64	(129,387.00)
Estimated tax	131,772.12	2,385,641.08	(947,114.52)	175,960.04
Tax Withheld at the Source	-	(31,318.16)	38,738.78	-
Personal Income Tax	13,148.00	744,510.74	110,461.95	753,339.85
Value Added Tax				
VAT recoverable - Portugal	102,177.12	-	443,968.21	-
VAT recoverable - Spain	450,337.07	-	529,432.12	-
VAT recoverable - other countries	-	-	-	-
VAT requested refunds - Spain	121,430.19	-	-	-
VAT requested refunds - other countries	-	-	-	-
VAT payable - Portugal	-	1,011,336.43	-	1,207,972.83
Social Security Contributions	-	1,762,380.02	-	1,723,391.71
Special Consumption Tax	-	2,287,692.94	-	2,263,092.86
Refund professional diesel Portugal	58,083.26	-	137,887.24	-
Refund professional diesel Spain	37,167.63	-	38,360.55	-
Other taxes	-	7,843.75	-	15,325.07
	916,264.44	7,081,885.80	1,861,255.97	6,009,695.36

21.5. OWN WORKS

This item breaks down as follows in the table below:

	2024	2023
Own works		
Tangible fixed assets	40,978.78	47,489.90
Intangible assets	753,621.43	212,814.64
	794,600.21	260,304.54

The amounts recorded under this item pertain to the repair of Group-acquired used vehicles undertaken at own repair shops upon their acquisition and their preparation for use, as well as pertaining to developments in the GOLD project. In accordance with Note 7, during the year ending 31 December 2023, the Company began a project to implement two new software packages to support warehouse and distribution management. This project was called the GOLD project (abbreviation for Optimised Logistics and Distribution Management, in Portuguese) and aims to provide the Group with modernised management tools with a view to simplifying processes, improving efficiency and creating value in the supply chain.

21.6. EXTERNAL SUPPLIES AND SERVICES

External supplies and services in the years ended 31 December 2024 and 2023 breaks down as follows:

	2023	2022
Subcontracts	121,397,340.49	112,836,401.41
Rents and Leases	25,033,504.92	25,472,815.44
Fuel	7,871,448.52	7,003,089.25
Conservation and Repair	7,594,123.20	5,338,593.22
Specialised works	4,592,233.38	3,788,994.08
Warehouse consumables	3,718,245.60	3,299,514.83
Cleaning, hygiene and comfort	2,546,504.79	2,494,077.08
Insurance	1,616,509.48	1,516,596.65
Electricity	1,499,484.09	1,341,165.15
Surveillance and Security	1,334,351.63	1,378,390.24
Road tolls	996,999.62	1,027,045.25
Commissions	871,235.88	728,623.71
Communication	457,381.54	455,793.71
Travel and Accommodation	391,218.79	320,375.39
Advertising	117,613.43	104,065.54
Others	2,623,711.81	2,338,055.68
	182,661,907.17	169,443,596.63

Expenses recognised as environmental costs are included under Cleaning, hygiene and comfort and totalled 599,116.64 euros in 2024 (574,390.74 euros in 2023).

21.7. OTHER INCOME

Other income in the years ended 31 December 2024 and 2023 breaks down as follows:

	2024	2023
Additional income:		
Recycled waste	92,736.01	54,642.83
Vehicle conservation and repair	499,434.29	338,019.90
Sale of fuel	172,313.29	204,826.85
Ceding of staff	51,892.65	11,259.34
Security and surveillance services	22,210.60	24,381.92
Ceding of equipment	186,350.41	187,515.28
Ceding of operations	56,937.44	50,314.97
Insurance	11,234.16	-
Documentation Service	190.00	
Other additional income	466,230.79	321,936.19
Gains from tangible fixed assets	1,397,323.83	2,363,936.97
Cash discounts obtained (Note 18.3)	1,031,564.18	1,049,823.89
Investment subsidies (Note 21.2)	340,530.58	348,695.42
Fee for initiating tyres contract	185,973.58	211,021.16
Surplus	135,553.87	139,618.36
Compensation from insurance claims	155,894.80	280,809.58
Gains from other financial instruments	615.81	4,034.36
Rental income investment properties (Note 10)	24,792.39	31,924.03
Other interest obtained	2,402.65	315.25
Recovery of receivables	-	988.68
Tax refund (Note 13.3)	-	99,173.91
Favourable exchange rate differences	25.27	
Others	2,610,897.70	193,429.44
	7,445,104.30	5,916,668.33

The item Other includes extrajudicial compensation in the amount of 2,490,022.48 euros relating to the Truck Cartel.

21.8. OTHER COSTS

Other costs in the years ended 31 December 2024 and 2023 break down as follows:

	2024	2023
Insurance claims	1,025,687.25	714,137.70
Taxes and Fees	853,168.32	793,522.19
Donations	203,234.06	107,550.30
Fines	124,632.85	96,276.19
Inventory losses	81,270.73	117,368.15
Losses from tangible fixed assets	41,049.39	-
Contributions	26,993.39	6,855.81
Underestimated tax	6,094.62	-
Cash discounts granted	2,040.30	13,069.48
Others	37,272.29	33,447.53
	2,401,443.20	1,882,227.35

21.9. DEPRECIATION/AMORTISATION

Costs/reversals of depreciation and amortisation break down as follows for the years ended 31 December 2024 and 2023:

	2024	2023
Intangible assets (Note 7)	653,911.97	818,859.14
Tangible fixed assets (Note 8)	11,542,097.93	11,803,187.68
Investment properties (Note 10) (a)	8,060.18	(199,544.16)
	12,204,070.08	12,422,502.66

(a) The amount includes the effect of the reversal made during the 2023 financial year as a result of the valuation of investment properties that the Group carried out, having accordingly updated the accumulated impairment losses recorded.

21.10. INTEREST AND SIMILAR COSTS PAID

Interest and similar costs paid in the years ended 31 December 2024 and 2023 break down as follows:

	2024	2023
Interest paid		
From financing obtained	1,394,316.08	1,387,010.32
From financing obtained – Other related entities (Note 6.3)	1,120,326.10	1,026,154.06
From bank overdrafts	248,870.77	293,070.28
From confirming	771,038.11	874,274.09
Others	1,042.87	100.99
	3,535,593.93	3,581,178.33

21.11. INTEREST AND SIMILAR INCOME OBTAINED

Interest and similar income obtained in the years ended 31 December 2024 and 2023 is broken down as follows:

	2024	2023
Interest obtained		
From deposits	150,701.04	17,499.67
	150,701.04	17,499.67

21.12. GUARANTEES PLEDGED AND FUTURE OBLIGATIONS

The responsibility for guarantees pledged by the companies included in the consolidation totals 4,079,594.56 euros (6,008,746.76 euros in 2023) and essentially refers to bank guarantees.

In addition, the Group presents promissory notes issued to third parties as guarantees for debt payment, which at 31 December 2024 totalled 30,826,207.45 euros (33,542,566.03 euros at 31 December 2023).

Some financing obtained is subject to compliance with certain covenants and is classified as current or non-current, depending on their compliance. At 31 December 2024 all covenants were being complied with.

At 31 December 2024 and 2023, the Group was party to a contract for the operating lease of 130 semi-trailers, which provides for a right of first refusal for the Group to purchase said equipment at the end of the contract, between 2025 and 2026, at a total purchase price of approximately 1,300,000 euros. The exercising of this right of first refusal will be a decision to be taken by the Board of Directors on the aforementioned dates.

21.13. EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2024 and 2023 breaks down as follows:

	2024	2023
Income/loss:		
Net income for the period allocated to shareholders of the parent company	10,412,752.51	5,605,633.49
Number of shares		
Weighted average number of shares (Note 18.4)	6,000,000.00	6,000,000.00
Basic earnings per share	1.74	1.15

The Chartered Accountant:	**Signature**
Vítor José Caetano de Sousa	
Management:	
José Luís Soares Simões - Chairperson	
Leonel Fernando Soares Simões - Voting Member	
Jorge Manuel Soares Simões - Voting Member	
Fernanda Maria Oliveira Simões - Voting Member	
Daniela Alexandra Lopes Simões - Voting Member	
Rui Miguel Marcos Simões - Voting Member	
Miguel Roquette Rocha Martins - Voting Member	

Luis Simões

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